

4. REVENUE GENERAL POLICY

Intent

To set out the principles used by Council in 2020/21 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.

Provisions

1. 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 simple and inexpensive to administer.
- Flexibility to take account of changes to the local economy.

Council will distribute the rates burden by use of differential rating categories with banding applied in relevant residential rating categories. Council will consider the lowest and highest rating outcomes for each differential category.

Council will separate categories for Strata Title Units and Flats. These categories will enable Council to make strategic decisions as to the appropriate level of revenue required from these two differential categories.

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.

2. 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 to allow Council to respond to local economic issues.

Council may give consideration to granting a concession to a class of landowner without the need for an individual application (*s122 (4) of the Local Government Regulation 2012*).

3. 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 (*s133 of the Local Government Regulation 2012*).

4. 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 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.

5. The purpose of concessions

Statutory provision 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 section 2 above.

6. 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

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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.