



VICTORIAN INSTITUTE of RATE ADMINISTRATORS

President:
Mr. GEOFFREY FLEMING
City of Oakleigh
P.O. Box 21, Oakleigh 3166
Business Hours: 567 3651
Facsimile: 568 1690
After Hours: 580 8558

Secretary:
MR. TREVOR RICHES
Shire of Pakenham
P.O. Box 7, Pakenham 3810
Business Hours: (059) 41 1011
Facsimile: (059) 41 3784
After Hours: (056) 29 2414

VIRA NEWS

Vol XIV, No 3

FEBRUARY 1991

PRESIDENT'S REPORT

I trust members had a relaxing Christmas, New Year and have come back re-charged for the year ahead.

Already this year is proving to be a busy one for Rate Administrators with representation on the MAV working party on a draft Access to Information Local Law and on the "Perspectives on the Future Project Team" investigating the Issue "Revenue sources and revenue raising". Involvement on both of these highlights the standing of this Institute within Local Government. Added to this is the work being undertaken by the committee in two exciting areas.

Firstly is the issue raised at the General Meeting at Coburg regarding Tariff Reform under the new Water Act. A sub committee has been formed to organise a meeting of all water authorities on this matter and any member with an interest in this area should contact Cliff Wenlock at the City of Geelong. The committee regards this as a very important matter and recognises its importance to members who are involved in the administration of water and sewerage.

Preparations are also under way for the Institute to conduct a seminar on "Office Technology for Local Government in the 90's". The seminar will be held in con-

junction with Moore Business Systems and is scheduled to coincide with our general meeting on May 10 this year.

The committee is very excited with this concept as discussions to date have been very fruitful. Topics such as ICR technology, Computers and networking, Direct Marketing and Document storage and retrieval will be on display and demonstrated throughout the day.

As you will appreciate this seminar has wider implications than just Rate Administration and I therefore would urge all members to promote this seminar to work mates who we know will benefit from the variety of new technology exhibited and discussed on the day.

Systems Managers, Finance and Administration Managers, Records Managers as well as CEO's and Councillors will find attendance of this seminar a worthwhile exercise.

Moore Business Systems assistance in conducting the seminar has ensured that our seminar will be a major date on the Local Government calendar for 1991.

With the support of the membership this seminar will prove to be as successful as the

Newsletter Co-ordinator: Gerry Pekin Ph: (03) 481 9562 Fax: (03) 481 9406

professional development seminar of 1989, and the round of seminars conducted on the new Local Government Act in 1990.

Further advice regarding the 1991 Office Technology seminar together with the registration forms will be issued during April.

Please note your diary now, regarding this important seminar on Friday May 10, 1991.

I look forward to seeing many of you at our general meeting in Wodonga on February 22 and at the social weekend to follow.

GEOFF FLEMING, PRESIDENT

COUNCIL SUES OVER RATES

From: Perth Sunday Times 23/12/90

Thousands of Perth home owners are being sued for their council rates. Councils are determined to recover millions of dollars as people struggle through the recession. One has issued almost 5000 summonses.

Stirling City Council treasurer, Mr Rod Constantine, said the city was owed \$9.2 million, which included \$1.9 million in deferred pensioner rates. Mr Constantine said more than 9000 people had not paid their rates out of 70,800 rate notices issued. He said most accounts involved less than \$450. The average rate payment in Stirling was \$384.

Wanneroo City Council treasurer, Mr John Turkington, said \$9 million was outstanding in unpaid rates. Mr Turkington said 24,000 rate-payers had not paid their rates out of 62,500 assessments issued. He said the council had issued summonses to 4713 people who had done nothing to repay their debt.

Mr Turkington said the average Wanneroo council rates were \$410 plus \$90 for garbage collection. He said if rates were outstanding for three or more years, the council had the right to sell the property, but did so only in extreme cases.

Perth City Council acting treasurer, Mr Bruce Perryman, said \$13.5 million in rates was still outstanding. Mr Perryman said that out of a total 37,185 assessments (excluding pensioners), 1830 people had not paid anything. The average residential rate was \$325. Mr Perryman said Perth rates had been slow to come in this year but the council would not know the real extent of the problem until after December 31.

