

Torres Shire Council

Revenue Policy Financial Year 2014/15

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PURPOSE

The purpose of this Revenue Policy is to set out the principles used by Torres Shire Council (“TSC”) in 2014/15 for:

- The making and levying of rates and charges
- Granting concessions for rates and charges (including the purpose of those concessions)
- Recovering overdue rates and charges
- Cost-recovery methods
- This Revenue Policy also addresses the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development

MAKING AND LEVYING OF RATES

Determining Rates and Charges

TSC rating policy is that revenue generated from general rates levied on the rateable value of land in the Shire, and minimum general rates shall be sufficient to meet the cost of providing the various services and activities after allowing for any grants, subsidies or contributions received in respect of such services and activities; internal revenue subsidies; and the transfer of any funds from Council's own reserves to assist in meeting the cost of undertaking any capital works activities.

In determining its rates and charges, Council will have regard to the principles of:-

- Transparency in the making of rates and charges;
- Having in place a rating regime that is simple and inexpensive to administer;
- Equity by taking into account different levels of demand on, and use of, Council services;
- Flexibility to take account of changes to the local economy;
- Consistency by limiting the overall increase in revenue across the Shire from year to year.

Council will ensure that the costs of delivering services are recovered equitably from the various sectors of the community by making and levying differential general rates and applying the 'user pays' principle with regard to all utility charges.

Council may levy special and separate rates and charges where 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.

Council may allow a discount on rates and charges where payment is received in full on or before the due date.

Levying Rates and Charges

Rates and charges will be levied at a level taking into account:

- Revenue that can be achieved from rates, fees and charges, grants and subsidies, contract works and other revenue, interest on investments and other sources;
- The cost of maintaining existing facilities and necessary services;
- The need for additional facilities and services;
- The varying levels of access to and use of Council services throughout the Shire.

In levying rates Council will also apply the principles of:

- Making clear what is Council's and each ratepayers' responsibility to the rating system;
- Making the levying system simple and inexpensive to administer;
- Timing 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;

GRANTING CONCESSIONS FOR RATES AND CHARGES

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

- Consistency applying 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.

Concessions may be granted by Council for the purpose of alleviating the full rate burden on ratepayers, where appropriate, having regard to the Principles outlined above.

Council may consider granting a concession to a class of landowner without the need for an individual application (see Chapter 4, Part 10 - Local Government Regulation 2012)).

RECOVERING OVERDUE RATES AND CHARGES

Council will exercise its rate recovery powers in order to reduce the overall rate burden to 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.

COST-RECOVERY FEES

Section 97 of the Local Government Act 2009 allows Council to set cost-recovery fees. The 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 Shire'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 cognizant 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.

PHYSICAL AND SOCIAL INFRASTRUCTURE COSTS FOR NEW DEVELOPMENT

Council requires developers to pay reasonable and relevant contributions towards the cost of physical and social infrastructure required to support the development. Specific charges are detailed in the policies and other material supporting Councils' town planning scheme.

These policies are based on normal anticipated growth rates. Where a new development is of sufficient magnitude to accelerate the growth rate of a specific community within the Shire, it may be necessary to bring forward physical and social infrastructure projects. Where this occurs, Council expects developers to meet sufficient costs so that the availability of facilities is not adversely affected and so that existing ratepayers are not burdened with the cost of providing the additional infrastructure.