



A.C.N. 005 304 254  
INCORPORATED 1977

# VICTORIAN INSTITUTE of RATE ADMINISTRATORS

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## VIRA NEWS

Vol XVI, No 4

DECEMBER, 1992

### PRESIDENT'S REPORT

Well here we are fast approaching the Christmas period and no doubt are gearing up for the rush prior to Christmas of those ratepayers who are paying by instalments or in full.

Combine this with a re-valuation and the imposition of the State Deficit Levy and we are all in for an extremely busy time.

The S.D.L. is a very hot issue and will cause a lot of headaches and frustrations, both in the ratepayer community and Rate Administration staff.

V.I.R.A. has been very active in the areas of S.D.L. Draft Legislation review and providing "practical" application solutions to enable the levying, administration and collection of the Levy with minimal expense and inconvenience.

Whilst the imposition of the Levy on Local Government has been a bitter pill to swallow, the fact remains that it is now law for Councils to abide by so it is critical that we as Rate Administrators endeavour to maximise collections, for at the end of the day it will be rates and charges outstanding, the Levy!

In view of this, it is imperative that Councillors (who will be contacted by ratepayers) also endeavour to encourage the ratepayer to pay so that both Staff and Councillors work together in achieving the same end as a team.

Enough of the Levy, let's talk about the recent round of five Regional Seminars conducted by V.I.R.A. around the State on Part 8 of the Local Government Act, 1989.

The theme was the "Due Process" - Practically

Speaking, and covered processes such as Budget, Due Dates, Legal Recovery, Special Rates and Charges, S.D.L. and much more!

The education of our members and those in the Local Government Industry is high on the Executives Agenda and the Seminars again proved to be extremely successful and beneficial to all those who attended.

Almost 200 people attended throughout the State of which 66% were Institute Members. We were very pleased to have with us Members of the Office of Local Government and also Peter Lucas from Home Wilkinson and Lowry - Solicitors who also provided professional guidance and advice.

The Seminars have taught us a great deal about the difficulties Local Government has faced and will face when applying the Legislation and highlights the need for Councils to support Staff in attending Seminars and training sessions to ensure that they get the process right the first time.

One of our newsletter co-ordinators Janine Murphy (formerly the City of Oakleigh), has left Local Government and taken up a position with Genasys. We wish Janine the very best in the new position and thank her for her valuable contribution.

As a result of this vacancy, Clare Cooper (City of

**Newsletter Co-Ordinator: Clare Cooper Ph (03) 490 4213 Fax (03) 499 1391**  
**Assistant Newsletter Co-Ordinator: Julie Pritchett Ph (03) 742 0831 Fax (03) 741 6237**

Heidelberg - and remaining newsletter co-ordinator) was on her own, but not for long. Standing on the sidelines, chomping at the bit, was Julie Pritchett (City of Werribee) and at the General Meeting held at St Kilda, Julie was duly elected to fill this vacancy and we welcome and congratulate Julie on her appointment.

Finally, I would like to say how much I enjoyed meeting so many of you on "the tour" around the

State and wish you all and your families a very safe Christmas and great success in all that you do.

**Martin King F.V.I.R.A. President**

**P.S.:** Stay tuned for important information about our Annual Country Conference to be held on the 18th - 20th February, 1993 guaranteed to be another great learning experience.

# State Deficit Levy



The following is a summary of a letter sent out to all Councils from the Office of Local Government regarding a subject we have or will all grow to love the **STATE DEFICIT LEVY**.

The **STATE DEFICIT LEVY ACT 1992** was passed by Parliament on 18th November and came into operation upon receiving Royal Assent, which occurred Tuesday 24th November.

As you may be aware a number of changes were made to the Bill in the Legislative Assembly. These were made after I wrote to you on 2nd November 1992. In the main, they followed suggestions from the Municipal Association of Victoria, the Metropolitan Municipal Association, Councils and Rate Administrators to improve the administration

of the levy.

(Just as well a certain Revenue Manager from Northcote only had one suggestion to make - The end result being we now will probably have to include waiver provisions on the back of our General Rate Notices! **WELL DONE GERRY!**)

The letter then goes on to make various points about the Bill. If you haven't seen this document make sure you chase it up. There will be one at your Council.

