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of RATE ADMINISTRATORS

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# VIRA NEWS

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## PRESIDENT'S REPORT

With a new year under way and the December instalment behind us (perhaps for the last time) I hope members had an enjoyable Christmas break and have returned ready for the busy year ahead.

As you will read elsewhere in the newsletter the Local Government Industry Training Board is developing through the TAFE system as part of the Local Government Course a second stream in the Financial/Rate Administration area. The Institute has again been invited to be involved in that process which augers well for our push for an accredited course with resultant formal qualifications.

Members should acquaint themselves with new sub section 159 (3) of the Act relating to the Municipal charge not being levied on certain properties. Although the intent of the legislation is to cover farms with more than one dwelling it would appear that some problems could arise with multiple occupancy, commercial properties and unoccupied portions thereof in particular. As this matter has just surfaced opinions will be sought and the ramifications assessed before further advice can be given to members. Our concerns have already been put to

the Minister and opposition minister for Local Government, the Office of Local Government and the Municipal Association of Victoria.

On a brighter note I wish to report that together with Gerry Pekin and Martin King I attended the meeting in Albury on 28 November where we outlined the structure and function of the Institute to 30 plus of our NSW counterparts. The meeting resolved to form a NSW Institute and congratulations must go to Bob Angus for his enthusiasm and dedication to achieve such a positive result. Negotiations are under way to the possibility of forming a Tasmanian institute so with a bit of luck and application we may become National in the not too distant future.

I understand from Noel Grant that few members have taken the opportunity to order name badges and would urge everyone for the modest cost of \$8.00 to apply to Noel at the Shire of Deakin for a badge.

The Institute was represented at a meeting with the MAV, IMM, MMA and OLG in

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December and as a result it is intended to run regional seminars on the Rating/Financial Provisions of the new act later this year. When dates and venues are fixed members will be advised and we would hope that attendances will be at the levels achieved in 1990.

I close with a reminder that our next general meeting is at Wangaratta on February 21 with notices to be issued shortly so I look forward to seeing many of you at the meeting and the social weekend at Howlong.

*Cliff Wenlock*  
*President*

## Outline of 1992 Course on Professional Development for Rate Administrators

### Module 1: Rate Administration Towards 2000

- Roles and Functions of Local Government.
- Local Government Revenue Administration.
- Rating Provisions.
- Legal Aspects of Rate Administration - (Including Local Government Act 1984).

### Module 2: Managing Operations

- Rate Office Procedures.
- Council Election Administration.
- Municipal Valuations.
- Collection Procedures.

### Module 3: Human Resource Development

- Managing Change - Introducing Workplace Reform.

- Job Design.
- Staff Development - Identifying Training Needs.

- Performance Objectives.
- Managing Staff Performance.

### Module 4: Planning Management & Financial Management

- Corporate Planning.
- Department and Work Unit Planning.
- Rating Strategies.
- Program Budgeting.
- Performance Measurement.

### Module 5: Optional Extra

- Report Writing.
- Presentation Skills.

Registration forms and course dates will be released by the MAV Training Services shortly.

**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.
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# Local Government (Rating) Bill

The Local Government (Rating) Bill made its way through the Parliament in the 1991 Spring Sitting.

The Bill received much comment together with the Local Government (Elections) Bill which has been held over until the Autumn Sitting in March.

I have taken the liberty of quoting from Hansard what some of our Politicians think of Local Government and the Bill during debate.

**Mr Delzoppo (Narracan)**

"For a long time this has been part of the democratic process. I believe the option was in the Local Government Act 1958. Many people in the community may feel strongly that they would be denied their democratic rights if that section were repealed and the option for a poll provision were removed so that the council could by resolution change its method of valuation from site value to NAV or capital improved value, or vice versa, without conducting a poll."

**Mr Steggall (Swan Hill)**

"I am delighted the honourable member for Reservoir has joined us. I have debated this issue with him on many occasions. He was Minister for Local Government when autonomy was introduced but councils have not found it yet."

**Mr Simmons** - "They (Councils) lost their way."

**Mr Steggall** - "He forgot to proclaim half of the Act. The other half, dealing with autonomy, was never there in the first place."

"We now have a little Office of Local Government and its ability to advise the government and prepare legislation is limited."

**Mr Clark (Balwyn)**

"I find it difficult to understand why the government should be attacking what is really a fundamental right of voters and citizens to make decisions directly on an issue that goes so close to the hearts of ratepayers in any municipality, namely, the basis on which their

rates are assessed. This in turn affects the level of rates that apply to particular ratepayers and the extent to which the rating system in their municipalities may operate either to encourage or to deter development, home improvement and other forms of activity."

"Some people may raise the issue of local government autonomy. I am a supporter of autonomy for local government. There is a great deal to be said for block funding of local government and the removal of other petty interference and restrictions on the way in which local government can go about its business. State Parliament should determine the areas in which autonomy is given to local government."

