



## Strategic Policy

### 2018/19 Revenue Policy

|                                 |  |
|---------------------------------|--|
| Corporate Plan reference:       | 5.6 Information, systems and process underpin quality decisions and enhance customer relationships<br>5.6.19 – Sustainable financial position maintained |
| Endorsed by Council on:         | 17 May 2018<br>Reference Number:   |
| Manager responsible for policy: | Director Corporate Services, Corporate Services Department   |

### Policy purpose

The purpose of this Revenue Policy is to set out the principles used by Council for:

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

### Policy outcome

The Revenue Policy will be applied by Council in the development of the annual budget for the 2018/19 financial year.

### Policy scope

The Revenue Policy applies to all areas identified in Section 193 of the *Local Government Regulation 2012*.

### Policy statement

#### The Levying of Rates and Charges

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget Council will set 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.

#### 1. General Rates

General Rate revenue provides essential whole of community services not funded through subsidies, grants, contributions or donations received from other entities, or not provided for by other levies or charges. Council will consider all full cost recovery options before calculating the general rate.

Council is required to raise an amount of revenue it sees as being appropriate to maintain 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 scheme, based primarily on land use, provides the most equitable basis for the distribution of the general rate burden.

The rateable value for each property is the basis for determining the amount of the general rate levied. Council recognises that significant valuation fluctuations may have an adverse effect on pensioners. Council has implemented a Deferment of General Rates Policy to provide eligible pensioners with the opportunity to apply for a deferment of general rates.

## 2. Special and Separate Rates and Charges

Where appropriate Council will fund certain services, facilities or activities by means of separate or special rates or charges.

In accordance with Section 94 of the *Local Government Regulation 2012* Council will levy special rates and charges on certain properties that are considered to be specially benefited by the provision of a specific service, facility or activity.

Special rates are based on the rateable value of the land and special charges are a flat charge per property, where this is considered to provide a more equitable basis for the sharing of the cost.

In accordance with Section 103 of the *Local Government Regulation 2012* Council will 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 a key in achieving council's vision to be Australia's most sustainable region – healthy, smart, creative.

## 3. Other Charges

In general, Council will be guided by the principle of user pays in making all other charges.

### The Levying of Rates and Charges

In levying rates and charges, Council will apply the principles of:

- consistency, by scheduling the issue of rate notices on a half yearly basis;
- communication, by advising ratepayers about rate notice issue dates and discount dates;
- clarity, by providing meaningful information on rate notices to enable ratepayers to clearly understand their responsibilities; and
- flexibility, by providing payment arrangements to ratepayers in financial difficulty, along with a wide array of payment options.

In making and levying rates and charges, Council will be guided by the principles of:

- equitable distribution of the general rates burden as broadly as possible;
- transparency in the making and levying of rates;
- flexibility, to take account of changes in the local economy;
- clarity in terms of responsibilities (council's and ratepayers') in regard to the rating process;
- National Competition Policy legislation where applicable; and
- having in place a rating regime that is efficient to administer.

### The Purpose of and Granting of Concessions for rates and charges

Under Chapter 14, Part 10, section 121 of the *Local Government Regulation 2012* Council may grant a concession. The concession may only be of the following types;

- a rebate of all or part of the rates or charges;
- an agreement to defer payment of the rates and charges;

- an agreement to accept a transfer of unencumbered land in full or part payment of rates.

In accordance with Section 120(1)(a) of the *Local Government Regulation 2012*, Council has determined that eligible pensioners who are property owners are entitled to receive concessions on rates and various other services that Council provides to the community. The purpose of the concessions for pensioners are to assist pensioner property owners to remain in their own home by reducing the financial impact of rates and charges.

In accordance with Section 120(1)(b) of the *Local Government Regulation 2012* other charitable organisations, community groups, and sporting associations may also be entitled to concessions. The purpose of these concessions is to encourage and support charitable organisations, community groups, and sporting associations as they contribute to the health and well-being of the community and the social cohesion of the region.

In accordance with Section 120(1)(d) of the *Local Government Regulation 2012* concessions may be granted if the concession will encourage the economic development of all or part of the local government area. In accordance with the provisions of the Sunshine Coast Investment Incentive Scheme an approved business or enterprise may be entitled to a concession in the form of a deferment of general rates for such period as Council may determine from time to time.

In exercising these concession powers Council will be guided by the principles of:

- transparency, by making clear the requirements necessary to receive concessions; and
- communication, by raising the awareness of target groups that may qualify for these concessions; and
- equity, by ensuring that all applicants of the same type receive the same concession.

### The Recovery of Rates and Charges

Council will exercise its rate recovery powers pursuant to the provisions of Chapter 4 Part 12 of the *Local Government Regulation 2012* in order to reduce the overall rate burden on ratepayers, and will be guided by the principles of:

- equity, by treating all ratepayers in similar circumstances in the same manner;
- transparency, by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations; and
- flexibility, by accommodating ratepayers' needs through short-term payment arrangements.

### Cost Recovery Fees

All fees and charges will be set with reference to full cost pricing. Cost recovery fees will be charged up to a maximum of full cost. Commercial charges will be at commercial rates. Council acknowledges the community benefit associated with not-for-profit organisations conducting activities on the Sunshine Coast, and therefore all not-for-profit organisations are exempt from cost recovery fees for applications to conduct activities requiring an approval on public and private land within the region.

### New Development Costs

Developer contributions for infrastructure are determined each year in accordance with the philosophy that a developer should pay reasonable and relevant contributions towards the capital cost of the provision of infrastructure to meet past and future augmentation costs associated with this new development, subject to State Government requirements. Infrastructure agreements are negotiated outcomes between Council and the developer.

### Guiding principles

Council is required to prepare and adopt a Revenue Policy in accordance with Section 193 of the *Local Government Regulation 2012*. The Revenue Policy must be reviewed 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.

Accordingly, the principles contained within the Revenue Policy are applied in the determination of the Revenue Statement, rates, fees and charges.

## Roles and responsibilities

All council staff are bound by the principles outlined in this policy in determining the level of rates, fees and charges, and in the application of concessions relating to those rates, fees and charges.

## Measurement of success

Financial sustainability indicators remain within target ranges and Council maintains a strong financial position through adequate and equitable revenue streams.

## Definitions

All words within this policy have the meaning assigned under the Dictionary from the schedule contained within the *Local Government Regulation 2012*

## Related policies and legislation

*Local Government Act 2009*

*Local Government Regulation 2012*

Version control:

| Version | Reason/ Trigger | Change (Y/N) | Endorsed/ Reviewed by            | Date       |
|---------|-----------------|--------------|----------------------------------|------------|
| 1.0     | Created         | N            | Special Statutory Budget Meeting | 02/06/2014 |
| 1.1     | Annual Review   | Y            | Manager Finance                  | 30/03/2017 |
| 1.1     | Endorsement     | N            | Council                          | 15/06/2017 |
| 1.2     | Annual Review   | N            | Manager Finance                  | 30/03/2018 |
| 1.2     | Endorsement     | N            | Council                          | 17/05/2018 |

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