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Phone 663 5366 Fax 663 5386

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# More on the State Deficit Levy

Our Institute also submitted a model levy notice to the Office of Local Government and this was also sent out to all Councils. It looks something like this:

## 1992/93 STATE DEFICIT LEVY

1. TOTAL AMOUNT PAYABLE :	2. FIRST INSTALMENT PAYABLE	
\$100.00 BY 14/4/93	OR	\$50.00 BY 28/2/93

Mr A Sample  
123 Sample Street  
Sampletown 1234

### LATE PAYMENT CHARGE

INTEREST WILL BE CHARGED ON ALL  
OVERDUE ACCOUNTS CALCULATED AT 12%  
P.A. FROM -date-

Property Description:  
Assessment No:

The State Government has imposed an annual State Deficit Levy of \$100.00 per rateable property. This Levy must be collected by Council and passed on to the Government.

Note that this is a State Government Tax that remains the first charge on the property if not paid. Payment of the Levy must be made to Council by 14 April 1993 if paying your Council Rates in full. If paying your Council rates by instalments then you must pay the levy by the two instalments with 50% of the levy by 28/2/93 and 50% by 31/5/93. Instalment amounts on the levy will be included on the second and third rate instalment notice.

## SEE REVERSE SIDE OF NOTICE FOR METHODS OF PAYMENT

### ALLOCATION OF PAYMENTS

Council must pay the first \$100.00 received from a ratepayer to the State Government for the State Deficit Levy regardless of whether the payment was intended as a payment for Council rates or the State Deficit Levy. A ratepayer therefore cannot choose to pay the Council rates and not pay the Levy.

Payment of the account should be directed to the City of Sampleland - Telephone: 510 1788  
9.00 a.m. to 5.00 p.m. Monday to Friday. Holidays Excepted.

## TAXPAYERS COPY

(If paying in person keep this Account Intact)

## PAYMENT SLIP

Assessment No:  
Ratepayer:

Mr A Sample  
123 Sample Street  
Sampletown 1234

**1** FULL AMOUNT DUE \$100.00

OR

**2** FIRST INSTALMENT \$50.00

Please insert amount being paid

\$ .....

(A) PAYMENT THROUGH COMMONWEALTH BANK	(B) PAYMENT THROUGH MAIL	(C) PERSONAL ACCOUNT
<p>* Payment of amount 1 (shown on the front of the notice) may be made at any branch of the Commonwealth Bank by adding \$100 to the total amount due on your original Council rate notice.</p> <p>Follow the instructions on the back of your Council rate notice for payment through Commonwealth Bank.</p> <p>For Council Rate instalment payers 50% of levy will be included on your second and third rate instalment notice.</p>	<p>* Mail payment of amount with Payment Slip to: City of Sampleland 83-87 Wellington Street Windsor 3181</p> <p>* Retain Taxpayer's Copy for your records.</p> <p>* A receipt will only be issued if requested in writing and the rate notice is returned intact.</p> <p>* Allow sufficient time for delivery to avoid any penalty for late payment.</p>	<p>* Present notice intact to Cashier at Sampleland Council Offices with payment</p> <p>* Cashier will imprint</p> <p>* Cashier will imprint "Taxpayer's Copy" and return it to you as a receipt.</p> <p>* Payment will not be accepted by Credit Card.</p>

#### PENSIONERS

For pensioners eligible for a pensioner rate rebate part of the levy will be waived calculated at the same proportion as the rate rebate is of the Council rates. The amount of the waiver will have been deducted from the amount shown on the front of the notice if you have previously applied for the pensioner rate rebate. If a waiver has not been granted and you believe you may be eligible please contact the Council on 510-1788.

#### FINANCIAL HARDSHIP

If you think you may have difficulty paying this charge, please contact the Council immediately on 510-1788. A waiver of the State levy is only available where Council has waived part of the rates.

#### CHANGE OF OWNERSHIP OR ADDRESS

Council must be notified in writing of changes of address, ownership or occupancy.

