

Revenue Policy 2023/24

Statutory

Council

Administrative

Policy Owner:	Director - Organisational Services
Effective Date:	19 June 2023
Strategic Alignment:	Section 193 of the <i>Local Government Regulation 2012</i> .

1 Purpose

The purpose of this policy is to provide a framework by which the Council may structure a portfolio of income generating strategies.

2 Scope

This policy applies to all Councillors, employees and contractors working for Council regardless of whether they are permanent, temporary, full-time, part-time or casual. For the purposes of this policy, the term contractor includes on-hired temporary labour services (agency staff) and sub-contractors.

3 Policy Statement

This policy provides a framework by which the Council may structure a portfolio of income generating strategies to meet the financial requirements of its functional programs in accordance with the Council's overall corporate objectives, the *Local Government Act 2009* (Act) and *Local Government Regulation 2012* (Regulation).

This policy satisfies the requirement of section 193 of the Regulation and will apply where the Council is making and levying rates, fees and charges. This policy is included in the Council's annual budget, consistent with the requirements of section 169(2)(c) of the Regulation.

4 Principles

The Council makes and levies rates, fees, and charges on the basis that:

- (a) the rates, fees and charges are made at the levels necessary to fund the operations of the Council;
- (b) the Council will try to achieve equitable outcomes between different groups of ratepayers;
- (c) the funding of general services will be balanced between funding based on:
 - (i) a valuation-based rating regime;
 - (ii) each user generally meeting some or all of the costs of utility services provided for that user, where appropriate;
 - (iii) all users making a reasonable minimum contribution to the costs of general services through the mechanism of a minimum general rate;

- (d) the impact of substantial fluctuations in the rates charged for a particular property arising from changed valuations from year to year, will be minimised through the averaging of valuations as detailed in section 5.4; and
- (e) where services are provided specifically for an identifiable group of ratepayers and do not have a general community benefit, some or all of the costs of providing those services will be met by that group.

5 Levying Rates and Charges

5.1 General rates

It is the Council's rating policy that revenue derived from rates levied on the rateable value of land shall be sufficient to meet the net outlays incurred in respect of the functional programs conducted by the Council. The amount will be net of any ordinary business or trading income, any grants, subsidies or contributions received in respect of those functional programs, any loan borrowings, and any internal financial accommodation arranged within the Council's own financial entities.

5.2 Differential rating

The Council considers the application of a single uniform rate in the dollar would, through the effects of the extremes of the valuation spectrum, have a distorting effect upon different sections of the local government area. To make the imposition of a rate across sectors more equitable, the Council will apply differential rating in accordance with section 81 of the Regulation. Differential rating amounts are specified in Council's Revenue Statement.

5.3 Minimum general rates

In order to ensure that each ratepayer makes a reasonable level of contribution to the general services provided, even in the case of land with a very low unimproved value, the Council will charge a minimum general rate in respect of each category of differential rate in accordance with Chapter 4, Part 4 of the Regulation.

5.4 Averaging of values

Consistent with the Council's decision to mitigate the impact of substantial fluctuations in the rates charged for a particular parcel of rateable land arising from changed valuations from year to year, the rateable value of land shall be the average of the valuations of that rateable land over the past three years, as calculated in accordance with section 76 of the Regulation.

5.5 Special rates and charges

A special rate is a rate, additional to the general rate, based on the rateable value of the land for a particular group of ratepayers rather than all ratepayers. A special charge is an amount, additional to the general rate, which may be fixed or varied, and is levied on a particular group of ratepayers, rather than all ratepayers. A special rate or charge is for a particular service, facility or activity which mainly or solely relates to the group of ratepayers levied.

In accordance with the user pays principle, the Council will identify those services, facilities or activities which are provided for a particular group of ratepayers and which the Council considers it would be inequitable to impose the cost of those services on the general body of ratepayers. A special rate or special charge will be used to raise the funds for those matters in accordance with section 94 of the Regulation.

5.6 Separate charges

A separate charge is a fixed amount levied on all ratepayers. A separate charge is for a particular service, facility or activity, which relates to all ratepayers.

The Council levies a separate charge where it considers there is a benefit in identifying to each ratepayer, the charge for a particular service, facility or activity. Levying a separate charge ensures all ratepayers contribute equally regardless of their land valuation.

Separate charges will be levied in accordance with section 103 of the Regulation.

5.7 Utility charges

A utility charge is raised for water supply, sewerage, trade waste and waste management.

The user pays principle is applied to utility charges which will be levied in accordance with section 99 of the Regulation. The *South-East Queensland Water (Restructuring) and Other Legislation Amendment Act 2012* also applies to water supply, sewerage and trade waste utility charges.

