

MITCHELL SHIRE COUNCIL.

Quarterly Finance Report

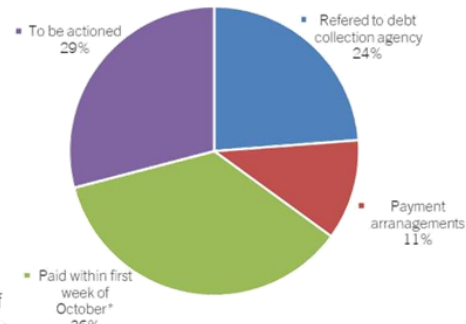


4. Rates and Other Debtors

As at 30 September 2017, Council's outstanding rates debtors were \$7.52M (including Fire Services Levy collected on behalf of the State Government).

	Amount \$'000
Referred to debt collection agency	1,790
Payment arrangements	846
Paid within first week of October*	2,700
To be actioned	2,188
Total Outstanding Rates Debtors	7,524

* Payments processed in first week of October 2017 include \$611K of direct debit payments process on Monday 2 October. This is due to the 1st instalment date of 30 September falling over the weekend.



Reducing outstanding rates debtors has been a continued focus, with a view to drive down the outstanding balances to more acceptable levels.

Council's debtors outstanding are summarised below:

Debtor	September 2016 \$'000	September 2017 \$'000	Current \$'000	> 30 Days \$'000
Rates (including FSL debtors) ¹	34,971	36,537	29,013	7,524
Sundry	2,142	1,331	514	817
<i>Other Debtors</i> ²				
-Special Charge Schemes	2	-	-	-
-GST	561	379	379	-
-Pension Remission	580	538	538	-
-Accrued Interest	-	60	60	-
Less: provision for doubtful debts	(213)	(238)	-	(238)
TOTAL	38,043	38,607	30,504	8,103

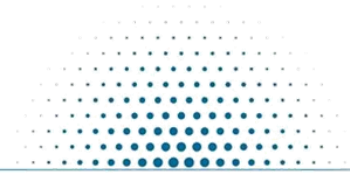
¹ Any payments made on rates and charges are applied to prior year outstanding balances first.

² Council's other debtors are not aged but monitored regularly to ensure payments are received in a timely manner and have been treated as current.

Sundry Debtor outstanding debts are managed in line with Council's debt recovery policy.

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Debts greater than 30 days include the following:

Debtor Details	Note	September 2016 \$'000	September 2017 \$'000
Planning	1	233	325
Enforcement (Infringements, Local Laws Permits)	2	126	93
Vietnam Veterans Walk Stage 3 grant	3	165	82
Waste	4	55	67
Preschool Fees	5	86	78
Fire Hazards	6	31	34
Building	7	19	21
Leisure User Groups		14	6
CFA/DELWP - Mt Hickey fires	8	22	22
Sport and Recreation Vic - Acquittal Payments	9	-	20
Broadford Sports Pavillion Contribution		30	-
Kings Park User Group Contributions	10	-	12
Visy/Cleanaway Waste Education Contributions	11	-	22
Wallan Early Learning Centre Stage 1		1,000	-
Rates Pension Concession Reimbursement		-	-
School Crossing Supervisor Payment		11	-
Other		97	35
Total		1,889	817

Note 1 – Of the \$325K outstanding for Planning Debtors:

- \$180K relates to Engineering fees which become payable upon statement of compliance;
- \$57K is being reviewed and followed up by the Planning Department; and
- \$30K relates to Developer fees which are to be written off \$58K relates to a contribution being followed up by Planning.

Note 2 – Enforcement debtors follow court processes that exceed general debt collection timeframes. They are still reported above as being payable within 30 days, however statutory processes can take up to 12 to 18 months.

Note 3 – The initial invoice of \$165K was reversed, subsequent invoices totalling \$118K have now been raised and are likely to be paid by the end of October.

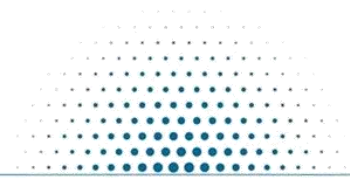
Note 4 – Larger companies using our waste service have been contacted regarding payments terms and streamlining payment of invoices. However, \$58K of the \$67K outstanding has been paid as at 13th October.

Note 5 – A number of improvements to debt collection have been implemented to reduce outstanding Preschool related debt levels. Of the outstanding debt:

- \$30K is relating to the 2017 school year and is now being collected via reminders, SMS reminders and Final Notices accordingly.
- \$28K is at the debt collectors relating to previous school years.
- \$7K is on payment arrangement via direct debit.
- \$7K has been paid in the first 2 weeks of October.
- \$6K is on voluntary payment arrangement.

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Note 6 – The process for Fire Hazard debtors is currently being reviewed to establish a clear recovery process moving forward and to assess any outstanding debts.

Note 7 – Building debtors are now being managed through the process of issuing reminder letters and referral to debt collection agencies.

Note 8 – At this stage recovery of the \$22K outstanding debt for CFA Mt Hickey Fires is doubtful.

Note 9 – Grant acquittals for Harley Hammond and Broadford Sports Pavilion have been completed and are awaiting acceptance and payment from the Sports and Recreation Victoria.

