

REVENUE POLICY

PURPOSE

The purpose of this Revenue Policy is to set out the principles used by Council in the 2018/2019 Budget for:

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

SCOPE

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

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, fees and charges as detailed in the Revenue Statement.

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 principle of transparency in making rates and charges.

Council, in preparing the Revenue Policy for 2018/2019, has considered the Guideline on Equity and Fairness in Rating for Queensland Local Governments issued by the Department of Infrastructure, Local Government and Planning. The purpose of this guideline is to set out principles to assist Council 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
- Fairness

1. Making of Rates & Charges

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

General rate revenue funds services not otherwise funded through subsidies, grants, contributions or donations from other entities, or not funded by other levies or fees and charges.

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. In keeping with this approach, Council has identified areas and land uses that are provided with similar levels of services. The *LG Reg* provides that 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 setting 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))*

In accordance with Section 103 of the *LG Reg*, Council may 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.

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

- Economic Development Levy – for the purpose of funding projects of economic development significance, that enhance the economy of Gympie by attracting tourism and other business opportunities.
- Roads Infrastructure Charge – for the purpose of funding Road Infrastructure projects and improving our Infrastructure network.
- Environment Levy – for the purpose of funding projects that relate to enhancing and maintaining the natural environment of the region in accordance with the Environment Levy 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 to be considered in applying full cost pricing principles: Water & Sewerage, Refuse Management, Recoverable Works and Building Services. These activities will be reviewed annually. Projected revenue generated from these activities may be set using 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 *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 by the Council.

2. Levying of Rates

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 *(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 & Energy, 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 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 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 (as described in Section 2.5 of Council's Revenue Statement), Council may exercise its rate recovery powers pursuant to the provisions of Chapter 4 Part 12 of the *LG Reg* 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 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 *LG Reg 2012 (s141)*.

4. Concessions for Rates and Charges

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

Council has determined that pensioners as defined by the *LG Reg* are entitled to receive remissions on rates. Council may grant a remission on rates and charges in an amount determined during its budget deliberations under Section 120(1)(a) of the *LG Reg*. The purpose of the remission for pensioners is to assist pensioner property owners to remain in their own home by reducing the financial impact of rates and charges. 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.

Hardship

In cases where residents are experiencing financial hardship, council may refer to its current Financial Hardship Rate Concession Policy.

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.

Policies/Other Relevant Documents

- CSPOL20 Revenue Statement

- CSPOL372 Financial Hardship Rate Concession Policy