

# Statutory Policy

## Burke Shire Council

### Revenue Policy

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#### Document Details

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|-----------------------------|-------------|
| Policy Reference Number:    | FIN-POL-004 |
| Version Number:             | 13          |
| Next Scheduled Review Date: | June 2025   |
| Status                      | Adopted     |
| Category                    | Statutory   |
| Document ID number          | 94594       |

#### Approval

| Council Resolution | Date         | Reason / Comments |
|--------------------|--------------|-------------------|
| 240619.11          | 19 June 2024 | Revised Policy    |

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**Version History**

| <b>Council Resolution</b> | <b>Date</b>       | <b>Reason / Comments</b> |
|---------------------------|-------------------|--------------------------|
|                           | June 2010         |                          |
| 39.110520                 | 20 July 2011      | Revision                 |
| 03.120823                 | 23 August 2012    | Revision                 |
| 11.130618                 | 18 June 2013      | Revision                 |
| 12.140619                 | 19 June 2014      | Revision                 |
| 13.140918                 | 18 September 2014 | Revision                 |
| 21.150722                 | 22 July 2015      | Revision                 |
| 01.160721                 | 21 July 2016      | Revision                 |
| 03.170628                 | 28 June 2017      | Revision                 |
| 11.180621                 | 21 June 2018      | Revision                 |
| 190620.14                 | 20 June 2019      | Revision                 |
| 200625.05                 | 25 June 2020      | Revision                 |
| 210624.10                 | 24 June 2021      | Revision                 |
| 220712.03                 | 12 July 2022      | Revision                 |
| 230622.16                 | 22 June 2023      | Revised Policy           |
|                           |                   |                          |
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|                           |                   |                          |

## 1. Purpose

The Revenue Policy is intended to be a strategic document. Its adoption, in advance of setting the budget, allows Council to set out the principles that it will use to set its budget and to identify in broad terms the general strategy to be used for raising revenue.

This Revenue Policy will be of interest to ratepayers, federal and state departments, community groups and other interested parties seeking to understand the revenue policies and practices of Council.

## 2. Scope

This policy applies to relevant revenue activities of Council for the period 1 July 2024 to 30 June 2025.

## 3. Date of Policy

This Policy applies from the date adopted by Council.

## 4. Policy Provisions

### Objective

The objective of the policy is to identify the planning framework within which Council operates, including stating: -

- the principles intended to be applied by Council for:
  - levying rates and charges;
  - granting concessions for rates and charges;
  - recovering overdue rates and charges;
  - cost-recovery methods, and
- if the Council intends to grant concessions for rates and charges—the purpose for the concessions; and
- the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

## 5. Policy Statement

The *Local Government Act 2009* requires each Local Government to maintain a Revenue Policy which must detail the principles applied by it in relation to its relevant revenue activities for each financial year. 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 and Council's budget and rating resolutions.

## Principles

### Principles used for Levying Rates & Charges

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

Council will also have regard to the principles of:

- a) Fairness & Equity – ensuring fair and consistent application of lawful rating and charging principles, without bias, taking account of all relevant considerations, and disregarding irrelevant considerations;
- b) Transparency – by communicating the Council’s charging processes and each ratepayer’s responsibility under the rating system;
- c) Efficiency – by having a rating regime that is cost effective to administer;
- d) Sustainability – to support the financial strategies for the delivery of infrastructure and services identified in Council’s short, medium and long-term planning; and
- e) Flexibility within agreed parameters – by providing payment arrangements to assist ratepayers in meeting their rate commitments.

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

- making clear what is the Councils and each ratepayers responsibility to the rating system; and
- making the levying system simple and inexpensive to administer.

In accordance with Section 94 of the *Local Government Act 2009* Council:

- must make and levy general rates (which includes determining differential general rates and minimum general rates);
- may also levy special rates and charges;
- may also levy separate rates and charges; and
- will levy utility charges to assist in funding the operation and maintenance of Council’s utility services and facilities.

### General Rates

Council recognises that different categories of land use will generate different needs and requirements for Council services and facilities. Council also recognises that it will incur a different level of resource expenditure to provide the necessary services and facilities.

Council believes that the existing distribution of the general rate burden through its differential rates regime is generally equitable. Council therefore proposes to continue to levy differential rates to ensure that the rate burden is distributed in similar fashion to the pattern in recent years. Council will continue to gather data and to consider this information to further refine this process.

To ensure that owners of land across all differential categories contribute equitably to the cost of common services, Council applies a minimum rate to each differential rate category.

### Special Rates and Charges

Council may make and levy a special rate or charge on rateable land, to help defray the cost of providing a service, facility and/or an activity where:

- the land, or the occupier of the land, has or will especially benefit from the provision of the service, facility or activity; or
- the occupier of the land, or the use made or to be made of the land, has, or will, especially contribute to the need for the service, facility or activity.

### **Separate Rates and Charges**

Council may make and levy a separate rate or charge for a service, facility or activity in the way it considers appropriate. The rate or charge may include a minimum value to be levied and may be made and levied for a service, facility or activity whether or not the service, facility or activity is supplied by the Council itself.

### **Utility Charges**

Council may make and levy a utility charge on any land, whether vacant or occupied, and whether or not it is rateable land; or a structure; to recover costs in relation to the provision of utility services and/or facilities. This includes services such as cleansing, sewerage and water charges.

Generally, utility charges will be calculated on a full cost recovery basis

### **Interest Charges**

Council may impose interest on rates and charges that remain unpaid after the date for payment (i.e.: the date on which the discount period closes) and includes assessments that are making payments of outstanding rates by instalment.

Following the close of discount, interest will be calculated on daily balances of amounts outstanding and charges applied at the end of the month on a compounding basis. Interest on arrears will be calculated in accordance with Section 133 of the *Local Government Regulation 2012* and will be set at the rate of 8% per annum.

## **Application of Principles**

### **Levying of Rates and Charges**

In accordance with Section 104-106 of the *Local Government Regulation 2012*, Council will issue a rates notice to the owner of the land on which a rate or charge has been applied. Rates notices shall include the date the notice was issued, the date by which time the rate must be paid, and any discounts, rebates or concessions applied.

Rates and charges will be levied half yearly by a notice generally issued in August or September and February or March each financial year.

## **Payment of Rates and Charges**

### **Owner Liability**

Section 127 of the *Local Government Regulation 2012* details the liability of the 'owner' to pay rates and charges levied against land held in their name. It also describes the liability of persons' at whose request a service is supplied to a structure or land that is not rateable land.

Where joint ownership of a property exists or other persons are liable to pay a rate, all owners or other persons are jointly and severally liable.

Rates and charges will run with the land i.e., where a change in ownership occurs, the new 'owner' of the land will become liable for payment of all future rates and charges and any existing or outstanding rates or charges.

Where land ceases to be rateable land under Section 110 of the *Local Government Regulation 2012*, the owner of said land immediately before it ceased to be rateable land is taken to continue as the owner of the land, and the land is taken to continue to be rateable land for the levy, collection or refund of a rate on the land for any period before it ceased to be rateable land.

### **Methods of Payment**

Council may accept the payment of rates and charges by differing methods. These may include cheque, cash, direct debit and/or other electronic means.

### **Payments by Instalments**

Council may allow payments by instalment where it will benefit both the individual and the collection of overdue rates and charges.

### **Payments in Advance**

Payments in advance by way of lump sum or instalments may be accepted, however interest will not be payable on any credit balances held.

