

# REVENUE POLICY 2017/2018

## PURPOSE:

The purpose of this revenue policy is to set out the principles used by Council in the 2017/2018 Budget for:

- The setting of rates and charges
- The levying of rates and charges
- The recovery of rates and charges
- Concessions for rates and charges

## 1. Making of Rates & Charges

**General Rates** (*Local Government Act 2009 (s92)(2), Local Government Regulation 2012(s80)*)

Gympie Regional Council has a system of differential general rates. Council has identified areas and land uses that are provided with similar levels of services. Council may also consider differential general rates based on valuation bands. The differential rate on each of these areas and land uses may be determined at a level to achieve the rating incidences, to meet the costs of the services provided after taking into consideration, the application of any minimum general rate.

**Minimum General Rate** (*Local Government Regulation 2012(s77)*)

Council may consider a minimum rate in all categories that takes into account the cost of providing common services that are provided to every ratepayer, as well as general administration costs.

**Separate Charges** (*LGA 2009 (s92)(5), Local Government Regulation 2012(s103)*)

Council has identified three needs within the Region that require specific revenue requirements. These are:

- Economic Development Levy – for the purpose of a contribution to invest in projects and strategies that enhance the economy of Gympie by attracting tourism and other business opportunities.
- Roads Infrastructure Charge – for the purpose of a contribution to the funding of maintenance and depreciation costs of Council's Roads Infrastructure network.
- Environment Levy – for the purpose of a contribution to fund environmental strategies, land protection strategies and environmental projects. Environmental project funding is provided in accordance with the Distribution of the Environment Levy for Community Group Grants policy.

### User Pays

Council may 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.

### Full Cost Pricing

Council has nominated the following activities for full cost pricing: Water & Sewerage, Refuse Management, Recoverable Works and Building Services. These activities will be reviewed annually. Projected revenue generated from these activities may be set to achieve full cost pricing principles.

**Infrastructure Charges** (*Local Government Regulation 2012(s193)*)

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

Council will levy infrastructure charges for development infrastructure, with development approvals for new development. The amounts of those infrastructure charges are determined by a Council resolution made under the *Sustainable Planning Act 2009*. Calculation of these charges will be in accordance with the Gympie Regional Council Adopted Infrastructure Charges Resolution, and as required under any infrastructure agreement entered into by the Council with a person.

## **2. Levying of Rates**

### **Half Yearly Notices**

Council will levy rates and charges 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** *(Local Government Regulation 2012(s109))*

Where the use made of a particular parcel of land varies (eg reconfiguration, vacant land has a building constructed thereon), or a change of valuation is received from Department of Natural Resources & Mines, rates and charges will be amended and a supplementary rate notice issued. For full details of utility charge adjustments, refer to Section 2.7 'Pro-rata/Supplementary Charges' in Council's Revenue Statement.

### **Discount** *(Local Government Regulation 2012(s130))*

It is the Council's policy, to encourage the prompt payment of rates and charges by offering a discount for payment by a designated date.

### **Interest on Arrears** *(Local Government Regulation 2012(s133))*

It is the 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, the 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) 90 calendar after issue date and calculated on daily rests.

### **Payment of Rates by Instalments** *(Local Government Regulation 2012(s129))*

Council has an adopted policy for payment of rates by instalments. For eligibility criteria and conditions refer to Section 2.5 'Arrangements to Pay', in Council's Revenue Statement.

## **3. Recovery of Rates and Charges**

Rates and charges are payable within the period as stated on the rate notice. Should a ratepayer fail to pay within the stipulated period or not enter into an approved arrangement to pay, Council may 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 collection agent advising legal action may be instituted if not paid within 7 days.
- Step 3 – A telephone call from Council's debt collection agent seeking immediate payment or agreement.
- Step 4 – A pre summons letter from debt collection agent advising legal proceedings are imminent.
- Step 5 – Issue of summons and judgment if applicable.
- Step 6 – Sale of property if not paid in accordance with the period stated in the Local Government Regulation 2012(s141).

#### **4. Concessions for Rates and Charges**

##### **Pensioners** *(Local Government Regulation 2012(s123))*

Council may grant a remission on rates and charges in an amount determined during its budget deliberations. The eligibility criteria and conditions are set out in Section 2.3 'Pensioner Remissions', in Council's Revenue Statement.

##### **Discount when special circumstances prevent prompt payment** *(Local Government Regulation 2012(s130))*

Council requires that in order for a discount on rates to be applicable, 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, pursuant to Section 130(10) of the Regulation, it is to be in writing and shall be considered against Section 2.2 'Early Payment Discount', in Council's Revenue Statement.

##### **Deferment of General Rates – Pensioners and Self-funded Retirees** *(Local Government Regulation 2012(s125))*

Council may consider deferment of general rates payable by pensioner or self funded retirees. Refer to Section 2.6 'Deferment of Liability to Pay Rates', in Council's Revenue Statement.

Application for deferment must be lodged using Council's approved application form.

##### **Averaging and / or Capping (Limitation of Increase) of General Rate** *(Local Government Regulation 2012(s74, s116))*

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** *(Water Act 2000)*

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, plumbing failure or where the meter has been tested and found inaccurate.

In the case of an undetected leak, plumbing failure or actions outside the control of the ratepayer, 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 Section 5 'Water Supply Program Charges', in Council's Revenue Statement.