Note 10 – Invoices to Seymour Football Netball Club (\$10K) and St Mary's (\$2K) have been followed up by the Recreation and Open Space Team and are likely to be paid by the end of October.

Note 11 – The outstanding amount of \$22K represents \$11K owing by Visy and \$11K owing by Cleanaway for waste education contributions. The Visy amount is considered doubtful, and the Cleanaway debt will be discussed during a scheduled meeting with Cleanaway's new contract manager.

5. Councillor Expenses

Councillor Expenses for the 3 months ended 30 September 2017:

Councillor	Councillor Allowance	Councillor Super	Mobile and Data	Councillor Education	Travel and Accom	Total
Cr Atkinson	8,243	783	224	18	-	9,268
Cr Chisholm	8,243	783	169	146	1,427	10,768
Cr Cornish	8,243	783	134	-	-	9,160
Cr Eldridge	8,243	783	134	-	-	9,160
Cr Goble	8,243	783	60	-	-	9,086
Cr Humm	8,243	783	214	18	-	9,258
Cr Lowe	8,243	783	60	-	992	10,078
Cr Sanderson	25,507	2,423	224	1,282	233	29,669
Cr Stevens	8,243	783	256	-	-	9,282
Total	91,451	8,687	1,475	1,464	2,652	105,729

Councillor Allowances and Superannuation

The Victorian Government sets upper and lower limits for all allowances paid to Councilors and Mayors. Mitchell Shire Council is classified as a category two Council and allowances are paid in accordance with section 74 of the Local Government Act 1989.

Mobile and Data

The provision of telecommunications services, including iPhone and laptop / tablet, are paid for by Council. Any expenses associated above the monthly call and data service is covered by the Councillor.

Councillor Education

This category covers registration fees associated with attendance by Councillors within Victoria at one-off or short-term training, conferences and/or functions held by local government related organisations, professional bodies or institutions.

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Travel and Accommodation

This category covers expenses associated with attendance by Councillors within Victoria at approved short-term training, conferences and/or functions. Council's Councillor Expense and Support Policy provides for the reimbursement of car parking fees, e-tags and use of private vehicle while conducting Council business.

6. Conclusion

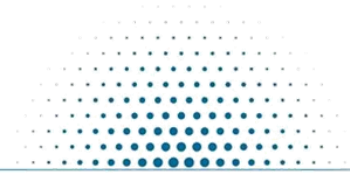
Council's most significant financial challenges are moving to a consistent adjusted underlying operational surplus and enabling increased capital works into the future, to fund renewal of existing assets and provide new assets/services for our growing community. Council's 2017/18 Budget and 2018-2021 SRP continue to show steady progress towards improved long term Financial Sustainability.

The adopted budget showed an adjusted underlying deficit of \$4.54M. The current forecast indicates a \$350K improvement on the adopted budget. Staff are continually seeking improvements and efficiencies wherever possible.

Preparation of the 2018/19 budget is now underway with Council's goals and strategies being review.

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Appendix 1 – Operating Grants Listing

<i>Operating Grants</i>	<i>Adopted Budget \$'000</i>	<i>Q1 Forecast \$'000</i>
Recurrent Grants		
Commonwealth Government		
Financial Assistance Grant	3,358	3,521
Regional and Local Community Infrastructure	47	47
Department of Health	43	43
Australian Childhood Immunisation Register	6	6
State Government		
Department of Education and Training	2,346	2,544
Department of Environment Land Water and Planning	358	360
Vic Roads	183	156
Department of Health and Human Services	86	95
State Revenue Office	-	88
Municipal Association of Victoria	18	16
Telstra	11	11
Department of Human Services	5	5
Total Recurrent Grants	6,460	6,892
Non-recurrent Grants		
State Government		
Department of Treasury and Finance	-	240
Emergency Management Victoria	-	137
Department of Education and Training	-	113
Department of Health and Human Services	73	93
Goulburn Brocken Greenhouse Alliance	-	66
Department of Environment Land Water and Planning	-	62
Victorian Planning Authority	-	50
State Revenue Office	-	46
Department of Transport Planning and Local Infrastructure	-	33
Motorcycle Victoria	25	25
Department of Justice	-	25
Department of Development, Business and Innovation	-	15
Department of Economic Development, Jobs, Transports and Resources	13	13
Melbourne Water	-	5
Sustainability Victoria	-	3
Department Education Science and Training	4	-
Total Non-recurrent Grants	114	925
All Operating Grants	6,574	7,816

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Appendix 2 – Capital Grants Listing

<i>Capital Grants</i>	<i>Adopted Budget \$'000</i>	<i>Q1 Forecast \$'000</i>
Recurrent Grants		
Commonwealth Government		
Roads to Recovery	823	823
Total Recurrent Grants	823	823
Non-recurrent Grants		
Commonwealth Government		
Roads to Recovery	815	1,174
State Government		
Regional Development Victoria	1,500	1,625
Department of Transport Planning and Local Infrastructure	-	1,600
Vic Roads	-	1,171
Department of Environment Land Water and Planning	-	833
Department of Education and Training	-	118
Department of Justice	-	31
Department of Economic Development, Jobs, Transports and Resources	-	25
Heritage Victoria	-	23
Sports and Recreation Victoria	-	19
Department of Health and Human Services	-	10
Vline	-	5
Total Non-recurrent Grants	2,315	6,633
All Capital Grants	3,138	7,456

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