

REVENUE POLICY (STATUTORY POLICY)

1. Scope

A Revenue Policy forms part of Council's budget each year. The *Local Government Regulation 2012* identifies the matters that a local government must include in its Revenue Policy (this 'Policy').

This Policy sets out Council's strategic vision and attitude in relation to raising revenue. In addition to this Policy, there are a range of administrative policies and arrangements that make up the total Council response to revenue management.

2. Purpose

The purpose of this Policy is to:

- a) identify the principles that Council intends to apply during the 2023-24 financial year in determining the:
 - making and levy of rates and charges;
 - exercising of its powers to grant rebates and concessions for rates and charges;
 - recovery of unpaid amounts of rates and charges; and
 - cost recovery.
- b) state the purpose for concessions that Council intends to grant; and
- c) state the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

3. References (legislation/related documents)

Legislative reference

Local Government Act 2009

Local Government Regulation 2012

Related documents

Debt Recovery Policy

"Guideline on equity and fairness in rating for Queensland local governments" – State Development, Infrastructure, Local Government and Planning Revenue Statement

4. Definitions

To assist in interpretation, the following definitions shall apply:

CEO	Chief Executive Officer A person appointed under section 194 of the <i>Local Government Act 2009</i> , including a person acting in that position.
Council	Livingstone Shire Council.

5. Policy Statement

In accordance with the *Local Government Act 2009*, this Revenue Policy will be used in developing Council's budget for the financial period from 1 July 2023 to 30 June 2024.

Council levies rates and charges to fund the provision of specific services to our community. When adopting its annual budget, Council will set the rates and charges at a level that will provide for both current and future community requirements. Council will apply the local government principle of transparency in making rates and charges.

In preparing the Revenue Policy for 2023-24, Council considered the Guideline on Equity and Fairness in Rating for Queensland Local Governments, issued by the Department of State Development, Infrastructure, Local Government and Planning.

This guideline sets out principles to assist Council in implementing fair and equitable rating systems while ensuring flexibility for raising sufficient own source revenue. The guideline is intended to promote best practice and identifies the following principles (the 'Principles'):

- Equity for like properties
- User pays
- Meaningful contribution
- Predictability
- Fairness

5.1 Making and Levying Rates and Charges

In making rates and charges, Council is required to comply with the requirements of Commonwealth and State legislation.

Council will have regard to the Principles by:

- a) operating a rating system whereby land is categorised into rates categories developed by Council for differential rating purposes by having regard to such factors but not limited to, actual and potential demands placed on Council, location and use of land, the unimproved and site value of land and the land's capacity to generate revenue (Equity);
- b) using special and separate rates and charges and utility charges as appropriate to compensate for cost of service delivery (User pays);
- c) National Competition Policy legislation where applicable (User pays);
- d) establishing an appropriate number of differential rates categories and setting an appropriate level of rates for each category (Meaningful contribution);
- e) requiring a minimum contribution from each ratepayer towards the overall running of the Council, except where legislation prevents a minimum being set by the application of minimum general rates (Meaningful contribution);
- f) taking into account, timing of the levy of rates with the financial cycle of local economic activity, in order to assist the smooth running of the local economy (Predictability);
- g) benchmarking any variations in rates and charges from year to year against the general price movements that occur in other sectors of the community as measured by indexes such as the Road Input Cost Index, the Consumer Price Index, Council Cost Index (as calculated by the Local Government Association of Queensland) and their components.

While taking these movements into consideration, Council needs to ensure that the rates and charges made are sufficient to cover the cost of its operations and that Council is able to continue to provide services to the community at a level consistent with the growth and development of the area (Predictability);
- h) having in place a rating regime that is simple and efficient to administer (Fairness); and

- i) making it clear what are the responsibilities (Council and ratepayers) in relation to the rating process (Fairness).

5.2 Granting Rebates and Concession for Rates and Charges

5.2.1 In considering the application of concessions, Council will have regard to the Principles by:

- a) applying the same treatment for ratepayers with similar circumstances (Equity);
- b) maintaining a connection to the different levels of capacity to pay within the local community (Equity);
- c) being aware and responsive to community expectations of what activities should attract assistance (Meaningful Contribution);
- d) making clear the requirements necessary to receive and/or retain concessions (Predictability); and
- e) being flexible by responding, where necessary, to local economic issues (Fairness).

5.2.2 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 Queensland Government.

5.3 Recovery of Unpaid Rates and Charges

Council will exercise its rates recovery powers pursuant to the provisions of Chapter 4, Part 12 of the *Local Government Regulation 2012*, in order to reduce the overall rate burden for ratepayers. It will have regard to the Principles by:

- a) respecting the financial circumstances of different sectors of the community and providing the same treatment for ratepayers with similar circumstances (Equity).
- b) applying clarity and cost effectiveness in the processes used to recover outstanding rates and charges (User Pays).
- c) making clear the obligations of ratepayers, and the processes used by Council in assisting them to meet their financial obligations (Fairness); and
- d) demonstrating flexibility when responding where necessary to changes in the local economy (Fairness).

Council will charge interest on all overdue rates and charges. Council's Debt Recovery Policy sets out the detail of the processes used to recover outstanding rates and charges.

5.4 Payments in Advance

Council accepts payments in advance via lump sum or instalments. Interest is not payable on any credit balances held.

5.5 Cost-Recovery Fees

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

5.5.2 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 shire's rating base cannot subsidise the specific users or clients of Council's regulatory products and services.

5.5.3 However in setting its cost-recovery fees, Council will be cognisant 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.

5.6 Commercial Charges

Section 262(3)(c) of the *Local Government Act 2009* empowers Council to charge for a service or facility it supplies, other than a service for which a cost-recovery fee may be fixed.

Council imposes such a charge, where it is prepared to provide a (commercial) service to a party that can choose to avail itself of the service. The nature, level and standard of the service is considered by the Council when setting the charges. Council may set the charge with the aim of generating revenue.

The user pays principle is considered where Council provides the service in competition with private enterprise.

5.7 Other Matters

5.7.1 Purpose of Concessions

Statutory capability exists for Council to rebate or defer rates in certain circumstances. In considering the application of concessions, Council will be guided by the principles set out in paragraph 5.2 of this Policy.

The predominant purposes of granting concessions are to relieve economic hardship and provide rebates to eligible pensioners and not-for-profit community, recreation and sporting groups.

In addition, Council may grant concessions on a case-by-case basis if it is satisfied that any one or more of the other criteria in section 120(1) of the *Local Government Regulation 2012* have been met.

5.7.2 Funding Physical and Social Infrastructure Costs for New Developments

Council requires developers to pay reasonable and relevant contributions towards the cost of physical and social infrastructure required to support their development. Specific charges are detailed in the policies supporting Council's Planning Scheme and in Council's Adopted Infrastructure Charges Resolution (AICR).

These charges are intended to be 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 Shire, it may be necessary to bring forward physical and social infrastructure projects to accommodate the development. 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.

5.8 Delegation of Authority

5.8.1 Authority for the implementation of the Revenue Policy is delegated by Council to the CEO in accordance with section 257 of the *Local Government Act 2009*.

5.8.2 Authority for the day-to-day management of the Revenue Policy is to be delegated by the CEO to the Chief Financial Officer.

6. Changes to this Policy

This Policy is to remain in force until otherwise amended/replaced by resolution of the Council or as required by legislation each year at the commencement of the annual budget process.

7. Repeals/Amendments

This Policy repeals the Livingstone Shire Council Policy titled 'Revenue Policy (v11.0)'.

Version	Date	Action
1.0	14/01/2014	Adopted
2.0	22/07/2015	Amended Policy Adopted
3.0	24/07/2015	Amended Policy Adopted
4.0	12/07/2016	Amended Policy Adopted
5.0	27/06/2017	Amended Policy Adopted
6.0	03/07/2018	Amended Policy Adopted
7.0	24/07/2018	Amended Policy Adopted
7.1	02/10/2018	Administrative Amendments – reflect organisational restructure
8.0	04/06/2019	Amended Policy Adopted
9.0	28/07/2020	Amended Policy Adopted
10.0	29/06/2021	Amended Policy Adopted
11.0	26/07/2022	Amended Policy Adopted
12.0	13/06/2023	Amended Policy Adopted

CALE DENDLE
CHIEF EXECUTIVE OFFICER