

Purpose

The purpose of this policy is in accordance with section 193 of the Local Government Regulation 2012 (Qld), to set out the principles that Whitsunday Regional Council (Council) intends to apply in adopting its budget for the 2024/25 financial year in relation to:

- levying Rates and Charges; and
- granting concessions for Rates and Charges, and the purpose for those concessions; and
- recovering overdue Rates and Charges; and
- cost-recovery methods; and
- the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

Scope

This policy is applicable to:

- all ratepayers of Council; and
- all Rates and Charges levied by Council, and the process for making, levying, recovering and granting concessions for those Rates and Charges.

Guiding Principles

1. Principles for Making and Levying of Rates and Charges

1.1 In general, Council will be guided by the following two principles in the making of Rates and Charges:

1.1.1 Equity Principle

Council will aim to ensure that all sectors of the ratepaying community contribute equitably to the rates revenue of the Council. In determining the level of Rates and Charges, Council's objective is to ensure the fair and consistent application of lawful rating and charging principles, without bias, taking account of all relevant considerations, and disregarding irrelevancies (such as the perceived personal wealth of individual ratepayers or ratepayer classes).

1.1.2 Benefit (User Pays) Principle

At a minimum, ratepayers should contribute rates which reflect the cost of providing Council's services to rateable properties in each sector of the community. Wherever possible, this should be reflected in the minimum rate for each rating category.

1.2 In addition, Council will be guided by the following principles for each type of Rates & Charges:

1.2.1 General Rates

1.2.1.1 The basis for levying of General Rates will be the unimproved land valuation as determined by the State Government of Queensland.

1.2.1.2 Acknowledging the diversity of land uses within the region, and in order to maintain an equitable distribution of rates across such land uses, Council will adopt a differential

rating system, in keeping with Chapter 4, Part 5 of the Regulation. Council considers a more equitable outcome can be achieved by a system where land with high economic activity and/or capacity to generate income contributes more in rates than land with lower economic activity and/or capacity to generate income, than would be achieved by a simple, single rate in the dollar, general rating scheme.

1.2.1.3 Given the significant variations in land values across the region, in the interest of maintaining an equitable distribution of rates, Council will also consider the use of minimum rates for all or some of the differential rating categories, in keeping with Chapter 4, Part 4 of the Regulation.

1.2.1.4 Council will consider the use of capping as a means of maintaining rates increases from one year to another to a reasonable and affordable level.

1.2.2 Special Rates & Charges

1.2.2.1 Where Council believes it is appropriate for a special rate or charge to be levied in a certain area or for a certain purpose, Council may do so in keeping with Chapter 4, Part 6 of the Regulation. The guiding principle will be to recover the costs associated with a particular service, project or facility that provides direct or additional benefit to the ratepayer or class of ratepayers.

1.2.3 Separate Rates & Charges

1.2.3.1 Where Council believes it is appropriate for a separate rate or charge to be levied for an identified service, facility or activity, Council may elect to do so in keeping with Chapter 4, Part 8 of the Regulation. The guiding principle will be to recover the costs associated with a particular service, project or facility that provides direct or additional benefit to the ratepayer or class of ratepayers.

1.2.4 Water & Sewer Utility Charges

1.2.4.1 Council's water & sewer services are considered an SBA under the Act.

1.2.4.2 As per Chapter 3, Part 2, Division 2 of the Act, Council is required to apply the NCP to its SBAs, either by way of CNP or CCC. In keeping with these requirements, Council will seek to apply full cost pricing in calculating its water & sewer utility charges.

1.2.4.3 To the extent possible and practical, Council will endeavour to apply the "User Pays" principle in establishing its water & sewer utility charges.

1.2.4.4 Council operates multiple water & sewer schemes across the region. In general Council will endeavour to maintain uniform utility charges across the different schemes operated by Council. However, where it deems appropriate, Council will consider the application of scheme specific utility charges.

1.2.4.5 Council will declare service areas for its water & sewer services and all properties within such declared service areas will be subject to utility charges, even where a property within such a declared service area may not be connected to the water or sewer network (e.g., due to the land being vacant) but is capable of being so connected. This recognises Council's obligation to provide water & sewer services to any property within a declared service area on request, and the cost of maintaining adequate capacity in the system to Council's obligation to provide the service.

