

REVENUE POLICY 2023/2024

TITLE:	Revenue Policy 2023/2024
POLICY TYPE:	Statutory
POLICY NUMBER:	GRC 0012
RESPONSIBLE OFFICER:	Director Community & Corporate
DEPARTMENT:	Community & Corporate Services

Version	Decision Number or CEO Approval	Decision Date	History
17	Ordinary Meeting of Council (ref. OM-073/20)	27 May 2020	Adopted by Resolution
18	Ordinary Meeting of Council (ref. OM-108/21)	26 May 2021	Adopted by Resolution
19	Ordinary Meeting of Council (ref. OM-063/22)	25 May 2022	Adopted by Resolution
20	Ordinary Meeting of Council (ref. OM-062/23)	24 May 2023	Adopted by Resolution

1. LEGISLATIVE AUTHORITY

- *Local Government Act 2009 – Chapter 4 Parts 1,2 & 3 Finances & Accountability*
- *Local Government Regulation 2012 - section 193*

2. POLICY OBJECTIVE

The objective of this Revenue Policy is to set out the principles used by Council for:-

- The levying of rates and charges; and
- The granting of concessions for rates and charges; and
- The recovery of overdue rates and charges; and
- Cost recovery fees.

3. POLICY PRINCIPLES

3.1 The levying of rates and charges

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

In general, Council will be guided by the principle of user pays in the making of rates and charges so as to minimise the impact of rating on the efficiency of the local economy.

Council will also have regard to the following principles in the making of rates and charges:-

- Transparency in the making of rates and charges; and
- Administering a simple and inexpensive rating regime; and Equity by taking into account the different levels of revenue-producing potential of the land within the local government area; and
- Flexibility to take account of changes in the local economy, extraordinary circumstances and impacts that different industries may have on Council infrastructure.

In levying rates Council will be guided by the following the principles of:-

- Making clear what is the Council's and each ratepayers' responsibility to the rating system; and
- Making the levying system simple and inexpensive to administer; and
- Timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- Equity through flexible payment arrangements for ratepayers with a lower capacity to pay; and
- Communication by advising ratepayers about rate notice issue dates and discount dates; and
- Clarity by providing meaningful information on rate notices to enable ratepayers to clearly understand their responsibilities.

3.2 Recovery of rates and charges

Council requires payment of rates and charges within the specified period and it is Council policy to pursue the collection of outstanding rates and charges diligently, but with due concern for the financial hardship faced by some members of the community.

Council will exercise its rate 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 on ratepayers, and will be guided by the principles of:-

- equity by treating all ratepayers in similar circumstances in the same manner and by having regard to their capacity to pay;
- transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations; and
- flexibility by accommodating ratepayers' needs through short-term payment arrangements;
- making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective.

3.3 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 Council'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.

3.4 Funding of Physical and Social Infrastructure Costs

Council requires developers to pay reasonable and relevant contributions towards the cost of infrastructure required to support the development. Specific charges are detailed in the policies and other material supporting Council's 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 social infrastructure projects. Where this

occurs, Council expects developers to meet sufficient costs so that the availability of facilities are not adversely affected and so that existing ratepayers are not burdened with the cost of providing the additional infrastructure.

3.5 Concessions for rates and charges

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

- fairness by endeavouring to accommodate the different levels of capacity to pay within the local community
- consistency by treating all ratepayers with similar circumstances in the same manner
- transparency by clearly articulating the qualification criteria for concessions, and
- flexibility by endeavouring, where possible, to be responsive to the impacts of local economic issues.

The predominant purpose for which Council grants concessions is to assist pensioners (whose modest incomes limit their capacity to pay), and to assist community organisations (which provide significant services to the community) meet their obligations to pay Council's rates and charges.

4. REVIEW DATE

This Revenue Policy applies for the 2023/2024 financial year. This policy will be reviewed annually.

5. RELATED DOCUMENTS

- Budget 2023/2024
- Revenue Statement 2023/2024

6. ATTACHMENT

Nil.