



REVENUE POLICY

Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Manager Finance		
Approval Date:	28/01/2025	Next Review:	01/07/2025
Records Number:	173449	Council/CEO Decision:	OMC-2025-006
Legislation Reference:	<i>Local Government Act 2019</i> <i>Local Government (General) Regulations 2021</i>		

1 PURPOSE

The purpose of this policy is to ensure council's revenue streams generated are prudent in ensuring sufficient liquidity for councils day to day operational commitments are met and limiting its exposure to risks.

2 SCOPE

The policy applies to all Elected Members and Council employees with responsibility for making and implementing decisions on Council rates and waste collection charges, grants, investments, asset sales or any other income streams.

3 DEFINITIONS

ADI (Authorised Deposit-taking Institutions) means institutions authorised by the Australian Prudential Regulation Authority (APRA) as a financial institution operating in Australia.

Counterparty refers to the other individual or institution to an agreement or contract.

The Act refers to the *Local Government Act 2019*.

Unimproved Capital Value (UCV) means the valuation of a land without any above ground improvements such a home, shed, pool, carport or other structures. It is assessed every three years by the NT Valuer-General based on the property market and analysing sales in the relevant local area to determine how much the land alone would be worth.

4 DETAILS

The Revenue Policy is a key component of council's Strategic Plan and lists Council's Rates, Fees and Charges for 2023-24, including all areas that support the generation of Council's income.

Revenue categories include:

- Rates
- Fees and charges
- Community Support
- Commonwealth and Territory government grants
- Earnings on investments
- Asset Sales
- Other revenues, including income from the sale of assets

Council adopts its Revenue Policy on an annual basis.

RATES

The following sections provide information regarding how Council will levy ordinary land rates, charges and fees in the financial year and the anticipated revenue that will be derived from each separate rate, charge and fee.

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 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 fees and charges to recover the full cost of operation or providing the service of goods;
 - 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

The Katherine Town Council uses Unimproved Capital Value, Section 65(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 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 Valuer-General sets the Unimproved Capital Values of land. If a ratepayer is dissatisfied with the valuation by the Valuer-General they may lodge an application to the Valuer General via:

Office: 3 rd Floor, AANT Building, 81 Smith Street, Darwin NT

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 lodgement of an objection does not change the due date for payment of rates. Rates must be paid in accordance with Rate Notice until otherwise notified by Council.

General Rates

Section 58 of The Act, provides for a Municipal Council to rate all land within its municipality for the purpose of raising money to be spent or in relation to the performance of its functions.

Council raises rates by setting a percentage rate of the unimproved capital value of all rateable land with a minimum amount payable (minimum rate) in the application of that rate and the actual amount of rates payable is determined by either the product of the unimproved capital value (UCV) and the set percentage rate (differential rate) or by multiplying the number of residential units on the respective parcel of land by the minimum rate and taking whichever is the greater amount.

If there is more than one residential unit/dwelling on a land parcel and such residential units do not have their own individual assessment (strata title), Council will apply multiple dwelling rating principles as a means of equitable distribution of the rate burden across the community.

Waste Service Charge

Where the Council provides or is willing and able to provide a waste disposal service to land within the Town Boundary (as defined in the Katherine Town Plan and Katherine Rural Area Plan), pursuant to Section 74 of the Act, the Council will charge a fixed charge for the service as an annual charge for each parcel of land or where multiple Residential units exist on the parcel of land, then the fee times the number of residential units on each parcel.

In accordance with the Act, Council is not limited to recovering the cost of providing the service for which the service charge is made but Council will make every effort to do so that is, it will endeavour to charge no more than the cost of providing the service.

Minimum Rates

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

The primary reason for imposing a minimum rate is to ensure that all rateable 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 affect 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.

The Act permits Council to levy a minimum rate under Section 72.

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

Concessions

Application for concessions of rates and charges will be considered under the provisions of the discretionary concessions of rates and charges provisions of the Act, Part 4 – Division 5.

Payment of Rates

Payment of rates is either by single instalment or 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.
- In person at the Civic Centre, using cash, EFTPOS, cheque or money order.

If rates are paid in full by the due date of the first instalment 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 81 of the Act.

Late Payment of Rates

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalments 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 82(1) of the Act. These provisions are the only provisions available to Council to ensure that all ratepayers pay promptly.

Section 82 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. Council has determined that where rates are paid by instalments and an instalment is not paid on or before the date on which it is due and payable, then the date which future instalments are due and payable is not effected. This means that interest is only charged on the overdue amount of the instalment. 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.

Application of Payments

Section 84 of the Act provides that when the Council receives a payment in respect of rates, the Council applies the money received as follows:

- First to satisfy any costs awarded in connection with legal proceedings.
- Second in payment of previous years rates overdue.
- Third to satisfy interest imposed on previous years rates.
- Fourth in payment of this year rates overdue.
- Fifth to satisfy interest on these years rates overdue.
- Sixth in payment of current rates.

Rates, which remain in arrears for a period exceeding 30 days, will be subject to recovery actions in accordance with Council's normal debt recovery procedures.

Section 94 of the Act provides that a Council may sell any property, subject to certain conditions, where any rates have been in arrears for more than three years. Except in extraordinary circumstances, Council will enforce the sale of land for arrears of rates.

Council Rates are imposed under the provisions of the Act, and within the Katherine Town Council are based on the Unimproved Capital Valuation and the Land Use Category applied for the current financial year, unless the Minimum Rate declared by Council is applicable. Where a ratepayer believes the level of rates charged on an assessment is excessive, the avenues for appeal are to lodge a formal objection to the Unimproved Capital Value.

Please refer to the appropriate section of this policy for instructions of the required procedure to lodge objections.

It is important to note that the lodgement of any objection does not change the due date for payment of rates. Rates must be paid in accordance with the Rate Notice until otherwise notified by Council.

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council.

Council will act as advocate on behalf of the community and local government sector with regard to legislative and policy matters pertaining to rating and other revenue raising powers.

Council will have regard to relevant legislation and any other legal requirement in determining the terms and conditions under which it will make available any information contained in its databases and other records.

Council will be mindful of the various demographic, social, cultural, and economic attributes of the local community when preparing or distributing information.

Council will seek to provide quality rating information from its databases, in a timely, accessible and user friendly manner.

Council will seek to provide rating decisions and fees and charges information in an efficient, effective and timely manner, in accordance with resource availability.

FEES AND CHARGES FOR SERVICES

Other income generated by Council is:

- Facility and Equipment Charges
- Commercial and Domestic waste charges

- Civil Airport Charges
- Animal Management and Regulatory Charges
- Vendor Street and Roadside Permit
- Signs
- Library Charges
- Cemetery Charges
- Camping/Stabling
- Infringements
- Rate Searches
- Pool 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 on the council website.

COMMUNITY SUPPORT

Council will promote community efforts that enhance and provide revenue alternatives to community taxing through rates, for the Katherine Town Council.

Council will fulfil its responsibilities on matters relating to rating in accordance with relevant legislation, standards, agreements and codes. Including:

- Providing payment of rates in instalments.
- Providing for the application of rebates and remissions, and
- Levying fines and interest for late payment of rates.

COMMONWEALTH AND TERRITORY GOVERNMENT GRANTS

Katherine Town Council receives grants from the Territory government for operating and capital special purposes.

Council will continue to act as advocate for the achievement of more adequate levels and more equitable distributions of State and Federal grant funding to Local Government.

EARNINGS ON INVESTMENTS

Katherine Town Council invests in government approved investments strategies.

Katherine Town Council invests in Term Deposits with approved lenders as per the Council Investment Policy.

ASSET SALES

Revenue generated from the sale of departmental assets is recognised when ownership of the asset has been transferred to the purchaser.

OTHER REVENUE

Other revenue may include recoveries of electricity or water charges involved in council owned buildings, light tokens, airport electricity charges, insurance claims, etc.

Council will act as an advocate to attract or attain alternative revenue sources for the Katherine Town Council.

5 ASSOCIATED POLICIES/DOCUMENTS

Declaration of Rates and Charges

Rating Strategy Policy

Rates Concession Policy

Fees and Charges Schedule published annually

Katherine Town Council Municipal Plan published annually

Katherine Town Council Instrument of Delegation

Credit Card Policy

Debt Recovery Policy

Asset Management Policy

Investment Policy

Risk Management Policy

6 REFERENCES AND RELATED LEGISLATION

Local Government Act 2019

Valuation of Land Act 1963

Local Government (General) Regulations 2021

Planning Act 1999

Northern Territory Planning Scheme 2020

Pastoral Land Act 1992

Revision History

Version	Approval date	Details of change	Responsible officer
1	2012	Created	CEO
2	28/11/2024	Transfer to policy template, and inclusion of all revenue types being grants, asset sales and investments	Manager Finance
3			

