

Revenue Policy

Effective Date	19 June 2025
Policy Type	Statutory Policy
Policy Owner	Finance
Link to Corporate Plan	Sustainable Organisation
Review Date	Special Meeting of Council Adopt 2025-26 Budget
Related Legislation	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i>
Related Documents	<i>Revenue Statement</i> <i>Debt Recovery Collection Guidelines</i>

Policy Version	Approval Date	Adopted/Approved
1	19/06/2025	Special Meeting of Council Adopt 2025-26 Budget - 19 June 2025

This policy may not be current as Council regularly reviews and updates its policies. The latest controlled version can be found in the policies section of Council's intranet or Website.
A hard copy of this electronic document is uncontrolled.



1. PURPOSE

The *Revenue Policy* demonstrates the principles that Council intends to apply in the preparation and adoption of the 2025-26 budget for the Western Downs Regional Council. The *Revenue Policy* must be reviewed in sufficient time to allow an annual budget consistent with the *Revenue Policy* to be adopted for the next financial year

The purpose of this policy is to state:

- (1) the principles used by Council for:
 - (a) levying rates and charges;
 - (b) granting concessions for rates and charges;
 - (c) recovering overdue rates and charges;
 - (d) cost recovery methods; and
 - (e) implementing commercial fees for activities that Council may undertake which are not core services of Council.
- (2) the purpose for concessions that Council intends to grant; and
- (3) the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

2. SCOPE

This policy is used in developing Council's annual budget and to guide the development of the *Revenue Statement* for the 2025-26 financial year.

3. POLICY

3.1. Levying rates and charges

Council levies rates and charges to fund the provision of specific services to its community. When adopting its annual budget, Council will set the rates and charges at a level that will provide for both current and future community requirements. It is acknowledged that individual users of a commodity or service cannot always be identified. For this reason, there is a need for specific user charges to be supplemented by other general revenue sources.

Setting rates and charges

To provide the most equitable and rational basis for raising revenue, Council defines the relevant components of its rates and charges utilising a combination of specific user charges, separate charges, special charges, and a differential general rating system based on the value of land.

Council will endeavour to:

- (1) equitably distribute the financial burden of the general rates as broadly as possible ;
- (2) to the extent possible, minimise the impact of rating and charging on the efficiency of the local economy; and
- (3) where appropriate, fund certain services, facilities, or activities by means of separate or special rates or charges

Council will also have regard to the principles of:

- (1) **transparency**, through clearly articulating the bases and criteria for setting the rates and charges;
- (2) **efficiency**, by implementing a rating regime that is straightforward and inexpensive to administer;
- (3) **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 disregard irrelevancies, including perceived personal wealth of individual ratepayers or ratepayer classes; and
- (4) **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:

- (1) **clarity**, by making it clear what is Council's and each ratepayer's responsibility under the rating system;
- (2) **efficiency**, by ensuring the levying and recovery system is straightforward and inexpensive to administer;
- (3) **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
- (4) **fairness**, by providing flexible payment arrangements for ratepayers with a diminished capacity to pay.

3.2. Concessions for rates and charges

Council outlines the concessions that may apply to rates and charges in its *Revenue Statement*. Other concession requests will be assessed on their individual merits. In considering the application of concessions, Council will be guided by the principles of:

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

3.3. Interest on overdue rates and charges.

The non-payment of rates and charges by some ratepayers places an unfair burden on other ratepayers who meet their financial and legal obligations in full. To minimise this burden, Council will charge interest on overdue rates and charges and diligently exercise its rate recovery powers under Chapter 4, Part 12 of the *Local Government Regulation 2012*.

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 is considered to be the most equitable and effective revenue approach and is founded on the basis that Council's rating base cannot subsidise the specific users or clients of Council's regulatory products and services.

In setting each cost recovery fee, Council will ensure that the fee does not exceed the cost to Council of providing the service or taking the action to which the fee applies.

3.4. Contributions towards the cost of physical and social infrastructure

Council requires developers to make reasonable and relevant contributions towards the cost of physical and social infrastructure required to support their developments. The charges are detailed in Council's adopted *Infrastructure Charges Resolution* in effect at the time the application is lodged with Council.

These charges are intended to be 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 physical and social infrastructure projects to support the development. 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.

3.5. 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 a commercial service to a party that can choose to avail itself of the service or facility. The nature, level, and standard of the service is considered by Council in setting the commercial fee. Council may set the charge with the aim of generating revenue and it will comply with the principle of competitive neutrality.



3.6. Recovery of overdue rates, charges, contributions, and other fees

Part 12, Division 1 of the *Local Government Regulation 2012* defines what overdue rates and charges are and when they become overdue and allows interest to be charged on overdue amounts. Section 132 states that the rates or charges are taken to have become overdue on the day after the due date stated on the notice for the rates or charges. Overdue rates or charges also include interest on the rates or charges.

Council requires payment of all rates, charges, contributions, and other charges within a specified time period. The time period is specified on a rates, water, or gas notice or tax invoice issued by Council. Council is committed to the collection of all overdue amounts in a fair, equitable, and timely manner but with due concern for any financial hardship faced by individual ratepayers and customers. Due consideration and assistance will be given to ratepayers and customers who display a genuine commitment to clearing their debt.

Council's *Debt Recovery Collection Guidelines* outlines the administrative process that will be used to collect overdue rates and charges. Council will charge interest on all overdue rates and charges, excluding court awarded legal costs, gas, and sundry debtor invoices. It will be guided by the principles of:

- (1) **transparency**, by clearly articulating the obligations of ratepayers and customers to the processes Council adopts in assisting them to meet their financial obligations;
- (2) **efficiency**, by ensuring its processes for recovering outstanding rates and charges are clear, simple to administer, and cost-effective;
- (3) **consistency**, by treating all ratepayers and customers with similar financial circumstances in the same manner; and
- (4) **flexibility**, by endeavouring, where possible, to be responsive to the impacts of changes in the local economy.