**Mr Heffernan (Ivanhoe)**

"I have always said local government delivers a service better than the State government because it is more sensitive to local needs, but it cannot have the luxury of adopting a flexible rating system and being able to transfer money from one area to another. Industries throughout Victoria are hurting and middle income earners are affected by the general downturn in the economy. They are asking whether they can afford the luxury of living in their homes because of the increasing costs of living, and am excluding the charges imposed by Melbourne Water."

**Dr Napthine (Portland)**

"That (Section 158A) is an attempt to solve the problem, but it creates other problems. What about a farmer who has land on three different titles that can be sold separately? They could be determined as being obviously adapted to be separately occupied. Would the farmer receive a municipal charge for each of the blocks of land? That is the dilemma with the interpretation of proposed section 158A."

Continued on Page 6

# A Brief National Comparison of Local Government Rating

	TAS	VIC	SA	WA	QLD	NSW	TOTAL
Revaluation Cycle	5 years	4 years (metropolitan) Up to 6 years (rural) 3 year cycle proposed	Annual (computer assisted) 3 year cycle for inspections	3 years metropolitan Up to 6 years rural	Annual	Currently 4-5 years 3-3.5 years proposed	
Valuations Done By	Valuer General	Local Government	Valuer General or Local Government	Valuer General	Valuer General	Valuer General	
Valuations Returned	Land Value Capital Value Assessed Annual Value	Site Value Capital Value Improved Value Net Annual Value	Site Value Capital Value	Unimproved Value Gross Rental Value	Unimproved Value	Land Value Adjusted Annual Value (used by Water Boards for non-domestic properties only)	410 89 213
Municipal Rating Base	LV CV AAV	SV NAV COMPOSITE	SV CV AV SV & CV	UV GRV UV & GRV	UV	LV	176 2 2 108
Total Municipalities	46	210	120	1396	134	176	825
Valuation Cost Borne By	Local Government	Local Government Land Tax Water Boards	Local Government Land Tax Water Board	Local Government Water Boards	Local Government Land Tax	Local Government Land Tax Water Board	

**NOTE:** South Australia allows Local Government the option of adopting the Valuer Generals valuation or employing their own valuer for rating base valuation purposes. At the present date, only Adelaide and Onkaparinga employ their own valuers. Adelaide rates on Annual Value and Onkaparinga uses Capital Value on a 7 year cycle.

# It makes no cents to me!

They officially came into circulation from 14 February, 1966, and they officially start to go out of circulation on 1 February, 1992. One cent and two cent coins will have been a part of our everyday life for just 13 days short of 26 years.

From 1 February, 1992, the Reserve Bank will commence withdrawing copper coins from circulation.

The Government stopped issuing the coins in October, 1990, but left the existing stock in circulation to give retailers time to adjust their cash registers for rounding purposes.

So you have had 16 months to arrange the necessary cash receipts program changes - why haven't you done it?

You are probably still deciding on how to handle the rounding of the odd cents.

- Do you round up in all cases?
- Do you round down in all cases?
- Do you round up and down?
- Do you write off the debit/credit balances?
- Do you carry forward the debit/credit balances?
- Do you round at the cash register?
- Do you round at the invoice calculation?
- Do you round each separate transaction or the total (eg general rate, separate rate, home help, water rate, electricity charge etc.)?

Just a note to help you with the decision making process - although you probably don't need it.

Coles, Safeway and Woolworths

supermarkets are proposing to round down in all cases - good public relations.

McDonalds Family Restaurants made a policy long ago to round all charges to five cents. A Big Mac will cost you \$2.40. No need to round at the cash register - good thinking Ronald.

Whatever you think of McDonalds food you can't beat their service. It's fast and efficient. Is that the style of service you want to provide come April rate rush? Then don't create extra button pushing for the cashiers in the rounding process.

Now that you have made a decision that is "fair and equitable" (refer section 7(h) of the Local Government Act 1989 - not yet in operation) and in keeping with the guidelines of the Prices Surveillance Authority you will no doubt have budgeted, and arranged for the necessary program changes and advised your collection agencies such as the bank, who probably have their own policy anyway.

I am sure this article has been of immense help in providing you with all the answers. If you still have any concerns whatsoever please do not hesitate to ring Paul. After all he was the Treasurer who announced the withdrawal of the brownies. He should know what to do.

*Your ex Treasurer*

Continued from page 3

**Mr Perrin (Bulleen)**

"I feel very sorry for the people involved with local government because at present we have a 1958 Act - the original Act, which was substantially amended in 1989. We then had amendments to it last year and we now have another amendment this year in the form of the Bill. The government still has not got it right, and I put it on the record right now that we will have another amendment Bill next year."

**Mr Pope (Minister for Labour)**

"The honourable member for Ivanhoe seemed to be arguing for the retention of the poll provision. He gave his usual sermon, arguing that local government is worse than the devil - he is certainly no lover of local government - and claiming that local government rates were an atrocious burden on small business.

