

LOCKHART RIVER ABORIGINAL SHIRE COUNCIL



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| REVENUE POLICY | |
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| POLICY NO: | STAT007 |
| ADOPTION DATE: | July 2018 |
| REVISION DATE: | June 2019 |
| DIVISION | Corporate Services |
| RESPONSIBLE OFFICER: | Chief Executive Officer Director Finance & Administration |
| Note: P – Primary Author, S – Secondary Author | |

Policy Objective

To establish the principles for the raising of revenue and the application of development charges and reserve funds, explaining when they apply and to whom

Relevant Legislation

Local Government Regulation 2012 (s.193)

Local Government Act 2009 (s. 94)

Policy Statement

This policy encompasses the following principles applied by the Council:-

- The making of rates and charges
- The levying of rates and charges
- The recovery of rates and charges, and
- Concessions for rates and charges
- The need to consider suitable operation of internal control;
- The need to consider equity between people presently living in the community government area and between different generations;
- The need to consider the interests of all people living in the community government area;
- The need to consider planning for the future.

“Charges” include cost-recovery fees

I. Making of Charges:

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

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Council will also have regard to the principles of:-

- transparency in the making of rates and charges;
- a charging system that is simple and inexpensive to administer
- equity, by taking account of the different levels of capacity to pay within the local community; and
- flexibility to take account of changes in the local community

Council has the option to make and levy rates and charges (s.91-100).

Council may choose to subsidise charges due to financial hardship that may result from the low average income of Shire residents.

Council may consider levying special and separate rates and charges when appropriate, to recover the costs associated with a particular service, project or facility that provides direct or additional benefit to the ratepayers or class of ratepayer.

Prior to the first approval being granted by Council for any new development, Council may require a contribution from the developer for necessary associated infrastructure works.

Where a property developer proposes a subdivision with a higher standard of landscaping, recreation equipment, building, or maintenance than would ordinarily be required by Council in accordance with its policies, practices, and standards, the Council may use a Special Rate to recover the additional costs of maintenance from those that directly benefit from the increased amenity. The agreement to apply a Special Rate between Council and the developer shall occur prior to the first approval being granted by Council.

Council may allow a discount on rates and charges levied where full payment is received on or before the due date for the rates.

2. Levying of Charges:

To ensure there is a clear understanding on the responsibilities of Council and each ratepayer, the following principles will be applied:-

- the levying system will be simple and inexpensive to administer
- the timing for levying of rates and charges must take into account the financial cycle of the local economy
- allow for a flexible payment arrangement for ratepayers with a lower capacity to pay

3. Recovery of Rates and Charges:

In exercising its rate recovery powers and to reduce the overall burden on ratepayers, Council will be guided by the following principles:

- ensuring there is transparency in the processes used by council to meet financial obligations
- ensuring ratepayers are clear on their obligations
- ensuring processes used to recover outstanding rates and charges are clear, simple to administer, and cost effective
- ensuring capacity of ratepayers is considered in determining arrangements for payment

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- ensuring there is equity in arrangements for ratepayers in similar circumstances
- ensuring flexibility to respond to local economic issues

The Council may use (but not be limited to) the following processes to collect outstanding rates and charges: -

- Issue notification letters to individuals/corporations
- Attempt to work out a schedule of repayment
- Initiate formal recovery procedures where debt settlement is not forthcoming
- Withdraw service until debt is recovered
- Other actions consistent with Council's debt recovery policies

4. Rebates and Concessions:

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

- ensuring equity by having regard to the different levels of capacity to pay within the local community
- ensuring the same treatment for ratepayers with similar circumstances
- ensuring transparency by clearly setting out the requirements necessary to receive concessions; and
- ensuring flexibility to respond to local economic issues

5. Review of rates and charges:

The Council will undertake an annual review of rates and charges with a view to adjusting charges based upon the cost of providing the service and CPI increases.

BUDGETARY IMPLICATIONS:

Council is not in a position to self-fund major asset replacement and is solely reliant on government grants to do so.

New Developments: All new developments will be funded from Government Grants

Reserves: It is not intended to establish reserves to fund projects unless they have been specifically identified in the Corporate and Operational Plans.

IMPLEMENTATION:

Policy to be implemented by the Chief Executive Officer

Policy commences immediately on adoption by Council

Policy applies to all employees of the Council.

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