1.2.5 Waste Utility Charges

1.2.5.1 Council's waste services are considered an SBA under the Act.

1.2.5.2 As per Chapter 3, Part 2, Division 2 of the Act, Council is required to apply the NCP to its SBAs, either by way of CNP or CCC. In keeping with these requirements, Council will seek to apply full cost pricing in calculating its waste utility charges.

1.2.5.3 To the extent possible and practical, Council will endeavour to apply the "User Pays" principle in establishing its waste utility charges.

1.2.5.4 Council will declare service areas for its waste collection services. Recognising the need to maintain current as well as legacy landfills in keeping with its environmental obligations, Council recognises the need to apply a general waste utility charge even on properties outside the declared service areas.

1.2.5.5 Council will establish, as appropriate, specific fees and charges for waste that is transported by residents (including business entities) of the region, directly to a landfill or a transfer station.

1.2.6 Legislative Obligations to Collect Levies

1.2.6.1 Where required to do so under legislation, Council will fulfil its legislative obligations by acting as a collection agent for any levies imposed by the State or Federal governments.

1.3 Council will also have regard to the following:

1.3.1 Its legislative obligations;

1.3.2 Sustainability in raising the revenue required for the cost of operating and maintaining existing facilities and services and the need for additional facilities and services;

1.3.3 Transparency of process in determining the basis of Rates and Charges;

1.3.4 Clarity of Council's and each ratepayer's responsibilities with regards to the rating process;

1.3.5 Having a rating regime that is simple and inexpensive to administer;

1.3.6 Timing the levying of Rates & Charges to take into account the financial cycle of local economic activity; and

1.3.7 Flexibility in taking into account changes in the local economy.

1.4 Council reserves the right to provide ratepayers with a prompt payment discount on certain Rates and Charges under certain conditions as may be determined by Council.

2. Principles for Granting of Concessions from Rates and Charges

2.1 Council may determine to grant concessions and/or rebates for certain groups subject to the Regulation, certain criteria being met and any terms and conditions. These may include (without limitation) sectors of the rate-paying community who have a reduced capacity to pay both on demand and to the full quantum (such as pensioners), not-for-profit and sporting groups or where other special circumstances apply.

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

2.2.1 Fairness and social conscience by having regard to the different levels of economic circumstance within the local community;

2.2.2 Similar treatment for ratepayers with similar circumstances;

2.2.3 Transparency by making clear the requirements necessary to receive concessions; and

2.2.4 Flexibility to allow Council to respond to local economic issues

2.3 Council may also consider granting a class concession in the event all or part of the local government area is declared a natural disaster area by the State Government.

2.4 Council will assess concessions for Rates and Charges in keeping with its policies addressing each category of concession.

3. Principles for Recovering Overdue Rates and Charges

3.1 Council requires payment of Rates and Charges within a specified period of time. Council will provide a range of convenient payment methods for ratepayers to make payment of Rates and Charges.

3.2 Council will pursue the collection of overdue Rates and Charges diligently. The non-payment of Rates and Charges by some ratepayers places an unfair burden on the ratepayers who diligently meet their legal obligations.

3.3 Council will exercise its rate recovery powers under the Act and Regulations having regard to ratepayer cashflows, if appropriate.

3.4 In general, Council will be guided by the following principles in the collection of overdue Rates and Charges:

3.4.1 Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their financial obligations;

3.4.2 Making the processes used to recover outstanding Rates and Charges clear, simple to administer and cost effective;

3.4.3 Equity by having regard to providing the same treatment for ratepayers with similar circumstances; and

3.4.4 Flexibility by responding where necessary to changes in the local economy.

3.5 In pursuing the collection of overdue Rates and Charges, Council will give due consideration to any financial hardship faced by individual ratepayers in accordance with Council's Rate Relief Due to Hardship Policy.

