

# KATHERINE TOWN COUNCIL



## REVENUE POLICY

YEAR ENDING 30 JUNE 2015

## REVENUE

### **POLICY**

Council must raise revenue each year sufficient for the purpose of governance, town administration and to provide for appropriate programs and services for the community. The Chief Executive Officer will prepare and the Council shall adopt a Revenue Policy each financial year for the period to which it relates to meet the requirements of the. This policy covers the following items which are detailed in the Policy Procedure section:

- Method used to value land
- General rates
- Service charge
- Minimum rates
- Pensioner concessions
- Concessions
- Payment of rates
- Late payment of rates
- Application of payments
- Fees and charges

### **POLICY PROCEDURE**

Rates constitute a system of taxation on the community for local government purposes (generally based on the value of land). Although ratepayers should receive some benefits from paying rates, these benefits should not necessarily be to the extent of the tax (rates) paid. Benefits are consumed in different quantities and types over the life cycle of the ratepayer.

Council's practices and decisions regarding rating are underpinned by:

- Accountability, transparency and simplicity
- Efficiency, effectiveness and timeliness
- Equitable distribution of the rate burden across the community
- Consistency with Council's strategic, corporate and financial directions and budgetary requirements and
- Compliance with the requirements and intent of relevant legislation and accepted professional conventions and ethics.

Council is faced with balancing its service levels, the needs and expectations of the community and setting appropriate tax levels to adequately resource its roles and responsibilities. In setting its charges for the financial year the Council needs to give primary consideration to the following:

- 1.1 Its current Business Plan document
- 1.2 The current economic and legislative climate
- 1.3 The specific issues faced by our community
- 1.4 The budget for the 2013/2014 financial year
- 1.5 The impact of charges on the community, including
  - personal incomes and business activities;

- the broad principle of achieving equity in the distribution of the rate and charges burden;
- minimising the level of general rates required by levying fees and charges for goods and services where that is possible;
- setting and applying fees and charges fairly and equitably to recover the full cost of operation or providing; and
- investigation of alternative sources of revenue to reduce Council's reliance upon rate revenue.

As part of the financial planning and budget processes, the rate revenue required to meet expenditure needs is calculated taking into account other sources of revenue. The structure of the rating system is then determined, considering how the rates are levied between, and within, various categories of ratepayers.

### **Method Used To Value Land**

Council continues to use the unimproved capital value as the method of determining the assessed value of all rateable land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers.

All land within the Council area, except for lands specifically exempt (eg Crown Land, Council owned land) is rateable. Where a service that is subject to a service charge is provided to non-rateable land, a service charge is levied against the land.

The Katherine Town Council uses Unimproved Capital Value, Section 149(1) of the Act, as a basis for all land valuations in the Katherine Town Council area. Unimproved Capital Value is the value of the land without any improvements.

The Valuer-General sets the Unimproved Capital Values of land. If a ratepayer is dissatisfied with the valuation by the Valuer-General. Contact details for the Valuer General are:

Office: 3<sup>rd</sup> Floor, AANT Building, 81 Smith Street, Darwin NT 0801

Mail: GPO Box 4346, Darwin NT 0801

Telephone: (08) 8982 5700

Facsimile: (08) 8981 1414

The Katherine Town Council has no role in this process and it is important to note that the lodgment of an objection does not change the due date for payment of rates nor the amount payable. Rates must be paid in accordance with Rate Notice unless otherwise notified by Council.

### **General Rates**

A differential general rate shall be levied on all rateable properties based on the Unimproved Capital Value (UCV) of the land falling within the Planning Zones under the Planning Act.

### **Waste Management Charges**

The Council will charge a fixed amount for the waste collection service as an annual charge for each allotment of land or where multiple residential units exist on the allotment of land, then the fee times the number of residential units on each allotment. The charge together with commercial waste disposal income is used to meet the reasonable costs associated with the collection and disposal of waste.

Where a waste collection service is not supplied Council will charge a minimum waste charge. This charge is used to meet the reasonable costs associated with the disposal of waste.

### **Minimum Rates**

Council has determined that minimum rates will be applied within the municipal boundary 2014/2015 in order that all ratable assessments make a reasonable contribution to maintaining the services and infrastructure of each property.

The Katherine Town Council has applied a minimum rate to all assessments in previous years.

The primary reason for imposing a minimum rate is to ensure that all ratable properties make a reasonable contribution to the cost of administering Council activities and maintaining the services and physical infrastructure that supports each property. A minimum rate has the effect of reducing the rate in the dollar required to be applied to valuations on properties that exceed the minimum rate.

The minimum rate is also used in the application of multiple dwelling rating principles.

### **Pensioner Concessions**

Eligible pensioners may be entitled to a remission on rates. Katherine Town Council receives a listing from Territory Health Services of all the ratepayers that are eligible for concession at the time of levying the rates.

The rebate is deducted from the rate notice. If a pensioner becomes eligible part way through the rating year they must pay the rates in full to Council and then contact Territory Health Services to obtain a refund. Contact details for Territory Health Services are:

Postal Address: GPO Box 40596 CASUARINA NT 0811

Telephone: (08) 8999 2400

Facsimile: (08) 8999 2700

### **Rate Concessions**

Where applicable applications for rate concessions may be considered under the provisions of Chapter 11, Part 11.8 of the Local Government Act

### **Payment of Rates**

Payment of rates is either by single instalment of four approximately equal amounts in the months of September, November, January and March. The dates and conditions are printed on the rate notice.

Rates may be paid by any of the following methods:

- By mail, using cheque, money order or credit card.
- By BPAY through your financial institution.
- By internet, using Council's online services.
- By direct debit from a nominated savings or cheque account.
- In person at the Civic Centre, using cash, EFTPOS, cheque or money order.
- By Centrepay through regular deductions from Centrelink payment.

If rates are paid in full by the due date of the first installment then the ratepayer is automatically entered into the early bird competition for the chance to receive a benefit for the prompt payment of rates in accordance with Section 160 of the Act.

### **Late Payment of Rates**

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard installments and due dates can contact the Council to discuss alternative payment arrangements. It should be noted that fines and interest would still be levied in accordance with the Act under any payment arrangement.

Council has determined that penalties for late payments will be imposed in accordance with the provisions of Section 162 of the Act. These provisions are the only provisions available to Council to ensure that all ratepayers pay promptly.

Section 162 of the Act, provides that the Council may determine a penalty for the late payment of Rates and Charges which is to be calculated on a daily basis. For this rating year Council has determined that where rates are paid by installments and an installment is not paid on or before the date on which it is due and payable, then the date which future installments are due and payable is not affected. This means that interest is only charged on the overdue amount of the installment. The current penalty rate is printed on all rate notices and will be determined by Council when declaring the rates for the rating year.

Council will consider applications for remission of fines in certain extenuating circumstances. A request to waive fines must be made in writing, detailing reasons why a fine remission should be granted.

### **Sale of Land for Unpaid Rates**

Pursuant to Part 11.9 of the Act, if rates have been in arrears for at least 3 years, Council may sell the land.

### **Fees and Charges**

Other income generated by Council includes:

- Facility and Equipment Charges
- Library Charges
- Cemetery Charges
- Camping/Stabling
- Infringements
- Animal Charges
- Rate Searches
- Pool Charges
- Weighbridge/Dump Charges

All other income is outlined in the Katherine Town Council Facilities Fees and Charges Booklet. This booklet can be viewed at the Katherine Town Council Civic Centre or website [www.ktc.nt.gov.au](http://www.ktc.nt.gov.au).