

2022/23 Revenue Policy - Council Policy

Effective Date	<i>1 July 2022</i>
Policy Owner	<i>Finance</i>
Link to Corporate Plan	<i>Sustainable Organisation</i>
Review Date	<i>June 2023</i>
Related Legislation	<i>Local Government Act 2009 - Section 104(5)(a)(iv) and (c), and Section 104(6) Local Government Regulation 2012 - Section 193</i>
Related Documents	<i>Nil</i>

Policy Version	Approval Date	Adopted/Approved
<i>1</i>	<i>22/06/2022</i>	<i>Special Meeting of Council Adopt 2022/23 Budget</i>

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1. PURPOSE

The purpose of this Revenue Policy is to:

- (a) set out the principles used by Council for:
 - levying rates and charges,
 - granting concessions for rates and charges,
 - recovering overdue rates and charges,
 - implementing a cost recovery fees regime for the imposition of fines, parking fees, environmental health fines, assessment of development applications etc,
 - implementing commercial fees for activities that Council may undertake which are not core services of Council.
- (b) state the purpose for concessions that Council intends to grant; and
- (c) state the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

2. SCOPE

Section 104(5)(c)(iii) of the *Local Government Act 2009*, requires Council to have a system of financial management that includes a Revenue Policy. The *Local Government Regulation 2012* requires Council to review its Revenue Policy annually in sufficient time to allow it to adopt for the next financial year an annual budget that is consistent with the Policy. The Revenue Policy is a component of the Council's financial plan and is intended to be a strategic document. Its adoption, in advance of setting the budget, allows Council to set out the principles that it will use to set its budget and to identify in broad terms the general strategy it will use for raising its revenue.

3. POLICY

3.1. Levying rates and charges

Setting rates and charges

Council will endeavour to:

- apply a *user-pays* approach in determining its rates and charges
- distribute equitably the financial burden of the imposts, and
- to the extent possible, minimise the impact of rating and charging on the efficiency of the local economy.

Council will also have regard to the principles of:

- **transparency** through clearly articulating the bases and criteria for settling the rates and charges
- **efficiency** by implementing a rating regime that is straightforward and inexpensive to administer
- **equity** by endeavouring to ensure the consistent application of lawful rating and charging principles, without bias. In this regard the system will take into account all relevant considerations, and



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disregard irrelevancies including perceived personal wealth of individual ratepayers or ratepayer classes; and

- **flexibility** through taking account of and where possible being responsive to changes in the local economy, due to extraordinary circumstances that may prevail at a point in time and/or the impact that different industries may have on the Region's infrastructure.

Levying rates and charges

In levying rates and charges, Council will apply the principles of:

- **clarity** by making it clear what is Council's and each ratepayer's responsibility under the rating system
- **efficiency** by ensuring the levying and recovery system is straightforward and inexpensive to administer
- **regularity** by timing rates and charges levies to assist with the smooth running of the local economy and to minimise the impact on individual ratepayers, and
- **fairness** by providing flexible payment arrangements for ratepayers with a diminished capacity to pay.

3.2. Concessions for rates and charges

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

- **fairness** by endeavouring to accommodate the different levels of capacity to pay within the local community
- **consistency** by treating all ratepayers with similar circumstances in the same manner
- **transparency** by clearly articulating the qualification criteria for concessions, and
- **flexibility** by endeavouring, where possible, to be responsive to the impacts of local economic issues.

The predominant purpose for which Council grants concessions is to assist pensioners (whose modest incomes limit their capacity to pay), and to assist community organisations (which provide significant services to the community) meet their obligations to pay Council's rates and charges.

3.3. Recovery of overdue rates and charges

Council will exercise its rate recovery powers to help minimise the burden on ratepayers, in which respect it will be guided by the principles of:

- **transparency** by clearly articulating the obligations of ratepayers and the processes Council adopts in assisting them to meet their financial obligations
- **efficiency** by ensuring its processes for recovering outstanding rates and charges are clear, simple to administer, and cost-effective
- **consistency** by according similar treatment to ratepayers with similar economic circumstances, and
- **flexibility** by endeavouring, where possible, to be responsive to the impacts of changes in the local economy.



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3.4. Cost recovery fees

Section 97 of the *Local Government Act 2009* allows Council to set cost recovery fees.

Council recognises the equity of applying the user-pays principle to setting its fees and charges regime. In applying this principle, Council will ensure that the fees and charges applied are not inconsistent with Council's social, economic and environmental goals. This approach recognises that ratepayers, through their payment of rates and charges, should not be expected to subsidise the provision of other services that Council may provide including those as a regulator.

However, in setting each cost recovery fee, Council will ensure that the fee does not exceed the cost to Council of taking the action for which the fee is charged as required under Section 97 of the *Local Government Act 2009*.

3.5. Funding of physical and social infrastructure

Council requires developers to contribute to the cost of infrastructure needed to support their developments, so as to minimize the cost that the body of general ratepayers must bear for the provision of that infrastructure.

Within the constraints that statute imposes, the determination of charges is based on normal anticipated growth rates. 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 infrastructure projects. Where this occurs, Council expects developers to meet, again within the statutory constraints, sufficient cost portions:

- to ensure that the availability of facilities to the general community is not adversely affected, and
- to ensure as far as possible that existing ratepayers are not burdened with the cost of providing this additional infrastructure.

Specific charges are detailed in Council's adopted infrastructure charges resolution and other material supporting Council's town planning schemes.

The *statutory constraints* reference is to the caps placed upon the contributions Council may require from developers, imposed by Section 112 of the *Planning Act 2016* and Section 52 and Schedule 16 of the *Planning Regulation 2017*.

3.6 Commercial fees and other charges

Section 262(3)(c) of the *Local Government Act 2009* empowers Council to charge for a service or facility it supplies other than a service or facility for which a cost recovery fee may be fixed.

Council will impose a commercial fee where it provides commercial services or facilities to parties that can choose to avail themselves of the service or facility. These would include the use of halls, entrance fees to swimming pools, purchases of gravel from the quarry, purchases of plots at the cemeteries, provision of aged care services, sale of cattle through the saleyards, the use of the truck wash down facilities, purchases of gas through Council's gas network etc.

The nature, level, and standard of the service is considered by Council in setting the commercial fee. Council may move away from setting a commercial fee if it believes a community service obligation needs to be provided and/or there is a need to provide equitable access regardless of economic and social circumstance.

A commercial fee must be considered where Council provides the service in competition with the private sector.

