

## REVENUE POLICY 2014/15

### Head of Power

Local Government Act 2009, (Act)  
Local Government Regulation 2012, (Regulation)

### Objective

The purpose of this policy is to state, for the 2014/15 financial year:

1. The principles the Council intends to apply for:
  - Levying rates and charges,
  - Granting concessions for rates and charges,
  - Recovering overdue rates and charges, and
  - Cost-recovery methods.
2. The purpose for the concessions for rates and charges the Council intends to grant; and
3. The extent to which physical and social infrastructure costs for new development are to be funded by charges for the development.

### Definitions/Application

#### Application

This Revenue Policy applies for the 2014/15 financial year.

### Policy Statement

#### **1. Making Rates and Charges**

Rates and charges will be determined on the basis of achieving net revenue which is sufficient to allow the Council to meet its budgetary responsibilities for the various activities of the Council. In making rates and charges, the Council will have regard to:

- Transparency – openness in the processes involved in the making of rates and charges;
- Accountability – making decisions and acknowledging the effects of those decisions;
- Simplicity – a rating regime that is simple and cost efficient to administer;
- Equity – the consistent levying of rates and charges across the region;
- Flexibility – responding where possible to unforeseen changes in the local economy;
- Fiscal responsibility – levying an amount sufficient to allow the Council to meet its budgetary responsibilities.

#### **2. Limitation on Increase in General Rates**

Council will limit increases in differential general rates levied in the previous financial year to a maximum stated percentage for those differential rating categories identified in the Council's Revenue Statement. Increases in other rates or charges will not be subject to limitation in this way.

### **3. General Rates**

In the 2014/15 financial year Council will apply a differential general rating approach for the levying of general rates. Differential general rates will be levied on all rateable land in the Council's local government area. This differential rating approach seeks to achieve broad rating equity that could not otherwise be achieved by a single rate in the dollar. Within all differential rating categories, a minimum general rate will be applied to ensure that all owners contribute a minimum equitable amount towards Council's general revenue requirements in circumstances where levying rates based solely on land valuation would not achieve that outcome.

When determining differential rating outcomes, Council may have regard to:

- the level of services available to the land and the cost of making those services available;
- the level of utilisation of services by the land, in particular the consumption of council resources, services and infrastructure;
- the use to which the land may be put.

### **4. Special Rates and Charges & Separate Rates and Charges**

Special and Separate rates and charges will be levied to generate funds required to provide services and fund activities that Council considers will specifically benefit defined (special) or all (separate) rateable properties across the entire region.

### **5. Utility Rates and Charges**

#### Waste Management

In the 2014/15 financial year Council will apply a regional approach to the levying of waste management charges generally based on the principle of user pays.

These charges reflect the full cost recovery of providing a kerbside collection service, availability of refuse stations and development of waste management strategies for the protection of the environment.

### **6. Levying Rates and Charges**

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

- Responsibility – making clear the obligations and responsibility of both Council and ratepayers in respect to rates and charges;
- Accountability – making decisions and acknowledging the effects of those decisions;
- Cost – making the levying process simple and cost effective to administer;
- Flexibility – responding where possible to unforeseen changes in the local economy;
- Timeliness – ensuring ratepayers are given adequate notice of their liability to pay rates and charges.

### **7. Concessions for rates and charges**

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

- Equity – acknowledging the different levels of capacity to pay;
- Accountability – making decisions and acknowledging the effects of those decisions;
- Transparency – making clear the availability of concessions and eligibility requirements;
- Flexibility – responding where possible to unforeseen changes in the local economy;
- Fairness – taking into consideration the circumstances that lead up to the application for a concession;
- Sustainability – long term planning to ensure the financial sustainability of concessions.

The Council intends to exercise its power under section 119 of the Regulations to partly rebate rates and utility charges for the purpose of recognising the particular financial and related circumstances of qualifying pensioners within the region.

## 8. Recovery of unpaid rates and charges

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers and to better manage the scarce financial resources of Council. It will be guided by the principles of:

- Responsibility – making clear the obligations of ratepayers to pay rates;
- Transparency – making clear the consequences of failing to pay rates;
- Accountability – ensuring due legal processes are applied to all ratepayers in the recovery process;
- Capacity to pay – negotiating arrangements for payment where appropriate;
- Equity – applying the same treatment for ratepayers with the same circumstances;
- Flexibility – responding where possible to unforeseen changes in the local economy;
- Cost – making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective.

## 9. Cost-recovery

The Council will seek to recover the costs of providing services and undertaking activities by setting cost recovery fees in accordance with the Act. The Council will fix cost-recovery fees to ensure that each fee does not exceed the cost to Council of taking the action for which the fee is charged.

## 10. Physical and Social Infrastructure Costs

In setting charges for new development, Council's objective is to apportion the establishment cost of Trunk Infrastructure over all benefiting development (existing and future) commensurate with the demand or load that existing and future development will place on existing and planned infrastructure, while ensuring a reasonable and equitable distribution of the costs between Council and developers of land. Under the *Sustainable Planning Act 2009*, Council may only levy up to the Maximum Infrastructure Charge set by the State Government.

### Review Triggers

This Policy is reviewed annually in accordance with the Act.

### Responsibility

This Policy is to be:

- (1) implemented by the Chief Executive Officer; and
- (2) reviewed and amended in accordance with the "Review Triggers" by the Chief Executive Officer.

### Version Control

<b>Council Resolution number</b>	<b>14/846</b>	<b>Date</b>	<b>13.05.2014</b>
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### Related Links: