



REVENUE POLICY

ADOPTION DATE:	July 2021
REVISION DATE:	June 2022
DIVISION	Corporate Services
RESPONSIBLE OFFICER:	Chief Executive Officer Director Finance & Administration

1. POLICY OBJECTIVE

To establish the principles for the raising of adequate revenue to ensure balanced budget, long-term financial sustainability and providing services to the residents of Lockhart River.

2. RELEVANT LEGISLATION

Local Government Regulation 2012 (s.193)

Local Government Act 2009 (s. 94)

3. POLICY STATEMENT

Every year the Council is required to develop and adopt by resolution a revenue policy based on the following principles to guide generation of revenue

- transparency
- simplicity
- cost effectiveness
- equity, and
- flexibility

The Council principles are applicable to the following sources of Council

- The making of rates and charges
- The levying of rates and charges
- The recovery of rates and charges
- Granting rebates and concessions
- Charges for council services and use of Council facilities
- Charges for Council's other recoverable works (motor vehicle repairs and construction services)
- Cost recovery and user fees and charges
- Overheads cost recovery for grants administration

Council has the option to make and levy rates and charges (s.91-100). However in this policy "Rates and Charges" refers to user fees and charges for cost-recovery purposes only because Council does not levy rates on properties.

Council did not make any resolution to limit an increase of rates and charges.

3.1 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.

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

3.2 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

3.3 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
- 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

3.4 Rebates and Concessions:

Council will grant rebates and concessions to residents who demonstrate genuine financial hardship or pensioners

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

3.5 Physical and social infrastructure costs for new development

Council and developers will agree on special/additional rates and charges required to pay for costs associated with

- Any increase in maintenance costs on the available capacity of the existing infrastructure due to new development

- Any additional infrastructure required due to new development
- Where appropriate, a contribution towards social infrastructure changes required to cater for the increase or changes in population caused by new development.

3.6 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. The intention of the review is to ensure full cost recovery because the Council does not make profit margins.

4. BUDGET IMPLICATIONS

Council is unable to fund major asset replacements/capital works and as such it relies on state and federal government grants to fund all new developments.

5. 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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