

 <p>Mackay REGIONAL COUNCIL</p>	COUNCIL POLICY	
	Revenue Policy 2016/2017	
	POLICY NO	008
	DEPARTMENT	ORGANISATIONAL SERVICES
	PROGRAM	FINANCIAL SERVICES
ENDORSED	BY COUNCIL 22 JUNE 2016	

1.0 Scope

Provisions of the *Local Government Act 2009* and *Local Government Regulation 2012*, require council prepare and adopt its Revenue Policy each financial year.

The policy contains principles that will be used for the development of the 2016/2017 budget for Mackay Regional Council.

The 2016/2017 budget will be available for inspection on council's website at:

www.mackay.qld.gov.au/about_council/budget_2016-17

2.0 Purpose

In accordance with the *Local Government Regulation 2012, section 193*, this policy will identify the principles council intends to apply for:

- levying rates and charges
- granting concessions for rates and charges
- recovering rates and charges
- setting of cost recovery fees

This policy also addresses:

- The purpose for concessions; and
- The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

3.0 Reference

- Local Government Act 2009
- Local Government Regulation 2012
- Land Valuation Act 2010
- Sustainable Planning Act 2009
- State Planning Regulatory Provision 2012 (adopted charges)

4.0 Definitions

To assist in interpretation the following definitions shall apply:

Act shall mean *the Local Government Act 2009*

Council shall mean *Mackay Regional Council*

Regulation shall mean *the Local Government Regulation 2012*

5.0 Background

When determining principles to be applied for the levying of rates and charges, council was consistent with the local government principles, namely:

- transparent and effective processes and decision-making in the public interest
- sustainable development and management of assets and infrastructure, and delivery of effective services
- democratic representation, social inclusion and meaningful community engagement
- good governance of, and by, local government
- ethical and legal behavior of councilors and local government employees

6.0 Policy Statement

6.1 Principles applied in levying rates and charges

Council intends to achieve an equitable distribution of the cost of its operations between different groups of ratepayers.

This objective is achieved by generating revenue from general rates and separate rates and charges, which will be levied on all rateable land in the region to contribute towards council's operations generally and through utility charges and special rates and charges which collect revenue for specific services, facilities and activities provided by council.

Council will also have regard to the measures required to stimulate the local and national economy and, particularly where the council is in competition with private sector providers of goods and services, will price according to generally accepted market principles. These principles ensure council does not put private sector providers at a disadvantage because its businesses are publicly owned.

Council will ensure that the rates and charges made are sufficient to cover the cost of its operations and that it is able to continue to provide services to the community at a level consistent with the growth and development of the area.

6.2 Principles applied in granting concessions for rates and charges

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

- reducing the financial burden of rates and charges payable by pensioners
- transparency by making clear the requirements necessary to receive concessions
- support not-for-profit organisations whose objects do not include making a profit

- equality by providing the same treatment for ratepayers with similar circumstances

In circumstances where a ratepayer incurs responsibility for a rating debt that is beyond their financial capacity to pay immediately, council may consider avenues to assist with the payment of the liability.

Certain activities benefit the community and the cost of meeting their obligations may impact on the provision of these activities. Council should assist in such circumstances.

6.3 Principles applied to the collection of rates and charges

Under the provisions in Part 12 of Chapter 4 of the Local Government Regulation 2012, council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers by:

- transparency in 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 utility charges clear, simple to administer and cost effective
- equality by providing the same treatment for ratepayers with similar circumstances
- equity by having regard to capacity to pay in determining appropriate arrangements for different sectors of the community

6.4 Payments in Advance

Council accepts payments in advance by lump sum or by installments. Interest is not payable on any credit balances held.

6.5 Cost recovery fees and other fees

Council makes cost recovery fees and other fees and charges. Generally council will set these fees and charges at a level which reflects the underlying costs and charges, including allocated overheads and administration costs.

For cost recovery fees the expected revenue from fees and other sources for each cost recovery scheme will not exceed the costs of the scheme.

For other fees and charges, where they relate to an operation which has private sector competitors, the fees will reflect the full cost including costs which a private sector competitor would face but which council, because it is a public sector entity, does not incur.

Council may apply community service obligations to its business activities and exclude the cost of those obligations in fixing prices for the activity. Council has adopted Community Services Obligations Policy (Policy Number 006) which provides the framework for identification of community service obligations enforced on its identified business units.

6.6 Physical and social infrastructure cost funding

Council raises some of its community infrastructure funding through grants and subsidies provided by the Queensland State Government and the Commonwealth Government of Australia.

The cost of providing community infrastructure is offset through the imposition of infrastructure charges on new development pursuant to the provisions of the *Sustainable Planning Act*.

The amount council can collect in infrastructure charges is limited by the *State Planning Regulation Provision (Adopted Charges)*.

To the extent that there is a shortfall between cost of providing infrastructure and amounts generated through the imposition of infrastructure charges, council may rely on other sources of revenue.

7.0 Review of Policy

This policy will be reviewed when any of the following occur:

1. The related documents are amended or replaced;
2. Other circumstances as determined from time to time by a resolution of council

Notwithstanding the above, this policy is to be reviewed annually.

Version Control:

Version	Reason / Trigger	Change	Endorsed	Date	DWS	Folio
	Annual Review		By council	05.08.08	2100531	855
	Annual Review		By council	17.06.09	2323169	6337
	Annual Review		By council	16.06.10	2676094	11370
	Annual Review		By council	15.06.11	3083795	16001
	Annual Review		By council	20.06.12	3683037	21885
	Annual Review		By council	26.06.13	4387333	28326
	Annual Review		By council	18.06.14	5058442	33569
	Annual Review		By council	10.06.15	5867824	38100
	Annual Review		By council	22.06.16	6784689	38074