

# Revenue Policy

<b>Responsible Manager</b>	Chief Financial Officer
<b>Head of power</b>	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i>
<b>Authorised by</b>	Council
<b>Authorised on</b>	23 June 2020
<b>Implemented from</b>	1 July 2020
<b>Last reviewed</b>	2020
<b>Review history</b>	2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019
<b>To be reviewed in</b>	June 2021
<b>Corporate Plan</b>	People, Sustainability and Prosperity

## **1. Purpose**

The purpose of this policy is to provide details of the principles applied by Council when:

- a) Levying rates and charges; and
- b) Granting concessions for rates and charges; and
- c) Recovering overdue rates and charges; and
- d) Cost recovery methods; and
- e) The purpose of concessions
- f) Infrastructure charges for a new development

## **2. Application**

This policy applies to Torres Strait Island Regional Council and associated enterprises.

## **3. Legislation/Policies**

This policy is established with reference to obligations specified in the *Local Government Act 2009* and the *Local Government Regulation 2012*.

## **4. Provisions**

### **Making and Levying 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 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 ratepayer's responsibility to the rating system;
- Timing any rates and charges 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 for ratepayers with a lower capacity to pay;
- Transparency in the making of rates and charges;
- Having in place a rating regime that is simple and inexpensive to administer;
- Equity by taking account of the different levels of capacity to pay within the local community;
- Flexibility to take account of changes to the local economy;
- Council will consider National Competition Policy when considering utility charges;
- Council may consider levying special and separate rates and charges where appropriate, to recover the cost associated with a particular service, project of facility that provides direct or additional benefit to the ratepayers or class of ratepayers.

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

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

- Equity by having regard to the different levels of capacity to pay within the local community;
- The same treatment of 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 landowners without the need for an individual application in accordance with section 122(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;
- Support the community activities of not for profit organisations and support their economic development;
- Provide assistance to ratepayers suffering genuine financial hardship;
- Encourage the economic development of all or part of the local government area.

### **Recovery of Unpaid Amounts of Rates and Charges**

Council will exercise its recovery powers in order to reduce the overall 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;
- Capacity to pay in determining appropriate arrangements for different sectors of the community;
- 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 may charge interest on overdue rates and charges;
- Council's Debt Recovery Procedure PR-PO4-7 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**

While it is expected that developers will contribute to new physical and social infrastructure when they commence a new development, the amount of their contribution and how much of the infrastructure they fund may vary. This will depend on many factors and will be assessed for each development. The processes used in determining the contribution, however, will be transparent, fair and equitable

Manager Responsible for Review:

Chief Financial Officer

Adopted: 23/06/2020  
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