

Document Control	
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Responsible Directorate	Corporate Services/CFO
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1. Purpose

The purpose of this Revenue Policy is to set out the principles used by Council in the 2020-2021 Budget for:

- The setting of rates and charges;
- The levying of rates and charges;
- Granting concessions for rates and charges (including the purpose for the concessions);
- The recovery of overdue rates and charges;
- Cost recovery methods; and
- Applying infrastructure charges associated with new development, to assist in funding the physical and social infrastructure costs of new development.

2. Scope

Gympie Regional Council (Council) is required to prepare and adopt a Revenue Policy in accordance with Section 193 of the *Local Government Regulation 2012* (Qld).

This Policy must be reviewed annually and in sufficient time to allow an annual budget to be adopted that is consistent with the Policy. Accordingly, the principles contained within this policy are applied in the determination of the rates and fees and charges, and as detailed in Council's 2020-2021 financial year Revenue Statement.

3. Related Legislation

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Waste Reduction and Recycling Act 2011 (Qld)

4. Related Documents

Revenue Statement CSPOL20

Rating Category Statement

Payment Arrangement Policy

Financial Hardship Policy CSPOL372

Rates and Utility Charges Concession Policy

Undetected Leak Allowance Request WBUF046

5. Policy Statement

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 principles of equity and fairness in making rates and charges.

In preparing the Revenue Policy for 2020-2021, Council has considered the Guideline on Equity and Fairness in Rating for Queensland Local Governments issued by the Department of Infrastructure, Local Government and Planning (as it was then known) dated June 2017. The purpose of this guideline is to set out principles to assist Councils 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:

- Equity for like properties;
- User pays;
- Meaningful contribution;
- Predictability; and
- Fairness.

5.1 Setting of Rates & Charges

Introduction – General Rates *Section 92(2) of the Local Government Act 2009 (Qld) and Section 80 of the Local Government Regulation 2012 (Qld)*

General rate revenue funds services not otherwise funded through subsidies, grants, contributions or donations from other entities, and those not funded by other levies or fees and charges. Council will consider all full cost recovery fees and options before calculating the general rate.

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

Differential general rates

Categories, identification and descriptions

Council has adopted a differential rating strategy for the 2020-2021 financial year. A differential system of rates provides equity for ratepayers through recognising the level of services required, primary use of the property and the financial impact on all ratepayers within the region.

Pursuant to Section 81(4) and Section 81(5) of the *Local Government Regulation 2012 (Qld)*, the rating categories to which rateable land is categorised and levied accordingly, will be determined on one or more of the following criteria:

- the value of land, as determined by the Department of Natural Resources, Mines and Energy;
- primary land use;
- location within the region;
- availability of services; and
- consumption of services.

The 2020-21 rating categories and descriptions are outlined in Council's Revenue Statement.

Minimum Differential General Rate *Section 77 Local Government Regulation 2012 (Qld)*

Council may set a different minimum differential general rate for each differential rating category that takes into account the cost of providing common services that are provided to every ratepayer, as well as general administration costs.

Separate Charges *Section 92(5) of the Local Government Act 2009 (Qld) and Section 103 of the Local Government Regulation 2012 (Qld)*

In accordance with section 103 of the *Local Government Regulation 2012 (Qld)*, Council may equally levy a separate rate or charge on all rateable land in the region to fund a particular service, facility or activity where Council believes that the service, facility or activity is key in achieving Council's vision for the region *to be the natural choice to live, work and play*.

Council has identified three needs within the region that require separate charges. These are:

- Economic Development Levy – for the purpose of investing in projects and strategies that improve the economy of Gympie through attracting tourism, and diverse business opportunities through attracting increased development and investment within the region.
- Roads Infrastructure Charge – for the purpose of funding Road Infrastructure projects and improving our Infrastructure network.
- Environment Levy – for the funding of projects, programs, land acquisition and the coordination and management of activities and programs related to enhancing and maintaining the natural environment within the region.

Special Charges *Section 94 of the Local Government Regulation 2012 (Qld)*

The principle of meaningful contribution acknowledges that specific land uses can contribute to higher service provision and/or infrastructure maintenance costs. A special charge may be appropriate to levy on specific land which receives a special benefit from the provision of a service, facility or activity.

Utility Charges *Section 99 of the Local Government Regulation 2012 (Qld)*

Council will consider the user pays principle, where it can easily identify the cost associated with supplying a particular service. In particular, Council may use this principle for water supply, sewerage, refuse collection and various fees for services rendered by Council.