## TASSIE TALES

### The "Cain/Kirner" Tax - Been There, Done That!!

Author: Steve Collins, City of Launceston

**After about 14 years involvement in the rating field in Victoria, I took up a position at the City of Launceston in Tasmania about 4 years ago.**

One little known fact amongst Victorians about this place is that the local residents regard metropolitan Melbourne as one of Launceston's larger - but not necessarily better - suburbs. Fortunately, we don't have to subsidize the place out of OUR rates.

Some of you may recall from school days Australian History lessons the name of Edward Henty, who was (what is now) Victoria's first official white settler, down Portland way. John Batman and John Pascoe Faulkner vie for the title of founder of Melbourne. All three of these people came from Launceston to set up the new settlement amongst the 'savages' up north. (NOTE: I deliberately use the term 'savages' - not in reference to the then indigenous population - but in reference to the fact that in those days, the whole place was known as the "Colony of New South Wales". I still have

some Victorian sympathies left in me.)

When I came here, the morning newspapers were the "Launceston Examiner" (locally called "The Exaggerator"), the Melbourne "Sun" and "The Age". The evening paper was "The Herald". Ask anyone on a Monday how local footy teams, North or South Launceston, fared on the weekend and they often wouldn't have a clue, but could generally describe kick-for-kick, how Collingwood, Carlton, Essendon or Hawthorn etc., went. People here tend to take a fairly 'proprietary' pride in the fortunes of Melbourne (i.e. on those rare occasions where Melbourne has any), but generally loathe, hate and despise anything that creeps up North from Hobart! The common saying here is that the only good thing ever to come out of Hobart, is the Midland Highway - i.e. the road which leads to Launceston.

We even tell "two-headed Tasmanian" jokes, but always referring to people from Hobart. Believe me, the well-known Sydney/Melbourne rivalry has nothing on North Tasmanian vs South Tasmanian rivalry.

For the last few years, Victoria has had the only economy in the nation of which Tasmanians could legitimately point the finger and laugh, but I hear that the new Victoria Government now intends to borrow the most obnoxious aspect of the Tasmanian Local Government system and use Local Government in the roll of a tax collector for the State.

Regrettably, this is a well entrenched aspect of the Tasmanian system. I don't know who first started it off here (i.e. Liberal or Labour), but no doubt that one did and the other screamed "blue murder"! At the next election which changed Government, the former opposition introduced a further range of State Taxes and charges into our rating legislation, and no doubt the former Government used the old "chicken-little" argument: "THE END OF THE WORLD, AS WE KNOW IT".

In 1989 or so, another State election took place which resulted in a Coalition Government of Labour and the Greens. They said (and where have I heard this before?): "... the previous mob was so shifty, we never realised how bad the State economy was, so we'll have to radically increase State taxes to cover the shortfall".

Being State politicians they didn't want to harm their own re-election chances, so they legislated in late 1990 to effectively DOUBLE State taxes collected through Local Government rate notices and force us to collect the taxes for them. Unfortunately, most Councils had already issued their rate notices by then. (Is this story starting to sound familiar?) They had to introduce legislation to allow councils to levy a second rate notice for that financial year on all property owners to collect the State Government's increased tax revenue requirement. There were no 'ifs', 'buts', or 'maybes'; no explanation of why they didn't have the courage or honesty to do it themselves, and CERTAINLY NOT any commissions for the added expense incurred.

We presently have to collect the following State taxes through our rate notices: - State Fire Commission Levy (i.e. similar to what was proposed for Victoria in 1985) State Library Levy; State Planning Commission Levy; State Local Government Office Levy (i.e. Local Government has to pay for the total claimed running costs of the State Local Government Office), and a range of other levies, licences and fees; in addition to which, the State

Government has made Local Government TOTALLY responsible for footing the bill for ALL the alleged valuation costs.

Valuations in this State are performed by a centralized State Government bureaucracy at a cost many times greater than we believe we could do it for ourselves, and we can (and have) been kept waiting for over 3 years to get the result of Supplementary Valuations, but despite the fact that there are 8 State Government instrumentalities using these valuations as a basis for their revenue, it is only Local Government who has to foot the bill for them.

In the current financial year, some \$7.5 million of Launceston's \$36.7 million rate revenue (or about one dollar in five) will go straight to State Treasury. If people don't pay their rates we still have to send off the gross amount demanded by the State and carry the debt in our rates ledger.

