

Document Control	
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Responsible Position	Lead Rates & Utilities Billing Officer
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1. Purpose

The purpose of this policy is to comply with the requirements of Chapter 4, Part 1 and Part 2 of the *Local Government Act 2009* and Section 169 (c) and Section 193 of the *Local Government Regulation 2012* by setting out:

- a) The principles which Council will apply during the 2024/25 financial year for:
 - Levying rates and charges
 - Granting concessions for rates and charges
 - The recovery of unpaid rates and charges
 - Cost recovery fees and methods
- b) The purpose of the concessions; and
- c) The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

2. Scope

The Revenue Policy applies to revenue raised by rates, utility charges and fees and charges.

This policy applies to the making, levying, recovery and concessions for rates and utility charges and the setting of regulatory and commercial fees and charges for Council.

3. Statement

In accordance with the *Local Government Act 2009*, this Revenue Policy will be used in developing Council's budget for the financial period from 1 July 2024 to 30 June 2025.

Council levies rates and charges to fund the provision of specific services to our community. When adopting its annual budget, Council will set the rates and charges at a level that will provide for both current and future community requirements. Council will apply the local government principle of transparency in making rates and charges.

In preparing the Revenue Policy 2024/25, Council considered the Guideline on Equity and Fairness in Rating for Queensland Local Governments, issued by the Department of State Development, Infrastructure, Local Government and Planning.

This guideline sets out principles to assist Council in implementing fair and equitable rating systems while ensuring flexibility for raising sufficient own source revenue. The guideline is intended to promote best practice and identifies the following principles ('the Principles'):

- Equity for like properties
- User pays
- Meaningful contribution
- Predictability
- Fairness

4. Definitions

Council	Maranoa Regional Council
Act	<i>Local Government Act 2009</i>
Pensioner	A person who is the holder of a pensioner concession card issued by the Department of the Commonwealth responsible for administering the <i>Social Security Act 1991 (Cwlth)</i> or the <i>Veterans' Entitlement Act 1986 (Cwlth)</i> .
Regulation	<i>Local Government Regulation 2012</i>

All other definitions are as per the *Local Government Act 2009* and *Local Government Regulation 2012*.

5. Policy

5.1 Details

5.1.1 Introduction

In accordance with the provisions of the *Local Government Act 2009* and *Local Government Regulation 2012*, Council is required to prepare and adopt by resolution a Revenue Policy.

Council's Revenue Policy is based on the following principles:

- a) Fairness & Equity – by ensuring the consistent application of lawful rating and charging principles without bias.
- 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.
- e) Flexibility within agreed parameters – by providing payment arrangements to assist ratepayers in meeting their rate commitments.

Council will apply these principles when:

- Making rates and charges
- Levying rates and charges
- Recovery rates and charges
- Granting and administering rates and charges concessions
- Charging for local government services and facilities
- Charging for business activities (subject to the National Competition Policy)
- Funding Council infrastructure

5.2 Making and Levying of Rates and Charges

Council's application of the above principles in making and levying of Rates and Charges for the 2024/25 financial year are detailed as follows:

5.2.1 General Rates

General rates are set each year to assist Council in raising sufficient revenue to provide services to the community (exclusive of water, sewerage and cleansing/waste management utilities).

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 resources expenditure to provide the necessary services and facilities and therefore has opted for a system of differential General Rating to meet its needs.

5.2.1.1 Differential General Rates

Council considers that the use of differential general rates allows the following factors to be taken into account in determining how the general rate revenue is to be raised which would not be possible if only one general rate were adopted:

- a) The relative effect of various land uses on the requirements for, level of, and the cost of providing Council facilities and services;
- b) Movements and variations in the Unimproved Value or Site Value within categories and between categories of land use which affect the level of rates and issues such as 'fairness' and 'equity';
- c) Location and access to services; and
- d) Amount of the Unimproved Value or Site Value and the rate payable.

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

5.2.1.2 Utility Charges – Water, Sewerage and Waste Management Services

In general, Council will be guided by the principle of user pays in the making of charges that relate to the provision of water, sewerage, and waste management services.

Wherever possible, those receiving the benefits of a utility service will pay for the service received through the relevant utility charge. Council will annually review its utility charges and other fees for services to ensure that revenues are meeting intended program goals and are keeping pace with the cost of providing the service.

5.2.1.3 Special and Separate Rates and Charges

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.

5.3 Granting of Rebates and Concessions

5.3.1 Guiding Principles

In accordance with Chapter 4 Part 10 of the *Local Government Regulation 2012* Council may grant a concession for rates and charges. In exercising these concession powers Council will be guided by the principles of equity and transparency by:

- Applying the same treatment to ratepayers with similar circumstances.
- Making clear the requirements necessary to receive concessions.

