
Retail water bad debt write-off

Responsible Officer: Group Manager Corporate and Commercial (Guy Bezrouchko)

Recommendation

That Council, in accordance with its Debt Management and Financial Hardship policy:

1. Approve the write-off of one (1) Water Filling customer due to bankruptcy.
2. Approve the write-off of three (3) Retail Water Billing customers due to cyble unit issues not accurately recording water usage.

Background

Council's Debt Management and Financial Hardship policy requires Council resolution for approval to write-off bad debts above \$1,000 (ex-GST). Debts approved for write-off by Council staff are done so under delegation and in accordance with sections 131 or 213 of the *Local Government (General) Regulation 2021*.

Water filling customer

Council received a notification of bankruptcy from the Australian Financial Security Authority in May 2022 on behalf of a water filling customer. Council has been advised that we will not be able to recover the debt due to the bankruptcy status and no further action is possible. The total water filling customer debt to be written-off is \$2,650.03.

Retail water billing customers – cyble unit issues

Three retail water billing account customers have been identified to have had issues with the cyble units attached to their water meters failing to correctly transmit usage data. The issue was discovered when the meters were replaced, and the final read indicated water consumption exceeding 200% compared to the previous quarter. It is proposed that the customers debt be reduced based on historical water use prior to the cyble unit issue.

Rous staff contacted the manufacturer of the cyble units, Itron Australasia Pty Ltd, who have acknowledged cyble unit failure for devices that date from 2019 to 2021. They are addressing this issue with a firmware upgrade patch to be physically applied to the affected cyble units.

Total Water Billing Customers debt to be reduced, via write-off, due to cyble unit issues is \$7,429.82.

Cyble Unit Data	Options	Recommendation
10512/99 RW110012	Full Charge = \$3,634.66 50% Credit = \$1,817.16 Av Daily use = \$611.87 ($\$3,634.66 - \$611.87 = \text{Credit of } \$3,022.79$)	Credit of \$3,022.79 (based on average daily use of previous 5 quarters prior to cyble issue)
10339/99 RW1701585	Full Charge = \$4,065.98 50% Credit = \$2,032.99 Av Daily use = \$1,932.84 ($\$4,065.95 - \$1,932.84 = \text{Credit of } \$2,133.14$)	Credit of \$2,133.14 (based on average daily use of previous 6 quarters prior to cyble issue)
12258/99 RW1300513	Full Charge = \$2,445.90 50% Credit = \$1,222.95	Credit of \$2,273.89 (based on average

Cyble Unit Data	Options	Recommendation
	Av Daily use = \$172.01 (\$2,445.90-\$172.01 = Credit of \$2,773.89)	daily use of life of meter as appears to have had cyble issue from the start)

Finance

Rous does not encounter many instances where debt write-off is required through active debtor management or through water meter malfunction. This write-off is immaterial to Council's long term financial plan.

Conclusion

It is recommended that Council approve the write-off of \$2,605.03 (Water filling customer) and \$7,492.82 (Retail water billing customers).

TOTAL Write-off = \$10,097.85