

# Attachment C: March 2024 Debtors Analysis

## Debtors Analysis

As at 31 March 2024	Council			Variance \$'000
	Mar-24 \$'000	Mar-23 \$'000		
<b>From non-exchange transactions</b>				
Trade receivables	7,246	9,127	(1,881)	*1
Infringement receivables	2,790	2,275	515	*2
Rates receivables	9,126	7,427	1,700	*3
New Zealand Transport Agency	3,290	1,480	1,811	*4
Other	443	(94)	537	*5
Allowance for doubtful debts	(2,131)	(1,928)	(203)	*6
	<u>20,766</u>	<u>18,286</u>	<u>2,479</u>	
<b>From exchange transactions</b>				
Trade receivables	7,670	10,607	(2,937)	*7
Other	5,266	4,416	850	*8
Allowance for doubtful debts	(1,273)	(1,417)	144	
	<u>11,663</u>	<u>13,604</u>	<u>(1,941)</u>	
	<u>32,429</u>	<u>31,892</u>	<u>537</u>	
<b>Age analysis</b>				
<b>Trade and other receivables (excluding rates/DC's)</b>				
	<b>Mar-24</b>	<b>Mar-23</b>	<b>Variance</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
Current (0-30 days)	14,215	14,061	154	
31-60 days *	730	(413)	1,142	
61-90 days *	340	4,581	(4,241)	
90 days + *	5,906	5,705	200	*9
	<u>21,191</u>	<u>23,935</u>	<u>(2,744)</u>	
<b>Development Contributions</b>				
	<b>Mar-24</b>	<b>Mar-23</b>	<b>Variance</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
Current (0-30 days)	3,681	1,012	2,669	
31-60 days *	49	216	(167)	
61-90 days *	66	950	(884)	
90 days + *	1,719	1,697	22	*10
	<u>5,515</u>	<u>3,875</u>	<u>1,640</u>	
<b>Rates receivables</b>				
	<b>Mar-24</b>	<b>Mar-23</b>	<b>Variance</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
Current year rates (overdue) *	7,006	5,769	1,236	*3
Previous years rates *	2,121	1,658	463	*3
	<u>9,126</u>	<u>7,427</u>	<u>1,700</u>	
Allowance for doubtful debts	(3,404)	(3,345)	(58)	*6
<b>Total receivables</b>	<u>32,429</u>	<u>31,892</u>	<u>537</u>	

\* Amounts are considered past due.

## Commentary

### Non-Exchange

- \*1 \$1.9M decrease in trade receivables is made up of a \$3.6M decrease in the Crown Infrastructure Partner revenue accruals balance as only the March 2024 invoicing is outstanding, compared to March 2023 where the January to March 2023 claims had yet to be invoiced. This is offset by \$1.6M increase in the development contributions debtors balance owing for the current months invoicing (there were two large DCN invoices raised in March totaling \$2.7M).
- \*2 A total of \$2.7M of the March 2024 balance is for parking infringements. Of this amount \$2.2M is aged 90 days plus which largely represents the \$2.1M allowance for doubtful debts from non-exchange transactions. Infringements aged greater than 56 days are passed onto the Courts for collection on behalf of QLDC.
- \*3 There has been a \$1.7M increase in overdue rates compared to March 2023, which is made up of a \$1.2M increase in current years rates overdue (instalment 1, 2 and 3 of FY24 rates) and a \$0.5M increase in rates arrears.  
There are a total of 644 properties (\$2.1M) in arrears for previous years rates as at 31 March 2024, compared to 526 properties (\$1.7M) as at 31 March 2023. Bank mortgage calls have been made on 594 properties for arrears debt with payments due in April and May 2024. Payment plans continue to be agreed with 61 active plans in place for arrears debt.

Of the 644 properties in arrears 44% are rated as residential, 18% vacant sections, 10% accommodation, and 9% country dwelling.

- \*4 Both the March 2024 and March 2023 balances represents an accrual for one month. This years accrual is larger compared to last year due to higher amounts of both capex and opex work as QLDC is in the final year of the 3 year NZTA budgets. A significant work programme for construction is underway across a variety of active travel and minor improvement programme sites. QLDC has the Arthurs Point to CBD 100% funded project which had a claim of \$1.1M in March 2024 alone.
- \*5 The movement in other debtors relates to an increase in the petrol tax accrual \$0.4M compared to \$0.1M March 2023. The March 2024 accrual is for CODC's share from July 2023 to March 2024, compared to the March 2023 accrual which was only for January 2023 to March 2023 as QLDC had already received the first two quarters payments.
- \*6 There is a net \$0.2M increase in the provision for doubtful debts for debt >90 days overdue. The provision for infringements has increased by \$0.2M and the Sundry Provision has reduced by \$0.1M.

### Exchange

- \*7 The \$2.9M reduction in trade receivables relates to a \$3.0m decrease in the Crown Infrastructure Partners invoice raised, which for March 2023 was \$3.6M outstanding and within the 60-90 days overdue bracket, compared to March 2024 with only \$0.5M outstanding and current.
- \*8 The increase in other non-exchange debtors relates to a higher March 2024 year to date turnover rents accrual for two key debtors, as well as an additional accrual for other turnover rents received which were not previously accrued for. The prior year accrual was much lower as the impact of Covid-19 on tourism was still being accounted for. This is offset by a decrease in the net GST position compared to March 2023.

### Age analysis

- \*9 The greater than 90days overdue balance of \$5.9M is mostly made up vehicle infringements \$2.1M and consenting debtors \$2.1M. The 10 largest consenting debtors alone total \$0.7M or 35% of the balance.
- \*10 There are 5 outstanding development contributions that make up \$0.8M of the \$1.7M total overdue balance or 48%.