

# 111 Revenue

## Statutory Policy

### 1. PURPOSE

Under *Section 193 (3) of the Local Government Regulation 2012* 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:

### 2. SCOPE

The Revenue Policy demonstrates the principles that Council intends to apply in the preparation and adoption of the budget for the North Burnett Regional Council. This Policy will identify the principles Council intends to apply for:

- Levying rates and charges.
- Granting concessions for rates and charges.
- Recovering overdue rates and charges.
- Cost-recovery methods.

This Policy must also address:

- The purpose for concessions.
- The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

### 3. POLICY STATEMENT

#### **Principles used for the levying of rates and charges**

##### *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.

**Principles used for granting concessions for rates and charges** 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.

The predominant purpose for which Council grants concessions is to:

**(a) Water Consumption Charges**

Concessions for Partial Relief from Water Consumption Charges in accordance with General Policy 211 – Partial Relief from Water Charges.

**(b) Community Not for Profit Concessions**

Remission to religious organisations, sporting groups, community groups who provide a public service or community benefit throughout the region – outlined in Council's General Policy, Rates – Not for Profit Organisations.

**(c) Concession for Subdivider**

To support subdividers that contribute to Councils reticulated water and sewerage infrastructure

**(d) Natural Disaster or Drought Relief**

Council may at its discretion grant some relief to rural and commercial ratepayers who are financially stressed by drought or have been affected by natural disaster.

**(e) Other**

Other remission or rate deferral requests will be assessed on their individual merits.

**Principles used for recovering overdue 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).

**Principles used for cost recovery methods**\_Section 97 of the *Local Government Act 2009* allows Council to set 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.

The Council recognises the validity of fully imposing the user pays principle for its cost recovery fees, unless the imposition of the fee is contrary to its express social, economic, environmental and other corporate goals. This is considered to be the most equitable and effective revenue approach, and is founded on the basis that the Region's rating base cannot subsidise the specific users or clients of Council's regulatory products and services. However, in setting its cost-recovery fees, Council will be cognizant of the requirement that such a fee must not be more than the cost to Council of providing the service or taking the action to which the fee applies.

**Principles used for Funding of Physical and Social Infrastructure Costs**\_As at 1 July 2017, Council does not have a mechanism to fund any infrastructure in accordance with the *Planning Act 2016*.

#### 4. RELEVANT LAW

*Local Government Act 2009*

*Local Government Regulation 2012*

#### 5. RELATED POLICIES AND PROCEDURES

Policy 230 Rates Recovery

Policy 211 Partial Relief from Water Charges

#### 6. RELATED FORMS

Nil

#### 7. DEFINITIONS

Nil

#### 8. REVISION HISTORY

<b>Version</b>	<b>Meeting</b>	<b>Date</b>	<b>History</b>
7	Budget Meeting	08/07/2014	Revised for 2014/2015
8	Budget Meeting	07/07/2015	Revised for 2015/2016
9	Budget Meeting	06/07/2016	Revised for 2016/2017
10	Budget Meeting	05/07/2017	Revised for 2017/2018
11	Budget Meeting	27/06/2018	Revised for 2018/2019
12	General Meeting	26/06/2019	Revised for 2019/2020