He said people had the option of paying in full at the start of the financial year or they could pay at least half within 25 days of receiving their rates notice and pay the rest by December 31.

Local Government Division

Moore provides a team of specialists who are experienced in the needs of the Local Government Authorities

For instance Moore can assist with:-

- Parking Infringement Notices
- Computer Paper Storage Systems
- Failure to Vote Notices
- Dog Notices

- Inter Library Loan Forms
- Reminder Notices
- A.P. Summons Forms
- Rate Notices

A Moore Local Government representative is fully qualified to give an all round service - We Do More Than Just Sell Forms.

MOORE
MELBOURNE 544 1577

ALLOWING FOR ECONOMIC REALITY IN THE COLLECTION OF RATE DEBTS

Members may have seen the front page report of the 'Australian' newspaper headed "Councils sell rate debtors homes." The following is an extract from the article which is clearly designed to whip up hysteria among ratepayers and the public generally with obvious result of putting Local Government in a very bad light.

Local councils are having to sell people's homes to recover tens of millions of dollars accrued in rates debts this year.

Councils across the nation reported yesterday that fewer people were paying their rates as the recession bit deeper into family budgets.

In debt-stricken Victoria, the number of summonses issued for overdue rates this year is the highest in two decades.

The president of Victorian Institute of Rate Administrators, Mr Geoff Fleming said many councils had issued 50 per cent more rate summonses this year.

"The level of issuing of summonses is higher this year than at any time in the past 20 years and more people are making arrangements to pay rates weekly, fortnightly or monthly to pay off the debt," he said.

Mr Fleming said householders were not the only ones skipping payments: businesses and property investors were also finding times tough.

"Unfortunately there are more and more commercial and industrial properties vacant," he said "The landlord isn't earning an income and in a lot of cases is not paying or is having great difficulty in paying the rates."

Fortunately, the ABC and radio station 3AW contacted the president in the light of this article and Geoff was able to set the

record straight and quash any further "bad" publicity of our industry. Yes there are some councils throughout the state who are taking a hard line with defaulting ratepayers but fortunately these are isolated situations. Generally, Local Government is taking a sympathetic approach to the needs of bad debts recovery for some 56 councils, show a clear drop in the number of summonses issued this year compared to last.

Following the failure of the Farrow Group, one of the hardest hit areas in the country would be the Geelong CBD but Cliff Wenlock has also reported a reduction in the number of summons issued.

The truth is that while the number of legal actions taken is less than in previous years, rate administrators are accepting more and more arrangements for part payments on a regular basis.

Sure, monitoring and collecting part payments involves a lot more work in the office, we don't need to be told that, but members have generally accepted this situation as a sign of the times. Regular payments are better than no payments.

Later this year we will be asking members to provide us with statistics of numbers of 'arrangements' and 'summons' initiated this year compared to last, so please keep these figures on hand.

A VERY INTERESTING POINT FROM BRIGHTON

Some members will be aware of the dispute between the City of Brighton and one of its ratepayers regarding the imposition of interest on overdue rates.

The ratepayer concerned has lodged a notice of defence to the summons served on him for the full amount of the rates, interest and costs. (To date an amount equal to that of the rates has been paid.)

The ratepayers defence is based along the following lines.

That there is no basis in law for the interest and that the fixing of the interest rates of 17.25% in June 1987 and of 20% in September 1989 is invalid.

The fixing of such rates was done by "PROCLAMATION" and not by an "ORDER" of the Governor in Council as is required by the Local Government Act 1958.

Greg McCormick advises that the dispute which was to be heard in the Sandringham Magistrates Court on 24 January 1991 will now be considered by a full hearing in the Magistrates Court at a date yet to be set.

Should the court rule in favour of the defendant then serious ramifications will result for the whole of Local Government throughout Victoria.

If the interest rates are deemed to be invalid then two scenarios are envisaged.

1. That the interest rate of 16% prescribed in the correct manner for 1986/87 would apply for subsequent years, and would mean Councils would have to reimburse the overcharged interest for 1987/88, 1988/89 and 1989/90.
2. The second situation is that the interest rates "Proclaimed" are in fact invalid, and that the ability to charge interest at all was not enabled. This is the worst possible scenario as it would mean a full refund of the total amount levied over the above mentioned years.

