

Revenue Policy

Policy No:	FIN-002
Council Resolution Ref:	171/25
Date Adopted:	July 2025
Review Date:	June 2026
Version No:	9
Responsible Officer:	Director of Corporate Services

Purpose

The purpose of the policy is to identify the planning framework within which Council operates and to set out the principles used by Council for:

- Making of rates and charges;
- Levying of rates;
- Recovery of overdue rates and charges; and
- Concessions for rates and charges and
- Cost recovery methods

Commencement of Policy

This Policy will commence on adoption. It replaces all other specific Revenue policies of Council (whether written or not).

Application

Under the *Local Government Regulation 2012*(section 193) Council is required to prepare a Revenue Policy each year. The Revenue Policy is intended to be a strategic document. Its adoption, in advance of setting the budget, allows Council to set out the principles that it will use to set its budget and to identify in broad terms the general strategy to be used for raising revenue. This Revenue Policy will be of interest to ratepayers, federal and state departments, community groups and other interested parties seeking to understand the revenue policies and practices of Council.

Policy

In general Council will be guided by the principle of user pays in the making of rates and charges to minimise the impact of rating on the efficiency of the local economy. However, Council provides services that are not fully cost recoverable but are deemed to be provided as a Community Service Obligation and are cross subsidised, any subsidy will be in accordance with Council's Community Service Obligation Policy.

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Council will also 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 account of the different levels of capacity to pay within the local community;
- responsibility in achieving the objectives, actions and strategies in Council's Corporate and Operational Plans;
- flexibility to take account of changes in the local economy, adverse seasonal conditions and extraordinary circumstances;
- maintaining valuation relativities within the shire;
- maintaining shire services to an appropriate standard;
- meeting the needs and expectations of the general community; and
- assessing availability of other revenue sources.

6.1 Levy of rates

In levying rates Council will apply the principles of:

- making clear what is the Council's and each ratepayer's responsibility to the rating system;
- making the levying system simple and efficient to administer;
- timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

6.2 Recovery of rates and charges

Council will exercise its rate recovery powers in order to reduce the overall rate 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 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; and
- flexibility by responding where necessary to changes in the local economy.

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6.3 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 for ratepayers with similar circumstances;
- transparency by making clear the requirements necessary to receive concessions, and
- flexibility to allow Council to respond to local economic issues, adverse seasonal conditions and extraordinary circumstances; and
- fairness in considering the provision of community service concessions.

6.4 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 approach and is founded on the basis that the Council'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 be not more than the cost to Council of providing the service or taking the action to which the fee applies.

The *Local Government Act 2009* sets a general planning framework within which Council must operate. There are a number of elements to the planning framework including the preparation and adoption of a Corporate Plan and Operational Plan. Section 169 (2) of the Regulation also requires each local government to adopt a Revenue Statement as part of its annual budget.

Council considers that the best way of setting its revenue objectives, and to achieve them, is to effectively plan through each of the elements of the planning framework. The revenue policy effectively cascades down through the Corporate Plan. Council's Corporate Plan sets out its corporate objectives. This will be achieved by maintenance of Council's existing revenue sources through the following strategies:

- Maintaining an equitable system of rating and charging through annual review of the rating and charging structure; and
- Maximising other revenue sources, grants and subsidies.

Audit and Review

This policy will be reviewed annually or as required in response to changes of legislation, processes, relevant standards, or industry best practices. Murweh Shire Council reserves the right to amend, replace or terminate this policy at its discretion.

Definitions

NIL

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References

Local Government Act 2009

Local Government Regulation 2012

Version Control

Version No.	Date	Approved	Amendment

Approval

Chief Executive Officer		Bruce Scott OAM	
Date:	16.07.2025	Signature:	