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## REVENUE POLICY

### APPROVALS

<b>POLICY NUMBER</b>	CORP-POL-028	<b>DOC.ID</b>	3199388
<b>CATEGORY</b>	Statutory		
<b>POLICY OWNER</b>	Financial Services		
<b>APPROVAL DATE</b>	28 June 2023	<b>RESOLUTION NUMBER</b>	8383

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## OBJECTIVE

The objective of this policy is to:

1. Set out the principles intended to be used by Council for the financial year for:
  - levying of rates and charges;
  - granting concessions for rates and charges;
  - recovering overdue rates and charges;
  - cost-recovery methods; and
  - if the local government intends to grant concessions for rates and charges – state the purposes for concessions; and
  - the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

## SCOPE

This policy applies to relevant revenue activities of Council for the period 1 July 2023 to 30 June 2024.

## DEFINITIONS

N/A

## POLICY STATEMENT

The *Local Government Act 2009* requires each Local Government to maintain a Revenue Policy which must detail the principles applied by it in relation to its relevant revenue activities for each financial year. This policy must be reviewed annually and in sufficient time to allow an annual budget to be adopted that is consistent with the policy. Accordingly, the principles contained within this policy are applied in the determination of the rates, fees and charges as detailed in the Revenue Statement.

## PRINCIPLES

### Principles used for Levying Rates & Charges

In determining rates and charges, Council will be guided by the principle of user pays 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 and levying of rates and charges;
- having in place a rating regime that is simple and inexpensive to administer;

- ensuring fair and consistent application of lawful rating and charging principles, without bias, taking account of all relevant considerations, and disregarding irrelevancies such as the perceived personal wealth of individual ratepayers or ratepayer classes; and
- flexibility to take account of changes in the local economy.

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

- making clear what is the Councils and each ratepayers responsibility to the rating system; and
- making the levying system simple and inexpensive to administer.

In accordance with Section 94 of the *Local Government Act 2009* Council:

- must make and levy general rates (which includes determining differential general rates and minimum general rates);
- may also levy special rates and charges;
- may also levy separate rates and charges; and
- will levy utility charges to assist in funding the operation and maintenance of Council services and facilities.

## General Rates

Council recognises that different categories of land use will generate different needs and requirements for Council services and facilities. Council also recognises that it will incur a different level of resource expenditure to provide the necessary services and facilities.

Council believes that the existing distribution of the general rate burden through its differential rates regime is generally equitable. Council therefore proposes to continue to levy differential rates to ensure that the rate burden is distributed in similar fashion to the pattern in recent years. Council will continue to gather data and to consider this information to further refine this process.

To ensure that owners of land across all differential categories contribute equitably to the cost of common services, Council applies a minimum rate to each differential rate category.

## Special Rates and Charges

Council may make and levy a special rate or charge on rateable land, to help defray the cost of providing a service, facility and/or an activity where:

- the land, or the occupier of the land, has or will especially benefit from the provision of the service, facility or activity; or
- the occupier of the land, or the use made or to be made of the land, has, or will, especially contribute to the need for the service, facility or activity.

Examples of services that may necessitate a special rate or charge are, but not limited to:

- maintenance and improvements to specific infrastructure in the regions towns which are necessitated by mining operations; and

- rural fire prevention and firefighting services.

## Separate Rates and Charges

Council may make and levy a separate rate or charge for a service, facility or activity in the way it considers appropriate. The rate or charge may include a minimum value to be levied and may be made and levied for a service, facility or activity whether or not the service, facility or activity is supplied by the government itself.

As an example, a levy will be applied to all rateable properties in the region to ensure that Council has the capability to meet its obligations in times of natural disaster. The disaster management charge will be used to assist in funding the recurrent annual disaster management activities of Council, including those costs relating to the operation and maintenance of equipment used by Council in fulfilment of its disaster management obligations, and those costs relating to disaster prevention and disaster planning.

## Utility Charges

Council may make and levy a utility charge on any land, whether vacant or occupied, and whether or not it is rateable land; or a structure; to recover costs in relation to the provision of services and/or facilities. This includes services such as cleansing, recycling, sewerage and water charges.

Generally, utility charges will be calculated on a full cost recovery basis.

## Interest Charges

Council may impose interest on rates and charges that remain unpaid after the date for payment (i.e.: the date on which the discount period closes) and includes assessments that are making payments of outstanding rates by instalment.

Following the close of discount, interest will be calculated on daily balances of amounts outstanding and charges applied at the end of the month on a compounding basis. Interest on arrears will be calculated in accordance with Section 133 of the *Local Government Regulation 2012* and will be set at the rate of 11.64% per annum.

## APPLICATION OF PRINCIPLES

### Levying of Rates and Charges

In accordance with Section 104-106 of the *Local Government Regulation 2012*, Council will issue a rates notice to the owner of the land on which a rate or charge has been applied. Rates notices shall include the date the notice was issued, the date by which time the rate must be paid, and any discounts, rebates or concessions applied.

Council will issue notices on a six monthly basis for the periods 1 July to 31 December and 1 January to 30 June in the respective financial year.

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## PAYMENT OF RATES AND CHARGES

### Owner Liability

Section 127 of the *Local Government Regulation 2012* details the liability of the 'owner' to pay rates and charges levied against land held in their name. It also describes the liability of persons at whose request a service is supplied to a structure or land that is not rateable land.

