

REVENUE POLICY

INTENT

A Revenue Policy forms part of Council's budget each year. The *Local Government Regulation 2012* identifies the matters that a local government must include in its Revenue Policy. In essence, a Revenue Policy is a statement outlining the strategic policy position of Council in relation to revenue measures to be adopted in the budget.

In accordance with the *Local Government Regulation 2012*, section 193, this policy will identify the principles Council intends to apply for:

- levying rates and charges; and
- granting concessions for rates and charges; and
- recovering rates and charges; and
- cost-recovery fees.

This policy also addresses:

- The purpose for concessions; and
- The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

This policy is also intended to ensure Council's compliance with section 104(5)(c) of the *Local Government Act 2009*.

SCOPE

Provisions of the *Local Government Act 2009* and *Local Government Regulation 2012*, require council to prepare and adopt its Revenue Policy each financial year.

The policy contains principles that will be used for the development of the 2020/2021 budget for Cook Shire Council. The 2020/2021 budget will be available for inspection on council's website at: <http://www.cook.qld.gov.au>

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DEFINITIONS

TERM	DEFINITION
<i>Council</i>	shall mean Cook Shire Council.
<i>The Act</i>	shall mean <i>the Local Government Act 2009</i>
<i>The Regulation</i>	shall mean <i>the Local Government Regulation 2012</i>

POLICY STATEMENT

1.0 Background

When determining principles to be applied for the levying of rates and charges, Council was consistent with the local government principles, namely:

- transparent and effective processes and decision-making in the public interest
- sustainable development and management of assets and infrastructure, and delivery of effective services
- democratic representation, social inclusion and meaningful community engagement
- good governance of, and by, local government
- ethical and legal behaviour of councillors and local government employees

2.0 Policy Statement

2.1 Principles applied in levying rates and charges

Council intends to achieve an equitable distribution of the cost of its operation between different groups of ratepayers.

This objective is achieved by generating revenue from general rates and separate rates and charges, which will be levied on all rateable land in the region to contribute towards council's operations generally and through utility charges and special rates and charges which collect revenue for specific services, facilities and activities provided by council.

Council will also have regard to the measures required to stimulate the local and national economy and, particularly where the Council is in competition with private sector providers of goods and services, will price according to generally accepted market principles. These principles ensure council does not put private sector providers at a disadvantage because its businesses are publicly owned.

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Council will ensure that the rates and charges made are sufficient to cover the cost of its operation and that it is able to continue to provide services to the community at a level consistent with the growth and development of the area.

When water meter readings are unable to be obtained, Council will calculate utility charges as per section 101 (2) of the *Local Government Regulation 2012*.

Average water consumption shall be calculated using the last three (3) normal water consumption totals for the same rating period.

2.2 Principles applied in granting concessions for rates and charges

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

- reducing the financial burden of rates and charges payable by pensioners
- transparency by making clear the requirements necessary to receive concessions
- support not-for-profit organisations whose objectives benefit the community as a whole and do not include making a profit
- equality by providing the same treatment for ratepayers with similar circumstances

In circumstances where a ratepayer incurs responsibility for a rating debt that is beyond their financial capacity to pay immediately, council may consider avenues to assist with the payment of the liability.

Certain activities benefit the community and the cost of meeting their obligations may impact on the provision of these activities. Council should assist in such circumstances.

2.3 Principles applied to the collection of rates and charges

Under the provisions in Part 12 of Chapter 4 of the *Local Government regulation 2012*, council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers by:

- transparency in making clear the obligations of ratepayers and the processes used by council in assisting them meet their financial obligations
- making the processes used to recover outstanding rates and utility charges clear, simple to administer and cost effective
- equality by providing the same treatment for ratepayers with similar circumstances
- equity by having regard to capacity to pay in determining appropriate arrangements for different sectors of the community

2.4 Payments in advance

Council accepts payments in advance by lump sum or by instalments. Interest is not payable on any credit balances held.

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2.5 Rates and Charges Adjustments

If a change in the valuation of a property results in raising a supplementary levy to the ratepayer of an amount less than \$10, Council will not raise the notice to the ratepayer.

