

Levuka Town Council

Levuka Town Council

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Our Ref: LTC/nl (55/22)

Date: 22nd March 2022

The Hon. Viam Pillay
Chairperson
Standing Committee on Social Affairs
Parliament of the Republic of Fiji
Suva.

Dear Sir

**RE: CLARIFICATIONS OF ISSUES-IN RELATION TO THE LEVUKA TOWN
COUNCIL 2005 - 2011 ANNUAL REPORTS**

RESPONSES TO PAC QUESTIONS- LEVUKA TOWN COUNCIL 2005-2011

Reference is made to your letter of 21st March, 2022 regarding the above matter and I provide hereunder clarifications on matters raised therein.

1. The Management Plan for the heritage town dictates that the Levuka Town Council is responsible for the implementation, however in order to fulfill this role it has to work with other relevant stakeholders to ensure proper maintenance and preservation of the heritage sites in Levuka.
Key stakeholders such as National Trust of Fiji, the Department of Heritage, the Ministry of Local Government, and local communities all play an important role

2.

	2005	2006	2007	2008	2009	2010	2011
Number of ratepayers	151	151	151	151	151	151	151
Rates collected	84,500	73,731	64,892	92,013	106,069	97,525	69,176
Rate Arrears	48,203	58,972	67,721	40,672	26,634	35,178	63,527

Total Arrears as at 31/03/2022 - \$97,178.00

2 (a) Apart from the failure of Ratepayers to pay their rates, the major cause of the accumulation of rental arrears is the requirement under the Local Government Act Cap 125 Section 84 which states that where money is paid to a Council in respect of rates, the Council shall apply such money for or towards the rates due on the ratable property in order in which they became or become due.

The Act, therefore, requires that Council direct all monies paid as rates in the clearance of Rates arrears before settlement of current rates.

This policy is not conducive to the effort to reduce or clear rates arrears since on one hand rates arrears are being reduced whilst current rates accumulate.

In the event where Ratepayers fail to pay their rates, both the arrears and current rates accumulate.

Council, therefore, proposes that a review of this Act is necessary to allow Council to first recover the current rates when due whilst at the same time make arrangements with Ratepayers for the payment of arrears in instalments. The process should both clear the current rates and reduce the arrears at the same time.

2 (b) One of the major challenges faced in the collection of rental arrears and the method of collection is explained in 2(a) above. In addition to that,

the inconsistency in the methods of collection over the years is another challenge.

Council has therefore reviewed its system of collection and has improved the shortcomings through the following processes.

(1) Ageing of Debts for current and outstanding debts.

(2) Compilation of monthly Debtors listing

(3) The above processes have assisted Council in its monitoring responsibilities with the following improvements made in its collection strategies.

(a) Quarterly reminders to Ratepayers

((b) Home visitations

(c) Emails and phone calls

(d) Warnings as a last resort

2 (c) In the Council's research on the reasons for non-payment or delayed payment of Town rates, the following three common reasons have been determined.

(i) A number of the Ratepayers who are property owners have retired and find it difficult to cope with the payment of their rates.

(ii) Those who have migrated or passed on have not made arrangements with their next of kins or legal representative for the payment of their rates.

(iii) With Levuka's small and vulnerable economy, Ratepayers who remained on the Island find it very difficult to cope with the payment of their rates due to the lack of employment opportunities. The effects of the Covid 19 Pandemic have regrettably affected the economic situation and the livelihoods of everyone.

2 (d) To address and take action against non-compliant rate payers, Council has over the years take punitive action as laid down under the Local Government Act 1972 and its Subsidiary Legislation.

In some instances, these punitive measures have been found to be costly and time consuming hence the following non-punitive measures.

1. Home visitations, emails and phone calls where discussions are made with Ratepayers to find out the reasons for the non-payment of rates and how best it can be resolved.

2. Arrangements made in the clearance of current rates and instalments of arrears at the same time.

3. Ratepayers are being advised the importance of payment of rates due as it contributes to the operations of Council and the services it provides to them. Any delays or non-payment will affect Council services and other development projects that will benefit them. Council cannot

therefore continue to operate on a shoestring budget due to non-compliant.

- 2 (e) The non-collection of full Town rates has impacted the service delivery of Council immensely in that services already provided are being met from current rates thus not allowing Council to accommodate improvements in their service delivery nor infrastructure developments due to funding constraints.