The Local Government Department has recently received advice from the Solicitor-General regarding this matter, and in the Minister's advice to Councils dated 22 November, 1990 the Minister states that "the advice I have received from the Solicitor-General indicates that the Governor-in-Council orders, appearing in the Government Gazette No. 22 of 10 June 1987 and Government Gazette No. 36 of 13 September 1989 fixing the interest charges are valid".

It is important to note that the Minister refers to the "Governor-in-Council orders" appearing in the Government Gazette, the dispute here is that they were "Proclamations" not "Orders" so their validity may still be in question.

These proclamations also make reference to Section 386 (1A) and not Section 386 (1) which refers to the order of the Governor-in-Council.

Another point to note is the appearance of an "order in Council" in the Government Gazette on the 8 November 1990, fixing the prescribed rate of interest at 20% operative from 7 November, 1990.

If the Government didn't have concurred regarding the interest rates validity then why this recent order in Council?

When the Local Government Department was asked "what if" the court ruled in favour of the defendant, the response was that the Minister would submit retrospective enabling legislation to facilitate the charging of interest for the years in question.

Greg McCormick will be reporting further once the Magistrates Court has made its ruling.

MAV TRAINING SERVICES

The course for Professional Development for Rate Administrators will again be conducted during 1991.

Module 1: 17 and 18 June
Module 2: 3 and 4 July
Module 3: 29 and 30 July
Module 4: 19 and 20 August

Information regarding the course content and venue etc. can be obtained from Mr. George Peters or Geoff Winston on (03) 867 5266.

BAD DEBTS CAUSE TROUBLE (Eliminate the Trouble)

We at Corporate Associates would like you to consider these benefits:

- Specialize in collecting Overdue Rates.
- No annual subscription.
- No commission when debt recovered.
- Regular contact and progress reports.

For further information regarding your individual needs phone:

CORPORATE ASSOCIATES PTY. LTD

25 Ian Street, Noble Park.
P.O. Box 228, Noble Park, 3174
Fax: (03) 562 4329

45 Eastern Road, Traralgon.
P.O. Box 1199, Traralgon, 3844

(03) 546 6122

(051) 74 0622


Bishop Collections Pty Ltd and L.G.A. Collections Pty Ltd have now merged and as a result have created the biggest specialised Local Government Collection facility in Victoria.

We now provide the following.

- The most up to date completely computerised system specifically written for Local Government Collections.
- Twenty five years Local Government experience.
- Additional benefit of interstate branches in N.S.W. and S.A.

For any further information or advice on Rates, Private Street and Sundry Debtor Collections please contact Rod Hughes or Frank O'Neill.
Phone 663 5366 Fax 663 5386

BC BISHOP COLLECTIONS PTY. LTD.




SPECIALISTS IN THE PRINTING OF
CONTINUOUS FORMS FOR LOCAL
GOVERNMENTS — URBAN AND RURAL

FOR FAST, COURTEOUS AND
PERSONALISED SERVICE WITH:

- RATE NOTICES • SUMMONS FORMS
- INSTALMENT NOTICES • ELECTRICITY BILLS
- FAILURE TO VOTE NOTICES • DOG NOTICES
- FIRE HAZARD NOTICES • CONT. CHEQUES

CALL

Carter & Taverner pty. ltd.
(03) 819 6555



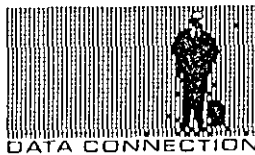
ATTENTION ALL COUNCILS!

For rate notice and other mailings,
Data Connection, Melbourne's specialist
Security Mailing House, can offer you:

- Guaranteed fast turnaround on all jobs.
- Sophisticated mail processing facilities.
- Excellent laser printing facilities.
- Top security environment.

And because ours is a 'one-stop' service, your
costs are substantially reduced.

To fully appreciate how much we can help you, call
Geoffrey Norman on (03) 646 4622.



249-251 Normanby Road, South Melbourne,
Victoria, 3205