Where joint ownership of a property exists or other persons are liable to pay a rate, all owners or other persons are jointly and severally liable.

Rates and charges will run with the land i.e. where a change in ownership occurs, the new 'owner' of the land will become liable for payment of all future rates and charges and any existing or outstanding rates or charges.

Where land ceases to be rateable land under Section 110 of the *Local Government Regulation 2012*, the owner of said land immediately before it ceased to be rateable land is taken to continue as the owner of the land, and the land is taken to continue to be rateable land for the levy, collection or refund of a rate on the land for any period before it ceased to be rateable land.

### Discount

In accordance with the provisions of Section 130 of the *Local Government Regulation 2012*, discount at the rate of 10% shall be allowed on General Rates only, excluding all special rates and charges, provided payment of the full amount of outstanding and overdue rates and interest is paid by the due date.

If Council is satisfied that a person liable to pay a rate has been prevented, by circumstances beyond the persons control, from paying the rate in time to benefit from a discount under Section 130 of the *Local Government Regulation 2012*, then Council under Section 130(10) of the Regulation, may still allow the discount following written application by the ratepayer.

### Methods of Payment

Council may accept the payment of rates and charges by differing methods. These may include cheque, cash, direct debit and/or other electronic means.

### Payments by Instalments

Council may allow payments by instalment where it will benefit both the individual and the collection of overdue rates and charges.

### Payments in Advance

Payments in advance by way of lump sum or instalments may be accepted, however interest will not be payable on any credit balances held.

## CONCESSIONS FOR RATES AND CHARGES

### Principles behind Concessions for Rates and Charges

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

- the same treatment for ratepayers with similar circumstances;
- transparency by making clear the requirements necessary to receive concessions; and
- flexibility to allow Council to respond to local economic issues.

Consideration may be given by Council to granting a class concession in the event all or part of the local government area is declared a natural disaster area by the State Government.

### Purpose of Concessions

For the applicable financial year, the Council has determined that it will grant concessions for rates and charges for:-

- **eligible pensioners**, for the purpose of alleviating the rating burden on persons who are reliant on a pension;
- **certain entities whose objects do not include making a profit**, such as religious organisations, sporting clubs and show societies, on the basis that these entities provide benefits to the community, in accordance with the Rates Concession – Not For Profit Policy; and
- **in its discretion, to other persons**, where, for example, they are suffering hardship to alleviate the rating burden on such persons.

## 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 principle of:

- 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 providing the same treatment for ratepayers with similar circumstances; and
- flexibility by responding where necessary to changes in the local economy.

Section 132 of the *Local Government Regulation 2012* describes an 'overdue rate' as:

“an amount of a rate payable to a local government that remains unpaid at the end of the period specified in the rate notice as the period within which the amount of the rate is payable, (including any amount of interest on the rate under Section 133 of the Regulation)”.

With due regard for financial hardship, Council shall actively pursue the collection of outstanding rates and charges.

Council may use its power under the *Local Government Act 2009* and *Local Government Regulation 2012* to recover overdue rates and charges. In particular, Council may exercise its power under Section 95 of the *Local Government Act 2009* to register a charge over land where rates and charges become overdue.

Alternatively, Council may elect to bring court proceedings against a ratepayer to recover overdue rates and charges as a debt pursuant to Section 134 of the *Local Government Regulation 2012*.

Council may use the following as a referral guide for the recovery of rates and charges:

### **Standard Performance:**

- Council may refer overdue rates to a mercantile agent or a solicitor for recovery.

## **GENERALLY, AN ACCOUNT WILL NOT BE REFERRED FOR EXTERNAL RECOVERY ACTION UNLESS IT IS \$500.00 OR GREATER IN VALUE. PRINCIPLES USED FOR COST-RECOVERY FEES**

Section 97 of the *Local Government Act 2009* allows Council to set cost-recovery fees.

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 regions rating base cannot subsidise the specific users or clients of Councils regulatory products and services.

## **OTHER MATTERS**

### **General Rate Capping**

Because general rates are made and levied upon the value of land determined by the Valuer-General, Council recognises that the statutory valuation process may result in unusually high valuation increases for at least some classes of land, if not for all land. Where it considers that applying the differential general rate to affected lands or classes of land will produce inequities between ratepayers or classes of ratepayer, Council may cap general rates increases for the lands or classes of land concerned.

### **Physical and Social Infrastructure Costs for New Development**

Council requires developers to pay reasonable and relevant contributions towards the cost of physical and social infrastructure required to support the development. Specific charges are detailed in the policies and other material supporting Councils town planning schemes.

These policies are 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.



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.

## REVIEW OF POLICY

This policy will be reviewed when any of the following occur:

- the related documents are amended or replaced; or
- other circumstances as determined from time to time by a resolution of Council.

Notwithstanding the above, this policy is to be reviewed at intervals of no more than one year.

## LEGISLATIONS AND RELATED GUIDELINES

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Land Valuation Act 2010*
- *Sustainable Planning Act 2009*
- *State Planning Regulatory Provision 2012* (adopted charges)

## REFERENCES

ID	NAME
COM-POL-025	Rates Concession – Not For Profit