

Revenue Policy

Responsible Manager	Executive Director, Financial Services
Head of power	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i>
Authorised by	Council
Authorised on	25 June 2024
Implemented from	1 July 2024
Last reviewed	April 2024
Review history	2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024
To be reviewed in	June 2025
Corporate Plan	People, Sustainability and Prosperity

1. Purpose

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

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

2. Application

This policy applies to Council and associated enterprises (if any).

3. Legislation/Policies

This policy is established with reference to obligations specified in the *Local Government Act 2009* and the *Local Government Regulation 2012 (LGR)*, including Section 193 of the LGR.

4. Provisions

Making and Levying rates and charges – Section 193(1)(a)(i) of the LGR

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;
- Timing of 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;
- Making the system for paying rates and charges 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 or facility that provides direct or additional benefit to the ratepayers or class of ratepayers.

Granting Concessions for rates and charges – Section 193(1)(a)(ii) of the LGR

In considering the application of concessions, Council will comply with Chapter 4, Part 10 of the LGR and 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.

The purpose of concessions – Section 193(1)(b) of the LGR

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.

Recovering overdue rates and charges – Section 193(1)(a)(iii) of the LGR

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 193(1)(a)(iv) of the LGR

Section 97 of the *Local Government Act 2009* allows Council to set cost-recovery fees. Cost-recovery fees are fixed to cover the costs, including allocated administrative costs of each cost-recovery regime. These fees will not be set at more than the cost to Council for providing the service or taking the action for which the fee is charged. The user-pays principle is applied in setting the 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.

All cost-recovery fees set by Council are included in the Fees and Charges Register which is open for inspection at Council offices or on its website.

Infrastructure charges for a new development – Section 193(1)(c) of the LGR

Council does not presently impose charges for a new development. If charges for developments are imposed, it is expected that developers will contribute significantly to the physical and social infrastructure costs relating to the new development by payment of infrastructure charges.

Manager Responsible for Review:

Executive Director, Financial Services

Adoption
Due for Revision:

25 June 2024
30 June 2025

James William
Chief Executive Officer