

# Revenue Policy 2023/24

## Head of Power

*Local Government Act 2009*

Local Government Regulation 2012

## Objective

The purpose of this policy is to state, for the 2023/24 financial year how the Council intends to:

- Levy rates and charges;
- Grant concessions for rates and charges;
- The purpose for the concessions for rates and charges the Council intends to grant;
- Recover overdue rates and charges;
- Implement cost-recovery methods; and
- Set charges for developments to cover infrastructure.

## Definitions

**Council** means Moreton Bay Regional Council.

**Charges** means the definition outlined in Schedule 4 of the *Local Government Act 2009*.

**Concessions** means the information outlined in Chapter 4, Part 10 of the Local Government Regulation.

**Differential rating** means that the general rates charged are different for each category of land type/uses.

**General rates** means the definition outline in s92 (2) of the *Local Government Act 2009*.

**Rates** means the definition outlined in Schedule 4 of the *Local Government Act 2009*.

**Special rates and charges** means the definition outlined in s92(3) of the *Local Government Act 2009*.

**Utility charges** means the definition outlined in s92(4) of the *Local Government Act 2009*.

**Separate rates and charges** means the definition outlined in s92(5) of the *Local Government Act 2009*.

## Application

This policy applies for the 2023/24 financial year to all Councillors and Council team members.

## Policy Statement

### 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 as outlined in the annual budget. 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; and
- Fiscal responsibility – levying an amount sufficient to allow the Council to meet its budgetary responsibilities.

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

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

### **General Rates**

Council applies a differential general rating approach for the levying of general rates. Differential general rates are levied on all rateable land in the Council's local government area. The rateable land value of each property is the basis for determining the amount of the general rate levied. 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 is applied to ensure that all owners contribute a minimum amount towards Council's general revenue requirements in circumstances where levying rates based solely on land valuation would not achieve an equitable 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; and
- whether or not the land is the principle place of residence of the owner.

### **Special Rates and Charges and Separate Rates and Charges**

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

### **Utility Rates and Charges**

#### Waste Management

Council applies 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.

### **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.

### **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 Chapter 4, Part 10 of the Local Government Regulation (the Regulation) to partly rebate rates and utility charges for the purpose of recognising the particular financial and related circumstances of qualifying ratepayers within the region as outlined in the 23/24 revenue statement.

### **Recovery of overdue 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.

### **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 *Local Government Act 2009* (the Act). Commercial charges will be at commercial rates. 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.

### **Physical and Social Infrastructure Costs**

In accordance with section 193(1)(c) of the Regulation, the Council intends to fund the provision of local government trunk infrastructure for development by the levying of infrastructure charges on development in accordance with the *Planning Act 2016*.

The infrastructure charges for providing local government trunk infrastructure are detailed in the Adopted Infrastructure Charge Resolution made by the Council under the *Planning Act 2016*.

The Council also intends development to deliver, or appropriately contribute to, local government trunk infrastructure networks where applicable under the *Planning Act 2016* and the development would impose extra trunk infrastructure costs on Council after taking into account either or both of the following:

- levied charges for the development;
- trunk infrastructure provided, or to be provided, by the applicant.

Such arrangements will be formalised through an infrastructure agreement or conditions of a development approval for the development under the *Planning Act 2016*.

## Review and evaluation

This policy will be reviewed for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents. Reviews of this policy will occur annually.

## Responsibility

This Policy is to be:

- (1) implemented by Director Finance and Corporate Services; and
- (2) reviewed and amended in accordance with the "Review Triggers" by Manager Financial Operations.