

KATHERINE TOWN COUNCIL



REVENUE POLICY

YEAR ENDING 30 JUNE 2009

	REVENUE
<i>POLICY</i>	<p>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 community and to meet the requirements of the Local Government Accounting Code. This policy covers the following items which are detailed in the Policy Procedure section:</p> <ul style="list-style-type: none"> • 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 • Community support
<i>POLICY PROCEDURE</i>	<p>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.</p> <p>Council's practices and decisions regarding rating are underpinned by:</p> <ul style="list-style-type: none"> • 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. <p>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:</p>

- 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 2006/2007 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; 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 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 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: 3rd 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 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.

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 2006/2007 in order that all rateable 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 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 Local Government Act, Part 4 – Division 5.

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.

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. For this rating year 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.

Fees and Charges

Other income generated by Council is:

- 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.

Council will seek to equitably distribute rates across the community by:

- Using the Unimproved capital value, as determined by the Office of the Valuer General, as the basis for calculating the general rates.
- Maintaining a minimum rate for all properties.

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 fulfill 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.

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

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.

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.

As part of Council's continuous improvement process, all aspects of this policy will be reviewed annually to ensure that the underlying principles as set out herein are best achieved.