5.2 Levying of Rates and Charges

Half Yearly Notices

Council will apply the principle of consistency by scheduling the issue of rates notices on a half-yearly basis. Notices will be issued in August/September and February/March of the financial year and will allow a discount period of not less than 30 days if discount is applicable.

Supplementary Notices *Section 109 of the Local Government Regulation 2012 (Qld)*

Where the use made of a particular parcel of land varies (e.g. reconfiguration, or vacant land has a building constructed thereon), or a change of valuation is received from Department of Natural Resources, Mines & Energy, rates and charges will be amended and a supplementary rate notice issued. For full details regarding supplementary and/or utility charge adjustments, refer to 'Pro-rata/Supplementary Charges' in Council's Revenue Statement.

Discount *Section 130 of the Local Government Regulation 2012 (Qld)*

It is Council's policy to encourage the prompt payment of rates and charges by offering a discount for payment by a designated date. Discount for the current rating period will only be permitted if all outstanding rates or charges for the land are paid in full before the due date.

Amendment of discount and/or due date change and/or interest charges following a significant event *Section 130 and section 133 of the Local Government Regulation 2012 (Qld)*

In the event of unforeseen economic downturn owing to a pandemic, for example COVID-19, natural disaster or other hardship broadly faced by a group of ratepayers, Council may by resolution, adopt to extend the discount due date and/or defer interest charges until a later date.

Where such an event occurs while Council is in a caretaker period (Section 90A of the *Local Government Act 2009 (Qld)*), ratepayers may be required to contact Council to formally request assistance by way of a payment arrangement to be potentially eligible for any concession. Such application to be considered for a concession does not guarantee it will be applied and ratepayers are encouraged to continue to make reasonable payments during the period to minimise any interest charges.

Interest on Arrears *Section 133 of the Local Government Regulation 2012 (Qld)*

It is Council's policy to ensure that the interests of all ratepayers are protected by discouraging the avoidance of responsibilities for the payment of rates and charges debts.

To this end, Council will impose the maximum rate of interest permissible by legislation on all outstanding rates and charges. Interest will compound on all amounts outstanding (including those assessments where an instalment or deferred payment plan has been negotiated) from 60 calendar days after the due date and calculated on daily rests.

Payment of Rates by Instalments

Council has an adopted policy for the payment of rates by instalments. For eligibility criteria and conditions refer to Council's Payment Arrangements Policy.

5.3 Concessions for Rates and Charges

Pursuant to Sections (120-122) of the *Local Government Regulation 2012* (Qld), Council may by resolution, grant a concession. The concession may only be of the following types:

- a rebate of all or part of the rates or charges; or
- a reduction or deferment of rates and/or interest charges where legislatively permitted and by way of council resolution; or
- an agreement to defer the due date for payment of the rates and charges where legislatively permitted and by way of council resolution.

Discount when individual circumstances prevent prompt payment *Section 130 of the Local Government Regulation 2012* (Qld).

Council requires that in order for a ratepayer to be eligible for a discount on rates, full payment must be received by Council or its agent by close of business on the due date stipulated on the notice. In the event of a claim made in writing, pursuant to Section 130 (10) of the *Local Government Regulation 2012* (Qld), Council has discretionary power to allow the discount for exceptional circumstances outlined in Council's Revenue Statement.

Pensioners

In accordance with Section 120(1)(a) of the *Local Government Regulation 2012* (Qld), Council has determined that eligible pensioners as defined by the *Local Government Regulation 2012* (Qld) are entitled to receive concessions on rates for their principal place of residence. The purpose of the concessions for pensioners is to assist property owners on a pension to remain in their own home by reducing the financial impact of rates and charges. For eligibility criteria and conditions refer to Council's Revenue Statement.

Not for profit groups and sporting associations

In accordance with Section 120(1)(b) of the *Local Government Regulation 2012* (Qld), charitable organisations, community groups, and sporting associations may be entitled to a concession. The purpose of these concessions is to encourage and support charitable organisations, community groups, and sporting associations as they contribute to the health and well-being of the community and the social cohesion of the region. For eligibility criteria and conditions refer to Council's Rates and Utility Charges Concession Policy.

Commercial enterprise

In accordance with Section 120(1)(d) of the *Local Government Regulation 2012* (Qld), concessions may be granted if the concession will encourage the economic development of all or part of the local government area. An approved business or enterprise may also be entitled to a concession in the form of a deferment of general rates for such period as Council may determine from time to time.

Ratepayers experiencing Financial Hardship

Financial Hardship will be considered on an individual basis and always with a view to the ratepayer or debtor re-establishing financial capacity and meeting their financial obligations. In assessing a written application from a ratepayer experiencing financial hardship, Council will be guided by its Financial Hardship Rate Concession Policy.

