

## 6.5 REVENUE RECOVERY REPORT AS AT 30 SEPTEMBER 2023.

**File Number:** A4431314

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### TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide quarterly reporting to the Far North District Council Assurance, Risk, and Finance Committee.

### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This is the first report for the financial year 2023-24 and provides information on actions to be taken to collect the arrears balances for rates, water and sundry debt this year, and to provide information on how collection is tracking against targets.

### TŪTOHUNGA / RECOMMENDATION

**That the Te Miromiro - Assurance, Risk and Finance Committee receive the report Revenue Recovery Report as at 30 September 2023..**

### TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline the arrears balances for rates, water, and Sundry debt as of 30 September 2023 and the actions taken by the Revenue Recovery team for the collection of the General Title rates and water, and sundry debt.

This information is part of the standing items reported to the Committee on a regular basis.

### MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The data provided is for General Title and Māori Freehold Land rates and water accounts with sundry debtors shown in a separate table. Since the 1<sup>st</sup> of July 2023, the General Title rates total arrears balance has increased 42% and the water rates has increased by 7%. (See footnote A.1 in attachments)

#### BACKGROUND

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#### DISCUSSION AND NEXT STEPS

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#### General Title rates and water debt

Key actions since the last report:

- The Revenue recovery team proactively started calling ratepayers after Rating instalment 1 2023-2024. This was to collect data for how the increases are affecting our communities. (See footnote A.2 in attachments)

- Statutory demand proceedings are still in progress against the properties owned by organisations with Law North.
- Law North have submitted applications with the Courts for financial assessments for properties where judgment was received but no payments been made.
- Currently, one revenue recovery officer is filling a vital position void within the larger Transaction Services team. It is now being recruited for that position.

Next actions:

- Complete reporting for all properties with mortgages and commence pre-mortgage demand calling.
- Prepare and issue mortgage demand to the 5 major banks after the 1<sup>st</sup> of November 2023 once pre-mortgage demand has been completed.
- Recruitment of the vacancy within Transaction Services.

For the total number of General Title rates accounts marked as 'Debt recovery action to commence':

- These are properties where there is no mortgage, and we do not have a payment arrangement or direct debit set up on the account.
- 33% of properties only have last year's rates in arrears and 19% have 2 years of arrears. Revenue Recovery will be contacting these owners by phone, email, or letter. Any water arrears will be picked up at the same time.
- 47% of these accounts have arrears of 3 or more rating years. Debt management will start the final demand process for these which can result in referral to Council's legal services team or external to commence legal proceedings.

### **Māori Freehold Land rates and water debt**

The rates debt has decreased by 1.5% since the start of the year of which 9% was for Māori Freehold land remissions (See footnote A.3 in attachments). The water rates were reduced by 15% since the start of the year. (See footnote A.4 in attachments)

### **Sundry debtors debt**

The total sundry debtors aged debt balance has increased since the start of the year. There have been several significant, diverse sundry invoices raised that have had an impact on reporting.

Since the prior report, the building debt has dropped while the debt for resource consents has climbed. To lessen this, the revenue recovery team is still collaborating with both teams.

Due to a rise in 90-to-90-day+ debt, Revenue Recovery will devote resources to debt reduction.

(See footnote A.5 in attachments)

### **PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION**

Provision is made annually for doubtful debts in relation to the arrears owed to council. A higher provision for Māori Freehold land rates and water is made in comparison to General Title rates and water due to the difference in collection options available to Council.

### **ĀPITIHINGA / ATTACHMENTS**

#### **1. Te Miromiro Revenue recovery Report attachment 30 September 2023 - A4431279**