

Policy



STATUTORY

REVENUE

Head of Power

Local Government Act 2009
Section 193 Local Government Regulation 2012

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan (2017-2022):

Lockyer Leadership and Council –

- 5.1: Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.

Definitions

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

Policy Objective

The purpose of the 2021/2022 Revenue Policy is to set out the principles used by Lockyer Valley Regional Council for:

- The making & levying of rates and charges
- Determining the purpose of and the granting of concessions for rates and charges
- Recovering overdue rates and charges
- Methods for setting cost recovery fees
- The extent to which physical and social infrastructure costs for new development are to be funded by development application charges

Policy Statement

The Levying of Rates and Charges

Rates and charges are defined in the *Local Government Regulation 2012* as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances.

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.

General Rates

General Rates revenue provides essential whole of community services not funded through trading income, 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. The value of land for a financial year, is its value under the *Land Valuation Act 2010* when a liability for payment of rates or charges for the land arises for the financial year.

The *Local Government Regulation 2012* allows Council in accordance with Section 77 (1) to fix a minimum amount of general rates. Under Section 80, Council may levy differential general rates.

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.

Special rates:

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 charged on the rateable value of the land and special charges are a flat charge per assessment, other than specifically identified exclusions, as this is considered to provide a more equitable basis for the sharing of the cost.

Separate rates:

In accordance with Section 103 of the *Local Government Regulation 2012* Council will levy a separate rate or charge on all rateable land, subject to stated exceptions, in the region to fund a particular service, facility or activity.

The Levying of Rates and Charges

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

- *Consistency* in timing the levy of rates in a predictable way to enable property owners to plan for their rating obligations by the issue of rate notices on a half yearly basis
- *Flexibility* by providing short-term payment commitment plans to property owners in financial difficulty, along with a wide array of payment options
- *Communication* by clearly setting out the Council's and each property owner's obligations in relation to rates and charges by advising property owners about rate notice issue dates and discount dates
- *Clarity* by providing meaningful information on rate notices to enable property owners to clearly understand their responsibilities

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

- Efficiency through having a rating regime that is efficient to administer
- Full cost pricing and user pays where appropriate
- Equitable distribution of the general rates burden as broadly as possible
- Transparency in the making and levying of rates
- Flexibility, to take into account changes in the local economy
- Clarity in terms of responsibilities (Council's and property owner's) in regard to the rating process
- National Competition Policy legislation where applicable

The Purpose of and Granting of Concessions for Rates and Charges

Council Pension Subsidy:

Council has determined that pensioners as defined by the *Local Government Regulation 2012* are entitled to receive concessions on rates and charges levied by Council. Council may grant a concession for land that is owned by a pensioner under Section 120(1)(a) of the *Local Government Regulation 2012*.

The Lockyer Valley Regional Council Pension Subsidy aims to help pensioner property owners to remain in their own homes by reducing the financial impact of rates and charges levied.

Council Remissions – Non-Profit Community, Cultural and Sporting Groups:

In accordance with section 120(1)(b) of the *Local Government Regulation 2012* non-profit community, sporting and cultural groups may be entitled to concessions.

The purpose of these concessions is to encourage and support non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

Upon written application, Council will consider applications for concessions on rates and charges received from property owners who are qualifying pensioners or non-profit community, cultural and sporting organisations.

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

- Transparency by making clear the requirements necessary to receive concessions; and
- Equity by ensuring that all applicants of the same type receive the same concession

The Recovery of Overdue 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 property owners.

Council has adopted a policy for the recovery of outstanding rates and charges. The objective of this policy is to set out Council's principles in regard to the management of debt, and to provide consistent and ethical recovery of outstanding rates and charges across the organisation in accordance with the parameters and requirements of the *Local Government Regulation 2012*.

The principles that will apply in the management of and recovery of debt are as follows:

- Transparency by making clear the obligations of property owners and the processes used by Council in assisting them to meet their financial obligations
- Efficiency by ensuring the processes used to recover overdue rates and charges are simple to administer and cost effective
- Equity by having regard to providing the same treatment for property owners with similar circumstances
- Flexibility by responding where necessary to changes in the local economy

Fees and Charges

In general, Council will be guided by the principle of user pays in making all other charges. All fees and charges will be set with reference to full cost pricing.

When determining Commercial Charges, Council takes into account "user pays" principles and market conditions when determining commercial charges for Council services and facilities.

When determining Regulatory Fees, Council takes into account "user pays" principles and sets regulatory fees at a level sufficient to recover no more than the full cost of providing the service or taking the action for which, the fee is charged.

All fees set by Council are included in a Register of Fees and Charges as adopted by Council at the meeting held on 19 May 2021 and amended from time to time.

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. Council assesses the level of contribution towards physical and social infrastructure in respect of new developments during the development application approval process to ensure an equitable contribution is made by developments which increase the demand on Council infrastructure. Infrastructure agreements are negotiated outcomes between Council and the developer.

Guiding Principles

The principles contained within the Revenue Policy are applied in the determination of Council's revenue statement, rates, fees and charges, rating concessions and recovery of overdue rates 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 rebates and concessions relating to those fees.

Related Documents

Local Government Act 2009

Local Government Regulation 2012

Rates and Charges Debt Collection and Recovery Policy

2021/2022 Revenue Statement