## **Granting Concessions for Rates and Charges**

In considering the application of concessions, Council will comply with section 120 of the Local Government Regulation 2012 and will be guided by sustainable financial management practices and the principles of:

- The same treatment for ratepayers with similar circumstances and Council will act in the interest of the whole community in making decisions about concessions for classes of ratepayers;
- Transparency by making clear the requirements necessary to receive concessions;
- Flexibility to allow Council to respond to local economic and environmental issues;
- Fairness in considering the provision of community service concessions;
- Council may give consideration to granting a class concession in the event of all or part of Council experiencing a natural disaster, environmental disaster or similar event;
- Council may consider a rates concession for commercial and industrial rated properties who meet the criteria under Council's Business Innovation Scheme Policy.
- Council may provide a concession to eligible pensioners for general rates to ease the burden of cost of living; and

## **Principles used for recovering overdue rates and charges**

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. It will be guided by the principle of:

- transparency by 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 charges clear, simple to administer and cost effective;
- equity by having regard to providing the same treatment for ratepayers with similar circumstances; and
- flexibility by responding where necessary to changes in the local economy.

Section 132 of the *Local Government Regulation 2012* describes an 'overdue rate' as:

"an amount of a rate payable to a local government that remains unpaid at the end of the period specified in the rate notice as the period within which the amount of the rate is payable, (including any amount of interest on the rate under Section 133 of the Regulation)".

With due regard for financial hardship, Council shall actively pursue the collection of outstanding rates and charges.

Council may use its power under the *Local Government Act 2009* and *Local Government Regulation 2012* to recover overdue rates and charges. In particular, Council may exercise its power under Section 95 of the *Local Government Act 2009* to register a charge over land where rates and charges become overdue.

Alternatively, Council may elect to bring court proceedings against a ratepayer to recover overdue rates and charges as a debt pursuant to Section 134 of the *Local Government Regulation 2012*.

## Principles used for Cost- Recovery Fees

Section 97 of the *Local Government Act 2009* allows Council to set cost-recovery fees.

Council recognises the validity of fully imposing the "user pays" principle for its fees and charges (including cost-recovery fees) unless the imposition of the full costs is contrary to its reasonable belief of being in the public interest.

By imposing fees and charges that accurately reflect the full cost of the provision of services; this will enable Council to promote efficiency in both the provision and use of services without subsidising from other sources of revenue.

## OTHER MATTERS

### General Rate Capping

Because general rates are made and levied upon the value of land determined by the Valuer-General, Council recognises that the statutory valuation process may result in unusually high valuation increases for at least some classes of land, if not for all land.

Where it considers that applying the differential general rate to affected lands or classes of land will produce inequities between ratepayers or classes of ratepayer, Council may cap general rates increases for the lands or classes of land concerned.

### **The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development**

To minimise the impact of physical and social infrastructure charges on the efficiency of the local economy, Council will be guided by the principle of user pays in the making of physical and social infrastructure charges for new development, to the extent permissible by law. Council may depart from applying this principle if it is determined by Council that it is in the community interest to do so.

Council's infrastructure charging framework has been established in accordance with the legislative requirements of the *Planning Act 2016*. Under section 113 of the *Planning Act 2016* local governments may, by resolution, adopt charges for providing trunk infrastructure for development (infrastructure charges). Schedule 16 of the *Planning Regulation 2017* states the maximum amount for each charge.

## 6. Key Responsibilities

| Position                 | Responsibility  |
|--------------------------|---|
| Mayor                    | To lead councillors in their understanding of, and compliance with, this policy.  |
| Councillors              | To understand and comply, where relevant, with this policy.   |
| CEO                      | To lead staff (either directly or through delegated authority) in their understanding of, and compliance with, this policy. |
| Directors                | To communicate, implement and comply with this policy.  |
| Managers and Supervisors | To implement this policy and related procedures.  |
| All Council staff        | To comply with this policy and consider its implications for related projects and programs.                                 |

## 7. Related Documents

| Legislation/Regulations   | Awards | BSC Policies  | Procedures |
|---|--------|---|------------|
| <i>Local Government Act 2009</i><br><i>Local Government Regulation 2012 –</i><br><i>Land Valuation Act 2010</i><br><i>Planning Act 2016</i> |        | Corporate Plan 2019-2024<br>Operational Plan 2024/25<br>Budget 2024/25<br>Revenue Statement 2024/25 |            |