"The Municipal Association of Victoria wants the poll provision removed because it claims that it inhibits a change from the net annual value system or the site value rating system to a capital value system.

"The use of differential ratings would give municipalities the ability to change rating systems to suit the needs of small business. Although I appreciate the thrust of the argument of the honourable member for Ivanhoe that local government should look after its own house and should avoid rate increases

of up to 10 per cent, he seemed to contradict himself by arguing for the retention of the poll provision, despite the argument that it inhibits a change to a differential rating system...."

**Hon RM Hallam (Western)**

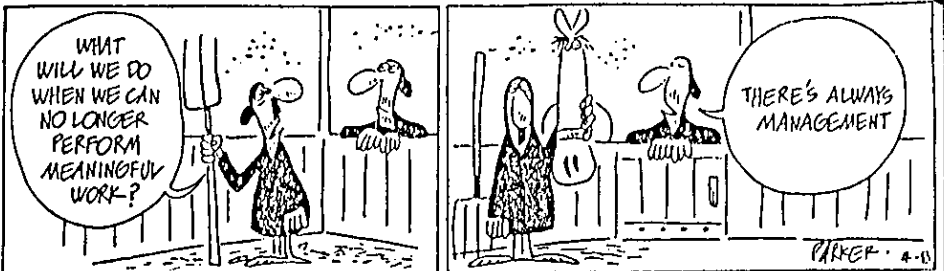
"As an aside, that working party (Owner Liability Working Party) included two representatives whom I had the honour of nominating - Rob Marshall, who is the Chief Executive Officer of the City of Horsham - and Ken Burton, who is the rate collector of the City of Hamilton. Both of those appointees did me proud."

"Interest rates inevitably lag behind the market when established by a central authority. When interest rates are falling it is no protection to have a rate imposed by a central authority - in fact, the reverse applies. The new provision gives municipalities and water authorities room to manage.

"If a penalty is to be involved it should be applied to those who have not met their responsibilities rather than those who have met them. If a rate applied to delinquent ratepayers on unpaid money is at or below the market rate, ultimately the other ratepayers are penalised; that is unfair given that they have already paid their rates. I support the provisions as contained in the Bill."

The above are just a few extracts taken from Hansard. To get a better picture of the government and opposition positions I refer you to issues of 21/11/91 and 23/10/91.

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# VIRA GENERAL MEETING/SOCIAL WEEKEND

WANGARATTA/HOWLONG

21/22 FEBRUARY, 1992

Members requiring accommodation for the forthcoming Annual Country Meeting/Social Weekend, should contact Murray Hockey at the City of Sandringham, telephone (03) 598 8111.

Limited accommodation has been arranged at the Howlong Country Club Motel for Thursday 20, Friday 21 and Saturday, 22 February, 1992.

The Social Weekend includes the following:

**Thursday, 20 February, 1992**

Dinner - venue to be arranged

**Friday, 21 February, 1992**

Dinner, Howlong Country Club

**Saturday, 22 February, 1992**

Golf, tennis, local wineries

Dinner, Howlong Country Club

**Sunday, 23 February, 1992**

Lunch - venue to be arranged.

**Please Note:** Bookings for accommodation must be made with Murray Hockey before Friday 7 February, 1992.

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## Local Government TAFE course Finance and Rate Administration Stream

In the last issue of its newsletter 'the Municipal Worker', the Local Government Industry Training Board outlined the development of a new TAFE course at the Advanced Certificate/Associate Diploma Level for Local Government workers. The course is targeted to workers who have not had access to accredited training and whose career pathways may be limited because of their lack of formal qualifications.

The course will have a basic core of relevant Local Government subjects and a number of specialised streams. The course is being developed in stages with the first pilot course being run in second semester 1992 at RMIT TAFE. The course will be available in 1993 through other TAFE Colleges.

A group of Local Government workers met on 22 October 1991 for a DACUM session (Developing a Curriculum) that would give guidance to writing the curriculum for the clerical/administration area. At this session a number of other streams were suggested for development by the group, these included Human Services, Finance including Rate Administration, Engineering and Environmental Services.

The steering group for the project decided in its December meeting that the next stream that should be developed would be the Finance/Rate Administration stream. A DACUM is scheduled to be held for this group on Wednesday, 5 February, 1992.

The LGITB office is now contacting people to participate in that session. As a first step the Victorian Institute of Rate Administrators was contacted and a request made that they nominate representatives for this session. The LGITB was fortunate to have had Martin King available to participate in the first DACUM for the administration area so that the VIRA Committee had representation.

The LGITB since its establishment in late 1990 has been approached by members of VIRA informing the Board of VIRA's interest in training and is pleased to be able to announce that course development is now under way.

For further information, please contact the Executive Director of the Board, Leonie Newnham on 866 1433.