



**Policy Subject/Title:** Revenue Policy FY2026

**Policy Number:** F/001

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**Responsible Officer:** Director Finance

**Legislative or Regulatory Reference:** *Local Government Act 2009* and Regulation

**Related Policies / Procedures:** Revenue statement

**Authorised by:** Somerset Regional Council

**Authorised on:** 22 January 2025 [Doc Id 1703568]

**Review/Amendment dates:** This policy is reviewed annually

## **1. OBJECTIVE**

Council aims to fulfil a statutory requirement through adoption of this revenue policy under section 193 of the Local Government Regulation 2012.

## **2. BACKGROUND**

Council is required to review its revenue policy each financial year under section 193 of the Local Government Regulation 2012.

## **3. PURPOSE**

The revenue policy sets guidelines for the development of Council's budget, revenue measures and other financial matters as outlined.

## **4. SCOPE**

The policy applies to Somerset Regional Council and all persons and entities that contribute or might contribute revenue to the Council.

## **5. POLICY**

Section numbers referred to below relate to the Local Government Regulation 2012.

### **• s193(1)(a)(i) The principles that the local government intends to apply in the financial year for levying rates and charges**

Rates and charges are levied to enable Council to meet its recurrent and capital costs.

Differential general rates will be levied on all rateable land in the Region. In Council's opinion, differential general rating enables there to be a more equitable relationship between revenue raised from particular land and the circumstances relevant to that land than would be the case under a standard rating system where rates are levied at a single rate in the dollar on all rateable land.

In determining its differential rating system, 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 all irrelevant considerations.

For the 2025/2026 financial year, the Council will levy general rates on land on the basis of differential rating categories determined having regard to a variety of matters including but not limited to: -

- land use;
- land location;
- availability of services;
- consumption of services;
- land area;
- valuation; and
- such other relevant qualities of the land or its use.

For utility charges, and other rates or charges for particular services or functions (regulatory or otherwise) the guiding principle is that of user pays, with the overall level of revenue raised by each charge being based so far as practicable upon the full cost price of providing the service or facility concerned.

Council will meet legal requirements for the cost effective levying of rates including providing all required information on rate documents.

**• s193(1)(a)(ii) The principles that the local government intends to apply in the financial year for granting concessions for rates and charges**

Council may grant rate remissions or deferrals on the grounds of financial hardship on a case-by case but consistent basis.

Financial hardship does not necessarily mean simple inability to pay.

Council will administer the State Government Pensioner Rate Subsidy Scheme under the scheme rules for the maximum benefit of landowners.

Council may allow concessions to certain classes of pensioner landowners for rating equity reasons. The conditions of any concessions will be outlined in the local government's revenue statement and budget resolutions.

**• s193(1)(a)(iii) The principles that the local government intends to apply in the financial year for recovering overdue rates and charges**

Council will inform ratepayers with arrears of rates of the powers it may use in collecting outstanding rates including legal action, application of interest penalties, loss of discounts, release of information to mortgagees and other parties with interests in properties, sale of lands and any other potential action.

Council may offer assistance to people to access their own superannuation if applicable.

Council's recovery action will be cost effective.

Council will not enter into arrangements that limit its legal power to recover rates.

Following each rating period, Council will forward reminder letters to owners with overdue rates where appropriate or courtesy advices to ratepayers who have missed discounts.

Legal rate recovery actions or referrals to debt collectors may be authorised by the Chief Executive Officer.

Effective 22 January 2025, Council is to receive once each financial year recommendations for sale of lands for overdue rates actions covering all properties for which actions may legally be commenced except where the overdue rates or charges exceed the rateable valuation of the land. Where this situation applies, a recommendation to acquire the land for overdue rates may be made.

Where Council invokes section 130 (7) of the Local Government Regulation 2012 to set a later discount date than indicated on a rate notice and this has clearly resulted in a credit balance for a local ratepayer equal to the discount available, Council will write to the local ratepayer advising that the account is in credit.

Council is to receive a recommendation to commence sale of land for overdue rates and charges action whenever an infrastructure charge becomes overdue for a period of more than three years.

• **s193(1)(a)(iv) The principles that the local government intends to apply in the financial year for cost-recovery methods**

Council may seek to recover costs of the matters permitted under section 97 of the Local Government Act 2009.

Costs to be recovered with cost-recovery fees may include all direct and indirect costs of providing the relevant facility, service or activity including cash and non-cash costs and including but not limited to the cost of capital, corporate overheads and depreciation.

Council will not seek to impose a taxation component for any cost-recovery fee.

Council may charge less than the full cost of providing the relevant facility, service or activity when setting any cost-recovery fee.

• **s193(1)(b) The purpose of concessions granted for rates and charges**

Various concessions may be granted for rates and charges including retaining the concessions of a predecessor council or for any of the matters permitted by law as it is assumed that the types of concessions allowable by law are permitted for a valid purpose.

The conditions of any concessions will be outlined in the local government's revenue statement and budget resolutions.

• **s193(1)(c) The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development**

Developers may be required to pay the full costs of any increased capacity in the physical infrastructure due to any new developments, and where appropriate, a contribution towards social infrastructure changes required to cater for the increase or changes in population caused by new developments.

## **6. EFFECTIVE FROM**

This policy is effective from 22 January 2025.

## **7. CONTROLS**

This policy is subject to controls outlined in the financial management risk register.

## **8. DATE OF RESOLUTION**

This policy was approved by the Chief Executive Officer and adopted by the Somerset Regional Council at the Ordinary Meeting of 22 January 2025.

Signed:

Dated: 22 January 2025