

<p>ORDINARY MEETING</p> <p>22 MAY 2024</p>	<p>12</p>
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REVENUE POLICY

63/19/1 | #7412490

RECOMMENDATION:

That Council adopts the Revenue Policy.

EXECUTIVE SUMMARY:

Council's Revenue Policy sets out the principles used for the levying of rates and charges, the granting of concessions for rates and charges, recovering overdue rates and charges and the establishment of cost recovery methods.

COMMENT:

This policy sets out the principles used by Council for:

- The levying of rates and charges
- Granting concessions for rates and charges
- The purpose of concessions
- Recovering overdue rates and charges
- Cost recovery methods (fees)
- Infrastructure charges for a new development

There have been no changes made to this policy for the 2024/25 financial year.

This policy underpins the formulation of the annual budget with respect to rates and charges.

OPTIONS:

Option 1 (Recommended):

That Council adopts the Revenue Policy.

Or

Option 2:

That Council does not adopt the Revenue Policy and proposes amendments to the policy.

CONSIDERATIONS:**Statutory:**

The formulation of the Revenue Policy is in accordance with the relevant sections of the *Local Government Act 2009* and the *Local Government Regulation 2012*

ATTACHMENTS:

Attachment 1: Revenue Policy (DM [#626249v28](#))



Steve Cooper
Executive Manager Revenue & Business Support



Lisa Whitton
Director Finance & Business Services

Attachment 1: Revenue Policy (DM #626249v28)



CAIRNS REGIONAL COUNCIL

General Policy

REVENUE POLICY

- Intent** To set out the principles used by Council for:
- The levying of rates and charges
 - Granting concessions for rates and charges
 - Recovering overdue rates and charges
 - The establishment of cost-recovery methods (fees)
 - The purpose of concessions
 - Infrastructure charges for a new development

Scope This policy applies to Cairns Regional Council and all Council commercial business units.

PROVISIONS

The Levying of Rates and Charges

In levying rates and charges the following principles will be applied:

- Consider the level of revenue that can be achieved from direct user charges, grants and subsidies, contributions and other sources.
- Consider the level of the cost of maintaining existing facilities and necessary services and the need for additional facilities and services.
- Make clear what is the Council's and each ratepayers' responsibility to the rating system.
- Timing of the levy of rates to ensure a sustainable cash flow for the operation of Council and to spread the burden to the ratepayer over the financial year.
- Equity through flexible payment arrangements.
- Transparency in the making of rates and charges.
- Having in place a rating regime that is simple and inexpensive to administer.
- Flexibility to take account of changes to the local economy.

Council will consider contemporary water issues whilst reviewing the water consumption and access prices.

Council will distribute the rates burden by use of differential rating categories. Council will consider the lowest and highest rating outcomes for each differential category. Council may consider levying special and separate rates and charges when appropriate, to recover the costs associated with a particular service, project or facility that provides direct or additional benefit to the ratepayers or class of ratepayer.

Concessions for Rates and Charges

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

- The same treatment for ratepayers with similar circumstances.
- Transparency by making clear the requirements necessary to receive concessions.
- Flexibility to allow Council to respond to local economic issues.

Council may give consideration to granting a concession to a class of landowner without the need for an individual application in accordance with s122 (4) of the *Local Government Regulation 2012*.

The Purpose of Concessions

Council will support community objectives through the application of concessions to:

- reduce the financial burden of rates and charges payable by pensioners, including those in eligible retirement villages;
- support the community activities of not-for-profit organisations and support their economic development;
- provide assistance to ratepayers suffering genuine financial hardship;
- reduce the cost of water usage for home dialysis users;
- provide assistance to offset larger than normal water usage accounts due to the existence of a concealed leak for residential and not for profit organisations.

Recovering of 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 principles of:

- Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to 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.
- Flexibility by responding where necessary to changes in the local economy.

Council will charge interest on all overdue rates and charges. Council's Debt Recovery Policy sets out the detail of the processes used to recover outstanding rates and charges.

Cost Recovery Methods

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 cost-recovery fees, unless the imposition of the fee is contrary to its express social, economic, environmental and other corporate goals. This is considered to be the most equitable and effective revenue approach, and is founded on the basis that the Region's rating base cannot subsidise the specific users or clients of Council's regulatory products and services.

However, in setting its cost-recovery fees, Council will be cognisant of the requirement that such a fee must not be more than the cost to Council of providing the service or taking the action to which the fee applies.

Infrastructure Charges for a New Development

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.

Infrastructure Charges are levied by an Infrastructure Charges Notice issuing with a Development Approval. Infrastructure charges contribute to the provision of trunk infrastructure as contained in Council's Local Government Infrastructure Plan for: trunk water supply, wastewater, stormwater, transport, parks and land for community facilities networks that supports the growth and development in the Region.

Infrastructure Charges rates are contained in Council's Infrastructure Charges. Infrastructure charges rates are identified for particular types of development (residential and non-residential) in a particular area that are no greater than the maximum amount for each charge contained in the *Planning Regulation 2017*. Quarterly increases are applied to the Infrastructure Charges rates using the Consumer Price Index: All Groups, Brisbane.



This policy is to remain in force until otherwise determined by Council

Director Responsible for Review:

Director Finance & Business Services

ORIGINALLY ADOPTED: 21/06/2002

CURRENT ADOPTION: 24/05/2023

DUE FOR REVISION: 24/05/2024

REVOKED/SUPERSEDED:

**Christine Posgate
Acting Chief Executive Officer**