Council, however, acknowledges with great appreciation, Government's grant assistance in their service delivery and development projects

- 2 (f) Details of Vacant Lots in Levuka.

No.	Owner	Locality	Type
1.	Vinod Parashotam	Beach St	Commercial B
2.	Bhupendra Kumar	Beach St	Commercial B
3.	Umesh and Suli Sen	Beach St	Residential B
4.	Harry K Murgan	Off Beach St	Residential B
5.	Benjamin Powell	Mission Hill	Residential B
6.	Levuka Town Council	Off Levuka Vaka viti	Residential B
7.	Cathway Hotel	Robbies Lane	Special Use
8.	Shree Ramlu	Beach St	Residential B
9.	Michael Brook	Off Church	Residential B

3 (a)

Arrears as at 31/12/18	Arrears as at 31/12/19	Arrears as at 31/12/20
69,770	75,857	81,203

There was a slight increase in the rate arrears from 2019 – 2020 due to Covid – 19 pandemics but nevertheless Council still maintains collection routine as follow:

- Continuous Home Visitations and Reminders
- Lodgment with Small Claim Tribunals
- Payment Plan Agreements
- Deduction at Source initiative
- Attornment of Lease Notice

3 (b) There was no specific record of grievances from 2005 until May of 2016 whereby a Complaint Register was established. The register reflects on Nature of grievances and date received at the council office.

Year	Total Received	Nature of Grievances
2016	6	Nuisance-2 Building-2 Streetlight-1 Other- 1
2017	16	Streetlight Drainage Overgrowth Stray Dog Nuisance Buildings
2018	23	Nuisance Buildings Food Matters Illegal Dumpings Streetlights Roads/Access
2019	19	Nuisance- 9 Developments- 2 Access Roads- 3 Drains- 2 Grasscutting- 1 Stray Dogs- 1 Other- 3
2020	7	Nuisance – 2 Development- 2 Taxi- 2 Streetlight- 1
2021	13	Nuisance- 3 Development- 6 Access- 1 Food- 2 Streetlights- 1
2022	5	Overspeeding-1 Developments- 1 Overgrowth- 3

3 (c) Maintenance of Public amenities- The council utilizes funds provided by the Government in small up keeping of public amenities. We will

continue to make proposals to assist the council financially as we have limited income stream at the council.

- Rubbish Collection- Rubbish Collection is systematic and routinely programmed.

Type	Collection Schedule	Remarks
Kitchen/Household Refuse	Weekly- Monday and Thursdays	Done in house by Council workers
White and Bulky Good	Quarterly-	Done by council workers after every 3 months
Green Refuse	Monthly- on the 15 th	Done by council workers on a monthly basis. If the 15 th falls on the weekend, Monday or Thursdays it will done on the next available day

- Grass cutting and Drain- Grass cutting and drain is done on a routine and systematic manner. The council Field Workers are tasked and ensured to complete the cleaning before the end of every month as it is monitored monthly.
- Road Maintenance- The Fiji Roads Authority is always encouraged and reminded to up keep and maintain our roads in Levuka.

3 (d) Service delivery:

- Health and Hygiene- Recruitment of a Health Inspector to conduct monitoring. Enforcement and inspections in 2018
- Security and Safety- Collaborative work through communities, Various Government Departments and the Levuka Police Station
- Impact of Climate Change/Environment- The encouragement of proper waste management, Seawall rehabilitations and projects
- Poverty- Encouragement of Education, Aiding the Levuka people through providing references for small business developments, Working in collaborations with various government agencies and community assistance
- Squatters- Provision of Services and routine inspections/visitations.

- Disaster Risk Analysis- Engagement with the Disaster Reduction Team consisting of officers from various departments
- Gender Mainstreaming- Active participations in Department Meetings and the involvement of all staff in Strategizing council plans.

3.(e) In its efforts to strengthen Council accountability, transparency and good governance it has on 20th January 2022 appointed a qualified Accountant to oversee these areas of responsibility. Financial Statements in IFRS will be prepared by her for 2018---2020 since the 2012-- 2017 Financial Statements were prepared and presented to the Auditor General for audit by Price Warehouse Coopers (PWC). Annual Reports will be prepared and presented with the joint inputs of the two (2) Special Administrators and the Chief Executive Officer of Levuka Town Council and Accountant.