A utility charge will be sufficient to meet the cost of the service provided. This cost includes contributions towards operating costs including administrative costs and overheads financed initially from general revenue, return on capital, depreciation, tax equivalents, payments for advantages of public sector ownership and providing for appropriations to relevant reserves less any ordinary or trading income, grants, subsidies or contributions received in respect of the service programs and any internal financial accommodation arranged within the Council's own financial entities.

5.8 Precepts and government levies

The Council will comply with legislation relating to the levy, collection and remittance of precepts and charges payable to the State Government.

5.9 Cost-recovery fees

The Council fixes cost-recovery fees for:

- (a) an application for the issue or renewal of a licence, permit, registration or other approval under a Local Government Act (an application fee);
- (b) giving information kept under a Local Government Act;
- (c) seizing property or animals under a Local Government Act;
- (d) the performance of another responsibility imposed on the local government under the Building Act or the Plumbing and Drainage Act.

Cost-recovery fees are fixed to cover the costs, including allocated administrative costs of each cost-recovery regime. A cost-recovery fee is not more than the cost to the Council in providing the service or taking the action for which the fee is charged. So far as is practicable, the user-pays principle is applied in setting cost-recovery fees.

Cost-Recovery fees are listed in the Register of Cost-Recovery Fees, which is open to inspection at the Council's City Administration Centre or on Council's website.

5.10 Other charges (commercial and other charges)

The Council makes charges for services and facilities it supplies on a commercial basis. These charges are fixed at rates set by resolution of the Council or by local law.

In calculating the rate at which the Council will charge for the services and facilities it supplies, the Council expects that the consumer of the service or facility will be required to meet all, or the greater proportion where appropriate, of the total cost of providing the specific service or facility. In such cases, the cost of providing the specific service or facility will include the cost of acquiring the particular service or facility, the cost of providing infrastructure or organisation to process and/or deliver the service or facility, any overheads associated with these cost components and, where appropriate, a commercially based rate of return.

Commercial and other charges are listed in the Schedule of Commercial and Other Charges, which is open to inspection at the Council's City Administration Centre or on Council's website.

5.11 Infrastructure charges

The Council will levy infrastructure charges for development infrastructure with development approvals for new development. The amounts of those infrastructure charges are determined by a Council resolution made under the Planning Act 2016.

Calculation of these charges will be in accordance with the Logan Infrastructure Charges Resolution, and as required under any infrastructure agreement entered into by the Council with a person.

5.12 Contributions, grants and subsidies

Council receives different types of contributions from external parties including infrastructure contributions from developers and grants and subsidies from State and Federal Government.

Contributions are measured at fair value and, unless there is an agreement between the Council and the contributor that meets the requirements of a contract and contains specific measurable performance obligations, are recognised as revenue when Council obtains control over the contribution or the right to receive the contribution.

Where there is a contract including specific measurable performance obligations, contributions are recognised as revenue progressively as the Council completes those performance obligations or as a liability if the performance obligations are not yet performed. An expense and liability are also recognised if and when Council fails to meet specific conditions attaching to the contribution and part or all of the contribution is required to be repaid.

5.13 Fines and penalties

It is the Council's policy to comply with statutory requirements and guidelines for the imposition of fines and penalties associated with breaches of regulatory provisions. The fine imposed will be the maximum amount permitted under the relevant legislation.

5.14 Discount

It is the Council's policy to encourage the prompt payment of rates and charges raised via issuance of a rate notice by offering a discount for payment by a designated date. The amount of the discount is specified in Council's Revenue Statement.

5.15 Interest on rates and charges

It is the Council's policy to ensure that the interests of all ratepayers are protected by discouraging the avoidance of responsibilities for the payment of rates and charges debts which have been raised or transferred onto a rates notice. To this end, the Council will impose the maximum rate of interest permissible by legislation on all outstanding rates and charges which have been raised or transferred onto a rates notice. The rate and basis for interest charges are specified in Council's Revenue Statement.

6 Granting concessions for rates and charges

6.1 General principles

Generally ratepayers should pay rates and charges raised by a rate notice in full within the time allowed. However, the Council recognises that particular sectors of the community may suffer financial hardship in complying with their obligations to pay rates and charges in full and it is appropriate to make concessions in such cases. Rating concessions may also be used to encourage ratepayers to support policy objectives. Where concessions are granted they will be granted on a similar basis to ratepayers in similar circumstances. The amounts and details of concessions are specified in Council's Revenue Statement.