Any Council errors/mistakes in levy charges, with the exception of Special Charges, will only be backdated for the current financial year with a supplementary notice.

2.6 Cost recovery fees and other fees

Council makes cost recovery fees and other fees and charges. Generally Council will set these fees and charges at a level which reflects the underlying costs and charges, including allocated overheads and administration costs.

For cost recovery fees the expected revenue from fees and other sources for each cost recovery scheme allocated overheads and administration costs.

For other fees and charges, where they relate to an operation which has private sector competitors, the fees will reflect the full cost including costs which a private sector competitor would face but which council, because it is a public sector entity, does not incur.

2.7 Infrastructure cost recovery

Council presently imposes infrastructure charges under adopted Infrastructure Contribution Planning Scheme Policies. In April 2011, the State Government announced that it will introduce legislation to provide from 1 July 2012, the maximum standard infrastructure charge that the Council can impose for new development. Refer to the Cook Shire Council Planning Scheme.

2.8 Physical and social infrastructure cost funding

Council raises some of its community infrastructure funding through grants and subsidies provided by the Queensland State Government and the Commonwealth Government of Australia.

The cost of providing community infrastructure is offset through the imposition of infrastructure charges on new development pursuant to the provisions of the *Planning Act 2016*.

The amount council can collect in infrastructure charges is limited by the *State Planning Regulation Provision (Adopted Charges)*.

To the extent that there is a shortfall between cost of providing infrastructure charges, Council may rely on other sources of revenue.

Transfers from and to Reserves are authorised by Council via resolution.

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KEY RESPONSIBILITIES

RESPONSIBLE OFFICER	RESPONSIBILITY
Council	Approval of the “Revenue Policy” each year as part of the budget process.

REFERENCES, LEGISLATION AND GUIDELINES

Local Government Act 2009

Local Government Regulation 2012

Land Valuation Act 2010

Planning Act 2016

State Planning Regulatory Provision 2012 (adopted charges)

Section 104(5)(c) of the *Local Government Act 2009* states that the system of financial management established by Council must include, amongst other matters, a revenue policy.

Section 193 of the *Local Government Regulation 2012* provides:-

(1) A local government’s revenue policy for a financial year must state—

(a) the principles that the local government intends to apply in the financial year for—

- (i) levying rates and charges; and
- (ii) granting concessions for rates and charges; and
- (iii) recovering overdue rates and charges; and
- (iv) cost-recovery methods; and

(b) if the local government intends to grant concessions for rates and charges—the purpose for the concessions; and

(c) the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

(2) The revenue policy may state guidelines that may be used for preparing the local government’s revenue statement.

(3) A local government must review its revenue policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

RELATED DOCUMENTS

Revenue Statement

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Debt Policy
 Investment Policy
 Debt Recovery Policy
 Financial Hardship Policy & Application Form
 Allowing Discount on Late Rates Payment Policy & Application Form
 Council Pensioner Rebate Subsidy Scheme Policy & Application Form
 Concession for Concealed Leaks Policy & Application Form
 Rate Based Financial Assistance for Charitable Organisation Policy & Application Form
 Infrastructure Contribution Planning Scheme Policies

IMPLEMENTATION/COMMUNICATION

This policy applies for the period 1 July 2020 to 30 June 2021. The policy will be displayed on Council’s website and will be incorporated in the budget setting process for the 2020/21 financial year.

APPROVED BY

Adoption annually by Council.

REVIEW

SPONSOR:	Director Organisational Business Services
OFFICER RESPONSIBLE FOR REVIEW:	Finance Manager
ADOPTION DATE:	9 June 2020
REVIEW DATE:	April 2021

THIS POLICY IS TO REMAIN IN FORCE UNTIL OTHERWISE DETERMINED BY COUNCIL

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AMENDMENT HISTORY

VERSION	AMENDMENT DETAILS	AMENDMENT DATE	APPROVAL
8.0	Minor amendments and new template.	20/05/2019	
9.0	Minor amendments	15/04/2020	

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