

Smart Finance Committee

17 March 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [6]

Department: Assurance, Finance & Risk

Title | Taitara: QLDC Debtors Update

Purpose of the Report | Te Take mō te Pūroko

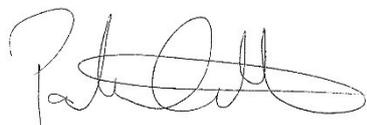
The purpose of this report for the inaugural Smart Finance Committee is to provide an overview of Queenstown Lakes District Council's (QLDC) debtor management process.

Recommendation | Kā Tūtohuka

That the Smart Finance Committee:

1. **Note** the contents of this report.

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26 February 2026

Reviewed and Authorised by:



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Title: General Manager Assurance Finance
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26 February 2026

Context | Horopaki

1. QLDC has a total revenue of \$343M (Annual Report, 2025) and as such it needs comprehensive debtor management processes to ensure debt collection is managed carefully and planned.
2. The 2025 total revenue was split as per the following:
 - a. Rates revenue of \$148M
 - b. Other revenue of \$176M.
3. January's 2026 aged debtors analysis (within Smart Finance Committee Report January YTD Financial Performance update) has the following analysis:
 - a. Total Trade & Other Receivables 90 days overdue debt at \$6.6M (of \$20.2M total arrears, 33%)
 - b. Total Development Contributions 90 days overdue debt at \$4.6M (of \$6.4M total arrears, 72%)
 - c. Previous Financial Years Rates Receivables of \$1.6M (of \$9.5M total arrears, 17%).
4. Of the \$6.6M Total Trade and Other Receivables - \$2.9M relates to vehicle infringements (including rental vehicles) and there are 124 Development Contributions invoices overdue by 90 days.
5. There are 355 properties with rates arrears. This is a reduction of 145 properties from December 2025 and a further reduction by 191 properties as at January 2026.
6. Council's objective is to minimise overdue debt while maintaining a fair, transparent, and customer-focused approach.
7. QLDC has one 1.0 FTE Credit Control position that was established in March 2025. The Credit Controller has the following functions, with an initial focus on Rates, Resource Consents, Trade Waste, Transfer Station and Sundry Debtors:
 - a. Debtor process review and improvement;
 - b. Engaging with teams to proactively minimise debt;
 - c. Set up and manage overdue reminders and follow-up;
 - d. Manage payment plan agreements;
 - e. Referral of debts to Debt Collection Agency;
 - f. Documenting processes.

8. Education with teams around the organisation on accurate invoicing, follow-up and collection processes is a large part of the Credit Controller's role.
9. In addition to the Credit Controller, QLDC has an agreement with an external debt collection service where Council cannot collect. Where debts are older than 90 days, and either no payment plan is requested or the debtor does not engage, the matter will be referred to this external service provider. QLDC currently has 34 open cases referred.
10. Given the increasing use of the external debt collection service, a procurement will go to the market with a new awarded contract in 2026.
11. Legislation or terms and conditions of each debtor invoice determines the exact collection processes followed. Generally, QLDC's debt collection process are:
 - a. Prompt invoice generation and distribution;
 - b. Monthly account statements;
 - c. Reminder letters and emails; and
 - d. Phone calls where possible.
12. Some debtor types such as rates, parking and animal invoices have specific legislated collection processes, such as collection through the courts, penalty regimes and bank demands.
13. Debtors have many ways to pay their invoices including:
 - a. Online Payments – Credit, Debit Card payments and Internet Banking (10,000/month average);
 - b. Direct Debit – for rates only – offering weekly, fortnightly, monthly and quarterly options (13,664 current arrangements);
 - c. In-person Payments – cash, eftpos and credit card at the service centres.
14. Providing multiple and customer friendly payment options is always a focus. In 2025 new weekly and fortnightly direct debit frequencies were added to assist ratepayer cashflow. In 2026 we are planning a paperless direct debit project.
15. When debtors cannot pay on time, payment arrangements are always available provided the debtor engages with the Finance team. Payment arrangements are customised considering the debt type, age, value and the debtors' ability to pay.
16. Preferably payment arrangements see the debt paid within 6 months. There are currently 51 payment arrangements in place.

17. To provide rates assistance to various groups in the community, Council is required to have Rates Remission and Postponement Policies (Local Government Act 2002 Sections 102, 109 and 110). The cost of these remissions is borne by the rest of the ratepayer base.
18. The Rates Remission and Postponement Policy will be reviewed within the 2027-2027 Long Term Plan process as required by the Local Government Act 2002 (Sections 109). The current policies are:

Remission Policies

- a. Community, Sporting and Other Organisations;
- b. Land Protected for Natural, Historic or Cultural Conservation Purposes;
- c. Land Affected By Natural Calamity;
- d. Uniform Annual Charges and Targeted Rates on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity;
- e. Rate Penalties;
- f. Sundry Remissions;
- g. Remission and Postponement on Māori Freehold Land;
- h. Remission of Postponed Rates;
- i. Remission of Rates on Land that has made Lump Sum Contributions;
- j. Rating of Separately Used or Inhabited Parts of a Rating Unit.

Postponement Policies

- a. Residential Land Subject to Zone Changes;
 - b. Postponement Extreme Financial Hardship;
 - c. Postponement for Farmland;
 - d. Postponement for Elderly.
19. Work is also underway in relation to the proposed Ratepayer Assistance Scheme (RAS) which will provide financial support options for ratepayers, including low-interest loans for property improvements, low-interest loans for development contributions and rates postponement for low-income households.

20. QLDC's debtor management process has been subject to Internal Audit review, which has come back with the following findings:

- a. Highly manual environment due to systems limitations and the lack of integrations because of the number of invoicing systems across Council; and
- b. Documentation of debt collection processes is required.

21. Debt reporting is unclear and inconsistent across systems which limits visibility.

22. QLDC Teams are working on these internal audits review findings.

Analysis and Advice | Tatāritaka me kā Tohutohu

23. This paper is an initial overview of QLDC's debtor management processes and is for noting only.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

24. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because:

- a. the report provides an update and does not seek decisions that materially change levels of service;
- b. the items relate to the internal financial management of existing balances, reserves, or debtors processes; and
- c. no strategic assets, community facilities, or service levels are affected.

25. The persons who are affected by or interested in this matter are residents and ratepayers of the Queenstown Lakes District, as financial management and reserve allocations contribute to long term financial sustainability;

- a. Elected Members, given their governance role in overseeing Council's balance sheet and debtor management practices;
- b. Internal business units whose activities relate to revenue, debtors, or reserve movements (e.g., Finance, Assurance, Treasury, and relevant operational teams).

26. No stakeholders are directly impacted in a way they would require targeted engagement.

Māori Consultation | Iwi Rūnaka

27. The Council has not specifically consulted iwi on the matters contained in this report.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

28. This matter relates to the Financial risk category. It is associated with RISK10014 Ineffective Financial Strategy within the QLDC Risk Register. This risk has been assessed as having a moderate residual risk rating.

Financial Implications | Kā Riteka ā-Pūtea

29. There is no operational and capital expenditure requirements or other budget or cost implications resulting from receiving this report.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

30. The following Council policies, strategies and bylaws were considered:

- Long Term Plan 2024/34 – Financial Strategy
- Rates Remission and Penalties Policy
- Revenue and Finance Policy

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

31. Reference is made in this report to the provisions of the Local Government (Rating) Act 2002 and Local Government Act 2002.