
Retail Water Bad Debt Write-off

Responsible Officer: Group Manager Corporate and Commercial (Geoff Ward)

Recommendation

That Council, in accordance with its 'Debt Management and Financial Hardship' policy, approve the write-off of one (1) retail water billing customer's account (10451-10000-1) of \$ 5,759.01 for Mr MJ Hammer. The recommendation is made due to the difficulty and costs of recovering the full amount.

Background

As per Council resolution [50/22], Council resolved on 17 August 2022 to fix the amount above which debts may be written off only by resolution of Council at \$5,000 (inc. GST). Debts approved for write-off by Council staff are done under delegation and in accordance with sections 131 or 213 of the *Local Government (General) Regulation 2021*.

The below debt write-off request is over \$5,000 and therefore requires Council approval to proceed.

Retail water billing customer debt write-off

A number of factors have contributed to this request for a retail water billing customer debt write-off.

- This customer has a long history of disputes over multiple issues for the last decade with Council. Multiple attempts were made to resolve the issues but with no success. Debt recovery procedures were commenced in September 2022 as the last resort. With the customer currently residing overseas, our debt collection agency advised that it would be costly and unlikely they would be able to serve the required court documents to the customer which means the balance owing is unlikely to be recovered.
- Upon receiving the correspondence from the debt collection agency, the customer offered a payment of \$2,000 to clear the account (account balance \$10,759.01 in September 2022). The debt collection agency recommended Council to counteroffer \$5,000 due to his residence outside of Australia. The Group Manager Corporate and Commercial approved the counteroffer option and the customer accepted the counteroffer.
- This customer has since paid \$2,500 and agreed to pay the balance of \$2,500 by 31 December 2023. They have also set up a payment plan to pay charges that have occurred since the debt recovery procedure began in September 2022 totalling \$1,428.62. They have adhered to the payment schedule to date. They have also agreed to pay any new accounts in full by the due date as part of the condition of the payment arrangement.
- We recommend \$5,759.01 of the original balance be written off due to the difficulty and costs of recovering the full amount.

Legal

The proposal has been assessed against the write-off criteria under clause 131 of the *Local Government (General) Regulation 2021* and it satisfies the requirements of that provision. Under section 131 (4)(d) General Manager believes on reasonable grounds it is not cost effective to seek recovery.

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 \$ 5,759.01 (Retail water billing customer).