This obviously seriously impedes our ability to levy rates to cover the cost of service provision in our own community and because people complain to US, rather than the State Government (i.e. only the State Fire Levy is legally allowed to be shown as a separate line-item on a rate notice), we cop all of the blame for rate accounts which are 20% higher than they need to be.

## CONCLUSION

So, what is the answer to this problem? Short of constitutional recognition for Local Government, I don't know that there is one. Unfortunately, all 915 or so Councils nation-wide, are essentially creatures of State legislation and perhaps Victorian Councils should count themselves lucky that they haven't fallen victims to this trap earlier.

Except for some fairly spectacular exceptions which rear their heads in the press from time to time, Local Government is generally the 'leanest' level of Government. Only about 6% of all taxes in Australia go to Local Government, but the people who pay them are mostly unaware of this fact. It is State Governments who tend to levy the biggest charges for the lowest returns and not to blame others (such as us) for their own profound economic failures. Once they start lumping their own taxes into local Government rate notices, the public lose their perspective on who is performing and who is not and on who is penalizing them and who is not.

It all sort of puts me in mind of the old story of the two gentlemen of the Hebrew persuasion (named "Issie" and "Hymie") who were strolling down a footpath in Caulfield.

Hymie saw an unopened paypacket on the foot

path, and upon picking it up, found \$1,000.00 in cash inside.

Issie said:- "Hymie, you are so lucky - imagine that, finding \$1,000 dollars in cash". Hymie, look

ing disgustedly at the front of the paypacket, replied:- "Lucky, bullshit! Just look at the tax I'm paying!!".

..... **And isn't that what it's all about?**

## CONGRATULATIONS

At the meeting held at St Kilda Town Hall a presentation was made for recognition of years service as President of the Institute. (Your idea Martin?)

Gerry Pekin, Geoff Fleming, Murray Hocking and Ken Dearthcott all received a plaque. Well done Boys!

\* \* \* \* \*

## CHANGE TO THE VIRA COMMITTEE

Janine Murphy left Local Government to take up a position with Genasys. Janine was only on the Committee a short time but everyone agrees she did a marvellous job with the last newsletter and her contribution to the Institute was very much appreciated. Good luck Janine.

Editors note: You can have this job back anytime you want!

Julie Pritchett from Werribee has been "elected"? (forced?) on to the Committee and she is now the Assistant Newsletter Co-ordinator. I look forward to working with Julie and on behalf of the Committee welcome her.

(It's not that bad Julie!)

\* \* \* \* \*

## REMINDER

Don't forget the country meeting at Yarrowonga on the 19th and 20th of February, 1993. If last year's meeting is anything to go by you won't be bored.

\* \* \* \* \*

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# Creation of the Big Picture

*In the beginning there was a plan  
and the plan was based on assumptions  
and the assumptions were without form  
and the plan was completely without substance  
and was void  
and darkness fell upon the faces of the workers  
and they spoke unto their supervisors saying  
"IT IS A CROCK OF CRAP AND IT STINKETH"*

*And the supervisors went unto their Section Leaders, and sayeth  
"IT IS A PAIL OF DUNG, AND NONE MAY ABIDE THE ODOUR THEREOF"*

*And the Section Leaders went unto their Department Heads and sayeth unto them  
"IT IS A CONTAINER OF EXCREMENT AND IT IS VERY STRONG, SUCH  
THAT NONE HERE MAY ABIDE IT"*

*And the Department Heads went unto their respective Functional Managers and  
sayeth unto them  
"IT IS A VESSEL OF FERTILISER AND NONE CAN ABIDE ITS STRENGTH"*

*Functional Managers went unto the Deputy Chief Executive Officer, and  
sayeth unto him  
"IT CONTAINS THAT WHICH AIDS PLANT GROWTH, AND IT IS VERY STRONG"*

*And the Deputy Chief Executive Officer went unto the Chief Executive Officer and  
sayeth to him  
"IT PROMOTETH GROWTH AND IT IS VERY POWERFUL"*

*And the Chief Executive Officer went unto the Council and  
sayeth unto them  
"THIS POWERFUL NEW PLAN WILL EFFECTIVELY PROMOTE THE GROWTH AND  
EFFICIENCY OF LOCAL GOVERNMENT AND OUR COUNCIL IN PARTICULAR"*

*And the Council looked upon the plan and saw that it was good.*

**AND THE PLAN BECAME POLICY**

Thanks very much to Geoff Fleming for this contribution to the newsletter.

