

2024-2025 Revenue Policy

Policy Details

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Supporting documentation

Legislation	<ul style="list-style-type: none"> • <i>Local Government Act 2009</i> • <i>Local Government Regulation 2012</i>
Policies	<ul style="list-style-type: none"> • Revenue Statement • Rates Based Financial Assistance Policy • Rates and Charges Debt Policy
Delegations	<ul style="list-style-type: none"> • Nil
Forms	<ul style="list-style-type: none"> • Nil
Supporting Documents	<ul style="list-style-type: none"> • Corporate Plan 2021 – 2025

Version History:

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Intent

The Revenue Policy is a strategic document and its adoption, in advance of setting the budget, allows Council to set out the principles that it will use for revenue raising in setting the budget.

Scope

This policy details the principles that Council utilises in levying rates & charges, granting concessions, recovering outstanding rates & charges and the implementation of various fees and charges.

Policy Statement

Council has a statutory requirement to have a Revenue Policy and this policy is to be reviewed on an annual basis in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

Section 193 of the *Local Government Regulation 2012*, defines the content to be included in the Revenue Policy and an extract follows:

- (1) *A local government's revenue policy for a financial year must state—*
 - (a) *the principles that the local government intends to apply in the financial year for—*
 - (i) *levying rates and charges; and*
 - (ii) *granting concessions for rates and charges; and*
 - (iii) *recovering overdue rates and charges; and*
 - (iv) *cost-recovery methods; and*
 - (b) *if the local government intends to grant concessions for rates and charges—the purpose for the concessions; and*
 - (c) *the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.*
- (2) *The revenue policy may state guidelines that may be used for preparing the local government's revenue statement.*

Levying rates and Charges

Council utilises a principle based approach when levying rates and charges which consist of:

Equity Principle – Council will aim to ensure that all sectors of the rate paying community contribute equitably to the rates revenue of the Council. This means that in determining the level of rates and charges, Council's objective is to ensure the fair and consistent application of lawful rating and charging principles, without bias, taking into account of all relevant considerations, and disregarding irrelevancies such as the perceived personal wealth of individual ratepayers or ratepayer classes.

The general basis for determining rates is the valuation of rateable land as determined under the *Land Valuation Act 2010*, however differential general rating will be applied to achieve a more equitable relationship between the contribution to rates revenue that Council considers appropriate where the highest and best use of the land is taken into consideration, for a more

equitable outcome than could be achieved if a simple (i.e. single rate in the dollar) general rating scheme were to be adopted.

Benefit (User Pays) Principle –At a minimum, ratepayers should contribute rates which reflect the cost of providing Council’s services to rateable properties in each sector of the community based on the most appropriate category for the rateable land. Wherever possible, this should be reflected in the minimum rate for each rating category.

In addition to the above 2 key principles, Council will also have regard to:

- Transparency in the making of rates and charges.
- Having in place a rating regime that is simple and inexpensive to administer;
- Flexibility to take account of changes in the local economy;
- Making clear what is the Council’s and each ratepayer’s responsibility to the rating system;
- Timing the levy of rates to take into account the financial cycle of local economy activity, in order to assist smooth running of the local economy.

Granting Concessions for Rates and Charges

Principles

In considering the application of concessions, Council will be guided by the principles of:

- Fairness and social conscience by having regard to the different levels of ability to pay within the local community.
- The same treatment for ratepayers with similar circumstances.
- Transparency by making clear the requirements necessary to receive concessions; and
- Flexibility to allow Council to respond to local, State, National or broader economic, environmental or other issues that have a significantly adverse impact on a ratepayers ability to pay rates and charges.

Purpose

Statutory provision exists for the Council to grant concessions of the type specified in section 121 of the *Local Government Regulation 2012*. The concessions that Council intends to grant, and their purpose, are as identified in Council’s *Rates Based Financial Assistance for Community Organisations Policy*. Council also intends to grant concessions in relation to rateable land owned or occupied by a pensioner. Council may also grant concessions to owners of rateable land if they are suffering hardship and after having regard to Council’s *Financial Hardship Policy*.

Council may also give consideration to granting a class concession in the event all or part of the local government area is declared a natural disaster area by the State or Federal Government or a similar event which has a significant impact on ratepayers within the local government area.

In considering the application of concessions, Council will be guided by the principles set out above.

Recovering Overdue Rates and Charges

Council will exercise its rate recovery powers in order to adjust to ratepayer cash flows so as to minimise the overall rate burden on ratepayers. It will be guided by the principles of:

- Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their financial obligations.
- Making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective.
- Equity by having regard to providing the same treatment for ratepayers with similar circumstances; and
- Flexibility by responding where necessary to changes in the local economy.

Cost-Recovery Methods

Council recognises the validity of fully imposing the “user pays” principle for its fees and charges (including cost-recovery fees) unless the imposition of the full costs is contrary to its reasonable belief of being in the public interest.

By imposing fees and charges that accurately reflect the full cost of the provision of services will enable Council to promote efficiency in both the provision and use of services without subsidising from other sources of revenue.

Funding of Physical and Social Infrastructure

To minimise the impact of physical and social infrastructure charges on the efficiency of the local economy, Council will be guided by the principle of user pays in the making of physical and social infrastructure charges for new development, to the extent permissible by law. Council may depart from applying this principle if it is determined by Council that it is in the community interest to do so.

Council’s infrastructure charging framework has been established in accordance with the legislative requirements of the *Planning Act 2016*. Under section 113 of the *Planning Act 2016* local governments may, by resolution, adopt charges for providing trunk infrastructure for development (infrastructure charges). Schedule 16 of the *Planning Regulation 2017* states the maximum amount for each charge.

Where a new development is of sufficient magnitude to accelerate the growth rate of a specific community within the Region, it may be necessary to bring forward social infrastructure projects. Where this occurs, Council expects developers to meet sufficient costs so that the availability of facilities is not adversely affected and so that existing ratepayers are not burdened with the cost of providing the additional infrastructure.

Definitions

TERM	DEFINITION
User Pays Principle	Is a pricing approach based on the concept that the most efficient allocation of resources occurs when the customer pays the full cost of goods and/or services that they consume.

Adopted by Council 24 April 2024 by Resolution 0424/015.

Mark Crawley
Chief Executive Officer