3.6 The process of collecting overdue Rates and Charges will be guided by Council's Rates and Charges Recovery Policy.

4. Principles for Cost-Recovery Methods

4.1 Section 97 of the Act allows Council to set cost-recovery fees.

4.2 Council recognises the validity of fully imposing the user pays/benefit 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 Council's rating base should not subsidise specific users or clients of Council's regulatory products and services.

4.3 However, in setting its cost-recovery fees, Council will be cognisant of the requirement that such a fee must not be more than the cost of providing the service or taking the action, to which the fee applies.

5. Principles for Commercial Charges

5.1 Section 262(3)(c) of the Act allows Council to charge for a service or facility it supplies other than a service or facility for which a cost-recovery fee may be fixed.

5.2 The nature, level and standard of the commercial service is considered by Council when setting the charges. Council may set the charge with the aim of generating a profit margin.

5.3 Council will take into consideration the NCP and the CCC in setting commercial charges for goods and services where Council competes with other commercial enterprises in the provision of such goods and services.

6. Funding of Physical and Social Infrastructure

6.1 Pursuant to the *Planning Act 2016* (Qld), Council requires the developer of a property to pay reasonable and relevant contributions as infrastructure charges towards the cost of infrastructure required to support a development, whether that requirement is by way of utilising capacity of existing infrastructure or for the installation of additional trunk infrastructure. Specific charges are detailed in the policies and other material supporting "The Whitsunday Regional Council Planning Scheme 2017." These policies are based on normal anticipated growth rates.

6.2 Where a new development is of sufficient magnitude to accelerate the growth rate of a specific community within the Council region, it may be necessary to bring forward social infrastructure projects. Where this occurs, Council expects such developers to meet sufficient costs to ensure the availability of facilities is not adversely affected and existing ratepayers are not burdened with the cost of providing the additional infrastructure.

7. Operating Fund Reserves

7.1 At minimum, Council will maintain three reserves within its operating fund. These are:

7.1.1 Infrastructure Reserve (funded by developer contributions)

7.1.2 Capital Works Reserve

7.1.3 Operational Grants Reserve

7.2 Council examines the purposes of its reserves during its budget deliberations to ensure that the reserves are used for that purpose. Ongoing reserves will be supported by transfers from operations and these transfers are included in Council's adopted budget.

8. Policies

8.1 Council may make other related policies from time to time which further detail how Council intends to apply the principles outlined herein.

Related Policies and Legislation

Revenue Statement

Concessions for Concealed Water Leaks Policy

Prompt Payment Discount - Special Circumstances Policy

Donations on Rates and Service Charges for Not-for-Profit Organisations Policy

Pensioner Rates Rebate Policy

Rates and Charges Recovery Policy

Rates Concessions for Pensioners – Deferral Arrangement Policy

Rates Relief Policy

Whitsunday Regional Council Planning Scheme 2017

Local Government Act 2009 (Qld) (**Act**)

Local Government Regulation 2012 (Qld) (**Regulation**)

Planning Act 2016 (Qld)

Land Valuation Act 2010 (Qld)

Definitions

CEO refers to the Chief Executive Officer of the Whitsunday Regional Council appointed in accordance with the Act.

CCC refers to the Code of Competitive Conduct as set out in section 47 of the **Act** and section 32 of the **Regulation**.

Council refers to the Whitsunday Regional Council.

NCP refers to National Competitive Policy.

CNP refers to the Competitive Neutrality Principle as set out in section 43(3) and 44 of the **Act**, and section 33 of the **Regulation**.

Rates and Charges refers to levies imposed on land and for a service, facility or activity that is supplied or undertaken by Council or someone on behalf of Council, including:

- (a) General Rates (including differential general rates);
- (b) Special Rates and Charges;
- (c) Utility Charges; and
- (d) Separate Rates and Charges; as well as any accrued interest on outstanding balances (as applicable).

SBA refers to a Significant Business Activity determined in accordance with section 43(4) of the **Act** and section 19 of the **Regulation**.

COUNCIL POLICY			
Date Adopted by Council	29 May 2024	Council Resolution	OM2024/05/29.27
Effective Date	1 July 2024	Next Review Date	30 June 2025
Responsible Officer(s)	Manager Financial Services	Revokes	Revenue Policy 23/24
Public Consultation: Yes / No	No		