Geoff is leaving Oakleigh on the 11th December but we all trust that he will still contribute a lot of time and energy to the Institute. After all what else will you do Geoff?



# Welcome to New Members

Name	Authority	Date
Judy Young	Shire of Alexander	24/08/92
Ladene Hendy	Shire of Kaniva	23/10/92
Shane Wilkinson	Borough of Eaglehawk	09/10/92
Maree Johnstone	City of Stawell	30/10/92

Also a welcome to our new corporate subscribers  
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\* \* \* \* \*

## 1992 / 93 VIRA REGIONAL MEETING DATES AND VENUES

REGION	CONVENOR	VENUE	DATE
Geelong	John Stewart Barabool Shire	Geelong West	12/11/92
		South Barwon	11/02/93
		Newton	13/05/93
North Central	Graeme Tindle Shire of Seymour	TO BE	04/02/93
		ANNOUNCED	06/05/93
			19/08/93
			04/11/93
South Eastern	Ian Holland City of Frankston	TO BE	10/11/92
		ANNOUNCED	09/03/93
			10/06/93
Ballarat	Rod Leith Shire of Ballarat	TO BE	04/11/92
		ANNOUNCED	03/02/93
			05/05/93
Warnambool	Glen Dickinson City of Warnambool	TO BE ANNOUNCED	TO BE ANNOUNCED
Gippsland	Paul Telfer Shire of Avon	Mafera	29/10/92
		TO BE	04/02/93
		ANNOUNCED	10/06/93

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# **Understanding Your RATES**



## **1992 (RE-VALUATION YEAR) ANSWERS TO MOST COMMONLY ASKED QUESTIONS**



### **How often are the same old questions asked?**

All council staff are kept busy at this time of year answering queries on rates and valuations. This year will be exceptionally busy due to the General revaluation and subsequent drop in market values since the Relevant Date of 30/6/90.

In an effort to reduce the number of enquiries, the City of Werribee has produced a brochure to be delivered with the Annual Rate Notice. It is in a question and answer format to make it easier for the ratepayer to understand.

A staff survey was conducted to establish the most commonly asked questions. Here are just a few examples:

#### **WHY DID MY RATES INCREASE MORE THAN THE AVERAGE RATE RISE?**

In a revaluation year which is the present situation, each property's rate account is re-evaluated based on its new valuation. If your valuation increased more than the average valuation increase for the municipality, then you received a rate increase.

#### **IF MY HOUSE IS ON A CORNER DO I PAY MORE IN RATES?**

If the corner site is more valuable then you will pay more in rates than an identical house not on a corner. Sales evidence generally does not support that a corner dwelling is more valuable than a non-corner dwelling. In some instances it may even be less. Each property is treated separately and there is no common answer to this question.

#### **IF I DON'T WANT MY GARBAGE COLLECTED DO I STILL HAVE TO PAY A GARBAGE CHARGE?**

Yes. Council policy is to provide garbage refuse disposal facilities to every dwelling and its contract with its garbage collector states that this service will be provided to every residential property.

Although the brochure was designed for the City of Werribee it can easily be modified to suit most councils. If you would like a copy of the brochure please contact Mrs. Julie Pritchett, Property & Rating Services co-ordinator on 742 0831.

## RATE SEMINARS

As everyone is probably aware the Seminars are well under way and seem to be a success. The manuals and publications produced as a result of these seminars are funded by the program and will become valuable reference guides on the Rating Provisions of the Local Government Act. More feedback in the next newsletter. Those that attended your comments would be appreciated.

## Local Government Act 1989 - Any Problems?

The Institute has been invited by the Office of Local Government to participate in a clean up of the 1989 Act. If you are aware of any inconsistencies in the Act or the Regulations please contact Robert Smart as soon as possible.

*On behalf of the Committee I would like to take this opportunity to wish all of our Members a very happy and safe Christmas and a great 1993. Also on behalf of a certain Mr. Kennett enjoy your Christmas present. The State Deficit Levy.*

# RESPONSE

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