1. **PURPOSE**  
The Revenue Policy provides the parameters under which Council develops its annual budget.

2. **SCOPE**  
This policy applies to all aspects of making, levying, recovering and granting concessions for rates and utility charges, and setting of cost-recovery fees and infrastructure charges for the Council.

3. **RESPONSIBILITY**  
Councillors, the Chief Executive Officer, the Chief Financial Officer and the Financial Services Department are responsible for ensuring that this policy is understood and followed.

4. **DEFINITIONS**  
The definitions for the terms rates and charges, concessions and cost-recovery used in this policy can be found in the *Local Government Act 2009*, *Local Government Regulation 2012* and *Land Valuation Act 2010*.

The definition of developer charges relates to those charges that can be applied by Council on developments as set out in the *Sustainable Planning Act 2009*.

5. **POLICY**

5.1 **General Principles**

The general principles of revenues set by Council are:

- Simple methods of charging that reflect a contribution to services provided
- Provide equity of contribution based on the economic situation of the community
- Owners and occupiers of the land that are serviced by Council are easily identified
- Council can demonstrate the provision of service delivery
- Decisions are taken based on the whole of the Council area
- Transparency in the making of rates and charges.
5.2 Principles used for the levying of rates and charges

While levying rates and charges the Council will seek to achieve financial sustainability while minimising the impact of council rates and charges upon the community, and distributing the burden of payment equitably across the community.

Council accepts that land valuations are an appropriate basis to achieve the equitable imposition of general rates, with differential rating categories determined by land use, ownership, location and development potential.

When levying the rates and charges, the council will:

1. have regard to its long-term financial forecast
2. seek to minimise the revenue required to be raised from rates and charges by:
   • maximising income from available grants and subsidies
   • impose cost-recovery fees in respect of services and activities for which it believes cost-recovery is appropriate
3. having regard to the prevailing local economic conditions, when possible make increases incremental in an attempt to avoid significant price escalation in any one year.

5.3 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 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 utility charges clear, simple to administer and cost effective
• considering the capacity to pay in determining appropriate payment plans for different sectors of the community
• providing the same treatment for ratepayers with similar circumstances
• responding when necessary to changes in the local economy.
5.4 **Principles used in the granting of Concessions for rates and charges**

Generally, all ratepayers should meet their obligations to Council but Council will support desirable community objectives by providing concessions for certain categories of land owner and in respect of properties used for certain purposes.

The purpose of these concessions is to:

- reduce the financial burden of rates and charges payable by pensioners
- support not-for-profit organisations where the land used is considered to contribute to the social, cultural, economic or sporting welfare of the community
- support entities that provide assistance or encouragement for arts or cultural development
- encourage the preservation, restoration or maintenance of land that is of cultural, environmental, historic, heritage or scientific significance
- provide relief to ratepayers by partially remitting water consumption charges in cases of financial hardship resulting from an undetectable water leak which has occurred on a ratepayer’s property.

5.5 **Setting of cost-recovery fees**

Council recognises the validity of imposing the user pays principle for its Cost-Recovery fees under the Local Government Act 2009. Cost-Recovery fees set by Council must not be more than the cost to Council of providing the service or taking the action to which the fee applies.

5.6 **Funding of new development**

Council will be guided by the principle of user pays when considering infrastructure charges for new development, to the extent permissible by law. Council will seek to minimise the impact of infrastructure charges on the efficiency of the local economy. However, Council may choose to subsidise from other sources (e.g. general rate revenue) the charges payable for the development when Council believes that it is in the community’s interest to do so.
6. **LEGAL PARAMETERS**
   - Local Government Act 2009
   - Local Government Regulation 2012
   - Land Valuation Act 2010

7. **ASSOCIATED DOCUMENTS**
   - Annual Budget
   - Rate Rebates & Remissions Policy
   - Water Leak Relief Policy
   - Revenue Statement 2018/2019

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**DOCUMENT HISTORY AND STATUS**

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