In exercising any concessions Council will be guided by the principles of:

- transparency, by making clear the requirements necessary to receive concessions; and
- communication, by raising the awareness of target groups that may qualify for these concessions; and
- equity, by ensuring that all applicants of the same type receive the same concession.

5.4 Cost Recovery Methods

Full Cost Pricing

Council has nominated that full cost recovery fees and charges will be set for the following service provisions: Water & Sewerage, Refuse Management, Recoverable Works and Building Services including development assessment, permits and compliance. These activities will be reviewed annually. Projected revenue generated from these activities may be set using full cost pricing principles.

Cost-recovery fees

Section 97 of the *Local Government Act 2009* (Qld) 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 Region'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.

Infrastructure Charges

Costs of non-trunk physical infrastructure to service a new development will be fully funded by that development.

Council will levy infrastructure charges for development infrastructure according to the conditions outlined in the development approval for new development. The amounts of those infrastructure charges are determined by a Council resolution made under the Planning Act 2016. Calculation of these charges will be in accordance with the 'Gympie Regional Council Adopted Infrastructure Charges Resolution – November 2017', and as required under any infrastructure agreement entered into between council and the developer.

5.5 Recovery of Overdue Rates and Charges

Rates and charges are payable within the rating period as stated on the rate notice. Should a ratepayer fail to pay, nor enter into an approved payment arrangement by the due date, Council may exercise its rate recovery powers pursuant to the provisions of Chapter 4 Part 12 of the *Local Government Regulation 2012* (Qld), and institute the following staged procedure.

Step 1 – A reminder notice will be served on the ratepayer requesting payment within 14 days.

Step 2 – A letter from council's designated debt recovery agent advising legal action may be instituted if not paid within 7 days.

Step 3 – A telephone call from council's designated debt recovery agent seeking immediate payment or agreement.

Step 4 – A pre summons letter from council’s designated debt recovery agent advising legal proceedings are imminent.

Step 5 – Issue of summons and judgement if applicable from council’s designated debt recovery agent to finalise legal proceedings.

Step 6 - Council resolution to proceed to sale of land for arrears (Section 140 of the *Local Government Regulation 2012* (Qld))

Step 7 – Notice of Intention to sell letter issued to ratepayer regarding arrears payment amount due to avoid property progressing to auction (Section 140 of the *Local Government Regulation 2012* (Qld))

Step 8 – Sale of property if not paid in accordance with the period stated in the notice of intention to sell letter (Section 141 of the *Local Government Regulation 2012* (Qld))

Averaging and/or Capping (Limitation of Increase) of General Rate *Section 74 and Sections 116 – 116A of the Local Government Regulation 2012* (Qld).

Council may consider the averaging of valuations and or rate rise capping if and when Council considers increased land valuations in a defined area, unduly influences rate rises compared to services provided by Council.

Remittance of Water Consumption Charges due to undetected leak, plumbing failure, actions outside the control of the ratepayer or faulty meter *Section 3 of the Water Act 2000* (Qld)

Council may consider the remission of water charges where it has been clearly established that there has been loss of water from an undetected leak, or where the meter has been tested and found inaccurate. Refer to the ‘Water Supply Program Charges’ Pro Rata/Supplementary Charges information outlined in Council’s Revenue Statement.

Application for a water consumption adjustment must be lodged using Council’s approved application form. In the case of an undetected leak, Council may consider remitting a percentage of the charge, as determined by Council from time to time for the calculated ‘over-consumption’.

For a faulty meter, consumption will be estimated from prior use or where past use data is not available, an estimate based on similar operations and conditions as determined by the Chief Executive Officer or his/her delegate. Refer to the ‘Water Supply Program Charges’, information outlined in Council’s Revenue Statement.

6 Roles and Responsibilities

All Council staff are bound by the principles outlined in this policy in determining the level of rates, fees and charges, and in the application of concessions relating to those rates, fees and charges.

7 Definitions

All words within this policy have the meaning assigned under the Dictionary from the schedule (8) contained within the *Local Government Regulation 2012 (Qld)*.

8 Review Trigger

This policy will be reviewed when any of the following occur:

1. The related legislation/documents are amended or replaced; or
2. Other circumstances as determined from time to time by a resolution of Council; or
3. As initiated by the CEO or Executive Team; or
4. An annual review in accordance with Section 193(3) of the Local Government Regulation 2012 (Qld), in preparation for the relevant financial year budget.

9 Appendices

Nil.