6.2 Community organisations

Community organisations are likely to be run by volunteers and provide services beneficial to the whole community or particular sectors. Their ability to provide these services is constrained by their limited funds. Accordingly, concessions for certain charges are allowed to specified categories of community organisations. These concessions are detailed in Council's Revenue Statement.

6.3 Pensioner concessions

Pensioners as a group are likely to have limited incomes and payment of the full amount of rates and charges is likely to cause financial hardship. The State Government provides a subsidy to eligible pensioners however, in addition to this subsidy, Council concessions will be extended to eligible pensioners and will be detailed in Council's Revenue Statement.

6.4 General rate concessions and environment charge remissions for Environmental Land

The Council has a policy of establishing conservation areas where the carrying out of certain activities is discouraged. To encourage landowners to support these initiatives, the following concessions are provided.

- (a) A reduction of rates shall apply to land that was designated Conservation A or Conservation B and included in the Residential Conservation zone under the superseded Logan Planning Scheme 1997. The reduction in rates applies only until such time that there is a change in property ownership or a development application is approved that impacts on the environmental values of the property, whichever occurs first.

- (b) A remission of the Environmental Levy shall apply to land that was previously mapped with Category 1 vegetation management area under the superseded Logan Planning Scheme 2006 and will continue to apply until such time that there is a change in property ownership or a development application is approved that impacts on the environmental values of the property, whichever occurs first.
- (c) A remission of the Environmental Levy shall apply to all properties with a current Voluntary Conservation Agreement or Voluntary Conservation Covenant as defined in Council's policy 'Environmental Conservation Partnerships'.

6.5 Subsidies

Council may from time to time allow and withdraw subsidies on selected trunk infrastructure charges. Where applicable, the current financial year Revenue Statement provides details of the subsidy being offered.

6.6 General concession

The Council may remit part of a rate where the Council is of the opinion that the payment of the rate would cause the owner of the land undue or unusual financial hardship which is related to an inadvertent increase in the amount of the rate from the previous financial year and which is significant relative to other rates for comparable rateable land.

6.7 Farming concession for multiple lot charges

Council may grant a Farming Concession under section 120(1)(f) of the Regulation to all farming land that meets the Farming Concession Criteria for the encouragement of economic development of all or part of the local government area.

For the purposes of this concession the following definitions apply:

Farming Concession means the reduction of the number of environmental charges and community infrastructure charges provided for in the current Revenue Statement so that it equates to a single charge per rated-together assessment issued for the Farming Land rather than per parcel/lot that constitutes that Farming Land.

Farming Concession Criteria:

- (a) farming land must be within Logan City Council boundaries; and
- (b) must be within Council's differential general rate category of "Farming"; and
- (c) the farming land is made up of more than one parcel/lot, valued together for rating purposes by the Department of Environment and Resource Management; and
- (d) each parcel of the Farming Land is owned by the same owner/s; and
- (e) the farming land is both:
 - a. completely outside of the SEQ Regional Plan urban footprint; and
 - b. at least part of the farming land is within a flood management area.

7 Recovering overdue rates and charges

The collection of outstanding rates and other charges is pursued diligently, but with due concern for the financial circumstances faced by sections of the local community and ratepayers. To this end, administrative procedures have been established to allow for the recovery and repayment of rates and other charges in accordance with Council's policy for the 'Management of Outstanding Rates, Water, Wastewater, Other Charges and Sundry Debt Accounts'.

8 Roles and Responsibilities

Councillors, the Chief Executive Officer, Directors and the Finance Manager are responsible for ensuring that this policy is adhered to.

9 Reporting

Council's Long Term Financial Forecast as adopted with the Annual Budget will reflect a sustainable long term outlook.

10 Human Rights

Under the *Human Rights Act 2019* (Qld), Council must not make a decision without considering and assessing the potential impact to human rights, and giving consideration to any impacts before making a decision. Council does not consider that any human rights are impacted by this policy.

11 Definitions

The following definitions apply to this Policy.

TERM	DEFINITION
Local Government Act	has the meaning provided under the <i>Local Government Act 2009</i> and means a law under which a local government performs the local government's responsibilities.
Revenue Statement	means the revenue statement prepared in accordance with the requirements of section 172 of the <i>Local Government Regulation 2012</i> and adopted by Council annually as part of its budget, as required by section 169(2)(b) of the <i>Local Government Regulation 2012</i> .
SEQ Regional Plan	has the meaning given to it in the Sustainable Planning Act 2009

12 Document Control

Version Number	Description of Change	Author / Branch	Effective Date
1.0	Original version	Finance	21 June 2021
2.0	Updated (budget 2022/2023)	Finance	20 June 2022
3.0	Updated (budget 2023/2024)	Finance	19 June 2023