

Policy Title: **Revenue**  
 Policy No: 111  
 Policy Subject: Financial Operations

Department: Community & Corporate Services  
 Section: Finance

Responsible Officer: Manager Finance  
 Authorised by: North Burnett Regional Council

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Version	Decision Number/Council meeting or CEO Approval	Decision Date	History
1	Policy & Strategy Meeting	06/05/2008	Created for 2008/2009
2	Budget Meeting	23/06/2009	Revised for 2009/2010
3	Budget Meeting	28/07/2010	Revised for 2010/2011
4	Budget Meeting	23/06/2011	Revised for 2011/2012
5	Budget Meeting	07/08/2012	Revised for 2012/2013
6	Policy & Strategy Meeting	16/07/2013	Revised for 2013/2014
7	Budget Meeting	08/07/2014	Revised for 2014/2015

Authorities: *Local Government Act 2009*  
*Local Government Regulation 2012 (LGR)*

## INTRODUCTION:

Under *Section 193 (3)* of the *Local Government Regulation* a local government must review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the Revenue Policy to be adopted for the next financial year. It sets out the principles that Council will use to set its budget and identifies in broad terms the general strategy to be used for raising revenue as follows:

## **Revenue Policy**

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 fees; 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.
3. A local government must review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the Revenue Policy to be adopted for the next financial year.

## **OBJECTIVITIES:**

The aim of the Revenue Policy is to meet the requirements of legislation including *section 193 of the Local Government Regulation 2012 and section 104 (5) (c) of the Local Government Act 2009.*

The policy details the transparency, simplicity, equity, fiscal responsibility, efficiency and flexibility measures Council implements in making of rates and charges, levying of rates and charges, recovery of rates and charges, concessions for rates and charges and making of cost-recovery fees.

## **PRINCIPLES:**

The purpose of the policy is to identify the planning framework within which Council operates and to set out the principles used by Council for:

- Making and levying rates and charges;
- Exercising its powers to grant rebates and concessions;
- Recovery of unpaid amounts of rates and charges; and
- Methods of cost-recovery

Whilst observing these principles Council may apply any of the relevant provisions of the *Local Government Act 2009* and the *Local Government Regulation 2012* relating to formulating, levying, applying concessions and recovery in its system of Rates and Charges.

## **Policy Principles**

### *Making and Levying Rates and Charges*

In general Council will be guided by the principle of user pays in the making of rates and charges so as to minimise the impact of rating on the efficiency of the local economy.

Council will also have regard to the principles of:

- Transparency in the making of rates and charges;
- Having in place a rating regime that is simple and inexpensive to administer;
- Responsibility in achieving the objectives, actions and strategies in Council's Corporate and Operational Plans;
- Equity via a differential rating category
- Flexibility to take account of changes in the local economy, adverse seasonal conditions and extraordinary circumstances;
- Maintaining valuation relativities within the council;
- Maintaining council services to an appropriate standard;
- Meeting the needs and expectations of the general community; and
- Assessing availability of other revenue sources.

In levying rates Council will apply the principles of:

- Making clear what is the Council's and each ratepayer's responsibility to the rating system;
- Making the levying system simple and inexpensive to administer;
- Timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- Equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

#### *Exercising Its Powers to Grant Rebates and Concessions*

In considering Council's powers to grant rebates and concessions, Council will be guided by the following principles:

- Similar treatment for ratepayers with similar circumstances;
- Transparency by making clear the requirements necessary to receive rebates and concessions;
- Flexibility to allow Council to respond to local economic issues, adverse seasonal conditions and extraordinary circumstances; and
- Fairness in considering the provision of community service rebates and concessions.

#### *Recovery of Unpaid Amounts of Rates and Charges*

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. It will be guided by the following principles:

- 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 capacity to pay in determining appropriate arrangements for different sectors of the community;

- Providing the same treatment for ratepayers with similar circumstances; and
- Flexibility by responding where necessary to changes in the local economy and environmental conditions (including recovery from drought and floods).

#### The making of Cost-Recovery Fees

In making Cost-Recovery Fees Council will apply the principles of:

- Endeavouring to recover the full cost of the service provided for which the cost recovery fee is remitted so as to minimise the effect on ratepayers;
- Making the levying of cost-recovery fees simple, efficient, and inexpensive to administer in order to minimise costs;
- Clarity in the method of calculating the amounts payable by a user.

#### Developer Contributions

While it is expected that the developer will contribute to new physical and social infrastructure when they commence a new development, the amount of their contribution and how much infrastructure they fund may vary. This will depend on many factors and will be assessed for each development. However the process used in determining the contribution will be transparent, fair and equitable.

#### Operating Capability

The change in operating capability of the Council is disclosed as the bottom line of the Statement of Comprehensive Income.

Council intends to progressively improve the quality of its operations to enable funds to be available to ensure the long term maintenance of the Council's infrastructure and ongoing financial sustainability of council. Such action is being assisted by Council seeking alternative means of funding through grants, private works and productivity improvements and operation of business units.