

BARCALDINE REGIONAL COUNCIL
REVENUE POLICY

SYSTEM: Finance
POLICY TITLE: Revenue Policy 2015
POLICY NUMBER: FS018

PURPOSE: To set out the principles for raising and recovering revenue.

1. Legislative Requirements

Section 104 of the Local Government Act 2009 requires Council to establish a system of financial management that includes a revenue policy.

Section 193 of the *Local Government Regulation 2012* states that the revenue policy must state the principles that the local government intends to apply for:

- (a) Levying rates and charges;
- (b) Granting concessions for rates and charges;
- (c) Recovering overdue rates and charges; and
- (d) Cost-recovery methods.

The Policy must also state:

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

The Revenue Statement will outline the specific details of the revenue raising measures adopted in accordance with this policy.

2. Principles

2.1 Levying of Rates and Charges

Barcaldine Regional Council will be guided by the following principles in the levying of rates and charges:

- Council will have regard to the principle of transparency in the setting of rates and charges;
- Rates and Charges shall be raised at the levels necessary to fund the operations of Council;
- Council will endeavour to have a rating regime that is simple and inexpensive to administer;
- Council will try to achieve intergenerational equity by taking account of the services provided to both present and future ratepayers;
- Council will raise sufficient revenue to maintain services at an appropriate standard;
- Council will take into account the availability of other funding sources to meet community expectations;
- Where services are provided specifically for an identifiable group within the community and there is not a general community benefit, Council may recover the cost of those services from that identifiable group;
- The timing of the levying of rates will take into account the financial cycle of local economic activity in order to assist the smooth running of the local economy; and
- Council will try to achieve equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

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2.2 Granting Concessions for Rates and Charges

Barcaldine Regional Council will apply concessions to rates and charges using the following principles:

- The same treatment will be applied for ratepayers in similar circumstances;
- Council will be transparent by making clear the requirements necessary to receive concessions;
- Council may provide an appropriate discount or exemption to identified groups in the community that need assistance in meeting their obligations; and
- Council may make concessions where genuine hardship exists but does not consider these concessions should be in the form of remissions of rates.

2.3 Recovering Overdue Rates and Charges

Barcaldine Regional Council will exercise its powers to recover rates and charges using the following principles:

- All ratepayers should meet their obligations at the proper time to ensure equity;
- Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers;
- Council will be transparent by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations;
- Council will make the processes used to recover outstanding rates and charges clear, simple to administer and cost effective;
- Council will endeavour to be flexible by responding where necessary to changes in the local economy; and
- Ratepayers deferring payment should make an additional contribution to ensure equity between prompt and late payers.

2.4 Cost Recovery Methods

Barcaldine Regional Council will be guided by the following principles in recovering the costs of providing goods and services:

- Council will set fees and charges at a level to cover the cost to Council of providing the goods or services including the cost of administration;
- Council will set fees and charges taking into account its competitors to ensure it is providing the most cost-effective service;
- Council will set fees and charges taking into account the cost burden on local businesses and residents;
- Council is aware that it may have a community service obligation when setting some fees and charges;
- Council will ensure that the cost of maintaining infrastructure is reflected in the level of fees and charges; and
- Council will ensure that the cost of replacing infrastructure is reflected in the level of fees and charges.

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3. Purpose of Concessions

Council has identified that particular groups within the community may have difficulty meeting their obligations to Council and has therefore decided to grant concessions to support these groups:

- a. Pensioners – Council recognizes the contribution to the community of pensioners and that their ability to pay rates and charges is generally less than the general community. Council therefore grants pensioners, as a whole, a discount on rates and utility charges.
- b. Non-profit organisations – Council recognizes the work of sporting, recreational and charitable organisations in the community and in particular the volunteers who contribute to these organisations. Council therefore:
 - i. grants an exemption on general rates to these organisations.
 - ii. provides a discount on the hire of equipment and facilities to local non-profit organisations.
 - iii. Grants a discount on water charges for some local non-profit, church and sporting organisations.
- c. Residents – Council recognizes the contribution made by local residents in meeting their obligations. Council therefore provides a discount on the hire of equipment and facilities to local residents.

4. Physical and Social Infrastructure Costs

Barcaldine Regional Council requires developers to pay a reasonable contribution towards the cost of infrastructure required to support development. However Council is encouraging new development in its communities and is prepared to support part of new development through general revenue. The following principles apply:

- a. All infrastructure costs within the development area are to be met by the developer.
- b. All infrastructure costs connecting the development to the existing infrastructure network are to be met by the developer.
- c. Council will apply minimal Adopted Infrastructure Charges to the development for access to the existing infrastructure networks as an encouragement to further development in its communities.