4. The main challenges that the Council faces during the Cyclone season is the safety of the buildings. Furthermore, the Council depend on the government for funding to maintain damages caused by the cyclone. It is always a big challenge is to maintain these buildings as most of the buildings in Levuka are over 100 years old. The government had assisted some of the residents that were partly damage during cyclone Winston.

5. The Council did not seek assistance from UNESCO due to communication difficulties. This was left to the Department of Heritage as part of Government request and assistance.

6. The heritage sites benefit the Council through heritage tourism both locally and overseas. It also assists locals in maintaining culture and heritage that can be lost through the new generation.

7. The Council plans to install website for local and overseas information. We are also mindful that in establishing sister – city relationship can auger well for us. This will benefit our business community as bringing in people means money flowing into Levuka thus creating job opportunities.

8. The Council noted that one of its pressing needs is revenue due to limited number of ratepayers and for this reason we always look forward to the government and NGO's. We are also looking at some of our properties for leasing arrangements and other development in order to increase our revenue. We have already completed our sexennial valuation and look forward to implementation soon.
9. Council confirms that from 2011 to 2017 it had prepared and presented its annual financial statements in the International Financial Reporting Standards for SMEs (IFRS) through the Accounting Firm of Price Waterhouse Coopers (PWC) due to the lack of expertise in Council Accounting staff.
10. Council confirms that subsequent financial statements (2012 - 2017) have been prepared and presented for Council by the Accounting firm of Price Warehouse Coopers(PWC) and have been submitted to the Auditor General for audit.
 - The 2012 to 2013 audited Financial Statements was submitted to Parliament by the Auditor General in his 2019 - 2020 Audit Report on Municipal Councils as Parliamentary Paper No: 105 of 2021.
 - The 2014 - 2017 financial statements are currently with the Auditor General for audit.
 - On the 20th of January 2021, in its efforts to streamline its Accounting staff in line with the merit-based appointment policy, appointed a qualified Accountant who will be responsible for the preparation and presentation of its Financial Statements for 2018 to 2020 and beyond in the International Financial Reporting Standards for SMEs to the Auditor General.
 - The decision has saved Council significantly in hire costs of accounting firms.
 - Whilst Council is still operating on a cash basis of accounting it has sought expression of interest from reputable accounting firms for accounting software packages which meets its needs and conform to the Fiji Institute of Accountants and Government standards. Funding, however, is a major challenge for Council which it proposes to seek Government assistance for this project.
11. The Council has a version of a Risk Management policy that is updating for this purpose aligning to the Ministry of Local Government Risk Management Policy.

12. The Accounts Section of Council comprises of the following staff:

- Accountant with a Bachelor in Commerce majoring in Accounting and Management from the Fiji National University.
- Revenue Clerk/Office Assistant - Form 6 and Vocational training.

Both staff positions have been substantively filled.

We thank you very much for giving us the opportunity to share some of the information and hope that it will be most useful in your aspire for information and consideration.

Yours sincerely



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Josese Rakuita
Chief Executive Officer
LEVUKA TOWN COUNCIL

ALL COMMUNICATIONS TO BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER

**Supplementary Response by the
Levuka Town Council**

Levuka Town Council

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Our Ref: LTC/nl (85/22)

Date: 20th April, 2022.

The Hon. Viam Pillay
Chairperson
Standing Committee on Social Affairs
Parliament of the Republic of Fiji
Suva.

Dear Sir

RE: SUPPLEMENTARY QUESTIONS 2005 – 2011 ANNUAL REPORTS

RESPONSES TO SUPPLEMENTARY QUESTIONS:

We refer to your letter dated 19th April, 2022 regarding the above subject and provide hereunder clarifications on matters raised therein.

1. Q2 (ii)
 - Council confirms that there are only two ratepayers who are from overseas with outstanding rates
 - Processes followed:
 1. Have their latest titles
 2. Contact their next of kin
 3. Have their address, telephone number, emails updated
 4. Advise them on the outstanding rates
 5. If they migrated with no address, contact their close relatives though telephone, emails, or social media.
2. Q5 The Council does not communicate directly with the UNESCO. Under the current arrangement the Permanent Secretary for Education is the UNESCO National Commission Representative for Fiji.

The Department of Heritage & Arts falls under the ambit of Ministry of Education hence the above arrangement.

We thank you again for this opportunity.

Yours sincerely



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Josese Rakuita
Chief Executive Officer
LEVUKA TOWN COUNCIL

ALL COMMUNICATIONS TO BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER