

5.4. REVENUE GENERAL POLICY 2023-2024

REPORT AUTHOR Tara Killeen, Chief Financial Officer

MANAGER Rachel Brophy, Chief Executive Officer

DEPARTMENT Finance and Corporate Services

RECOMMENDATION

That Council adopts the Revenue General Policy 2023-2024.

EXECUTIVE SUMMARY

In accordance with the *Local Government Regulation 2012*, s 193, Council is required to adopt a Revenue Policy each financial year. The *Local Government Regulation 2012*, s 193(3), states that the Revenue Policy must be reviewed in sufficient time to allow an annual budget that is consistent with the policy to be adopted for the next financial year.

The Revenue General Policy is a strategic document that sets out the principles used by Council for:

- The levying of rates and charges
- Granting concessions for rates and charges
- Recovering overdue rates and charges
- The establishment of cost-recovery methods (fees)

The policy also addresses:

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

There have been minor administrative changes to the Revenue General Policy. The changes to the Revenue General Policy have been workshopped with Councillors on 14 March 2023.

PROPOSAL

That Council adopts the Revenue General Policy 2023-2024.

FINANCIAL/RESOURCE IMPLICATIONS

The *Local Government Regulation 2012*, s 193, requires Council to adopt a Revenue General Policy. There are no budgetary implications identified from the annual review of this policy.

RISK MANAGEMENT IMPLICATIONS

Complying with legislative requirements ensures Council mitigates any regulatory or reputational risk. The Revenue Statement is part of the budgetary process and forms part of the budget documentation. If Council were to not adopt the Revenue Statement, per s 193(3) *Local Government Regulation 2012* the annual budget may be deemed not to be legally compliant.

SUSTAINABILITY IMPLICATIONS

Economic: The Revenue General Policy seeks to ensure a sustainable cash flow from the operation of Council.

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

Operational Plan 2022-2023 Actions:

Legislative requirement.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Regulator Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.

CONSULTATION

Internal: Finance and Corporate Services Team, workshopped with Councillors on 14 March 2023.

External: Nil

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

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4. REVENUE GENERAL POLICY

Purpose

To set out the principles used by Council in the 2023/24 financial year for:

- The levying of rates and charges
- Granting concessions for rates and charges
- Recovering overdue rates and charges
- The establishment of cost-recovery methods (fees).

This policy also addresses:

- The purpose of concessions
- 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 Douglas Shire Council.

Policy Content

1. General Rates

General rate revenue funds services not otherwise funded through fees and charges, grants, subsidies, contributions or donations from other entities. Council will consider all funding options before determining general rate revenue levels.

Council is required to raise an amount of revenue it sees as being appropriate to maintain and replace assets and provide services to the Shire as a whole. In deciding how that revenue is raised, Council has formed the opinion that a differential general rating scheme based primarily on land use, provides the most current equitable basis for the distribution of the general rate burden.

Section 74(1) of the *Local Government Regulation 2012* requires Council to calculate the rates for land by using the rateable value for the land.

2. The Levying of Rates and Charges

In levying rates and charges the following principles will be applied:

- Consider the level of revenue that can be achieved from direct user charges, grants and subsidies, contributions and other sources.
- Consider the level of the cost of maintaining existing facilities and necessary services and the need for additional facilities and services.
- Make clear what is Council's and each ratepayer's responsibility to the rating system.

- Timing the levy of rates to ensure a sustainable cash flow for the operation of Council and to spread the cost to the ratepayer over the financial year.
- Equity through flexible payment arrangements.
- Transparency in the making of rates and charges.
- Having in place a rating regime that is efficient to administer.
- Flexibility by responding where necessary to changes in the local economy.

Council may consider levying special and separate rates and charges when appropriate, to recover the costs associated with a particular service, project or facility that provides direct or additional benefit to the ratepayers or class of ratepayer.

3. 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.
- Flexibility by responding where necessary to changes in the local economy.

Council may give consideration to granting a concession to a class of landowner without the need for an individual application in accordance with section 122(4) of the *Local Government Regulation 2012*.

4. Recovery of 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 principles of:

- Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to 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.
- Flexibility by responding where necessary to changes in the local economy.

Council will charge interest on all overdue rates and charges in accordance with section 133 of the *Local Government Regulation 2012*.

5. The Establishment of Cost-recovery Methods

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

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.

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.

6. The Purpose of Concessions

Sections 120 – 125 of the *Local Government Regulation 2012* allows 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 section 3 above.

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

Related Legislation

Local Government Act 2009

Local Government Regulation 2012

Policy Review

This policy is to be reviewed whenever legislation changes, or annually if no changes have been required to be enacted, at the direction of the Chief Executive Officer.

Policy Details

Policy Name	Revenue General Policy
Policy Number	4
Policy Version	9
Document Number	815033
Endorsed by	Chief Executive Officer
Policy Type	Statutory
Approval Authority	Council
Date Adopted	28/03/2023
Time Period	Annually
Review Date	01/03/2024
Policy Department	Finance and Corporate Services
Link to Corporate Plan	Robust Governance and Efficient Service Delivery
Revoked/Superseded	

This policy is to remain in force until otherwise determined by Council.