Consideration may be given by Council to granting a class concession in the event that all or part of the local government area is declared a natural disaster area by the State Government.

5.3.2 The Purpose of Concessions

In accordance with Section 120 (1) of the *Local Government Regulation 2012*, Council may grant a concession in 2024/25 for the owner categories, or in some circumstances occupier categories, and properties used for the listed purposes.

a) Pensioner Concession

Eligible pensioners as defined in Schedule 8 of the *Local Government Regulation 2012* may be granted a concession on general rates.

b) Non-Profit Community Organisation Concession

In accordance with Section 120 (1) (b) of the *Local Government Regulation 2012*, a concession may be granted if Council is satisfied that the land is used for community purposes and is operated on a not-for-profit basis.

The purpose of these concessions is to encourage and support not-for-profit and charitable organisations where the land use is considered to contribute to the health and well being of the community and the social enrichment of residents.

c) Hardship Concession

Council may grant a concession where it can demonstrate that the payment of the rates or charges will cause hardship to the landowner.

d) Other Concessions

Council will receive and consider applications from ratepayers where Council is satisfied that the application meets the eligibility criteria as provided for in Section 120(1) of the *Local Government Regulation 2012*.

Applications for concessions under this section will be considered and determined by Council on a case-by-case basis.

5.4 Recovery of Unpaid Amounts of Rates and Charges

Council will exercise its rates 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 ratepayers, and will be guided by the principles of:

- Fairness & Equity – by treating all ratepayers in similar circumstances in the same manner; and by making every attempt to follow-up on outstanding rates and charges prior to taking legal action;
- Transparency – by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their obligations;
- Efficiency – by making the process used to recover outstanding rates and charges simple to administer and cost effective;
- Flexibility – by providing ratepayers with a number of options to meet their rate obligations.

5.5 Charges for Local Government Services and Facilities

With the exception of fees and charges associated with Council's Business Activities, there are broadly two types of fees and charges:

5.5.1 Cost Recovery ('Regulatory') Fees and Charges (s97 of the *Local Government Act 2009*)

These are fees under a local law or resolution, which involve:

- a) An application for the issue or renewal of a licence, permit, registration or other approval under a Local Government Act (an application fee); or
- b) Recording a change of ownership of land; or
- c) Giving information kept under a Local Government Act.

A cost recovery fee must not be more than the cost to Council of taking the action for which the fee is charged.

Whilst Council notes that, pursuant to Section 97 of the *Local Government Act 2009*, it may introduce a tax component into a regulatory fee in order to achieve a social or other objective, it is not Council's intention to encompass a tax in any regulatory fee.

Accordingly, Council will not recover more than the cost of administering the regulatory regime.

5.5.2 Other ('Commercial') Fees & Charges

Council will apply, as a minimum and as far as practicable, the principle of full cost recovery (including overheads) in setting charges for services and facilities, including community or non-profit organisations.

Council may give consideration to charging at less than the full cost of the service / facility when it considers it appropriate to do so in order to achieve social, economic or environmental goals.

When the service or facility supplied is of a commercial nature, then Council will give consideration to including a 'return on investment' element in the charge. Such consideration will be made on a case-by-case basis.

5.6 Fees & Charges for Business Activities (Subject to National Competition Policy)

In setting charges for a business under National Competition Policy reforms, Council's pricing strategy will apply full cost pricing principles whilst also meeting other economic, efficiency and social objectives. Full cost pricing means that on average, prices should fully recover all the relevant costs of supplying a product or service including:

- a) Direct costs;
- b) Indirect non-capital costs;
- c) Capital costs (includes returns on capital, interest payments, debt guarantee fees and return of capital (depreciation));
- d) Tax equivalent adjustments; and
- e) Other competitive neutrality adjustments.

Council may decide to apply charges at less than full cost pricing in order to achieve social, economic, environmental or other objectives. In making any such decision the reason for the decision will be clearly set out in the resolution together with the estimated amount of revenue to be foregone in the subject year.

When any such decision is applied to a Commercialised Business Unit, the direction to the Commercialised Business Unit will be recognised as a 'community service obligation' and a subsidy shall be paid to the Commercialised Business Unit and that subsidy shall be recognised in the accounts of the Commercialised Business Unit.

5.7 Funding of New 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.

6. Special Provisions

N/A

7. Related Policies and Legislation

- The *Local Government Act 2009*
- The *Local Government Regulation 2012*
- Rates and Charges Rebate and Concession Policy

8. Associated Documents

- Revenue Statement
- Fees and Charges Schedule
- Guideline on equity and fairness in rating for Queensland Local Governments