

Program:	Financial Services
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Scope

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

The policy contains principles that underpin the development of the 2026/27 budget for Mackay Regional Council (MRC).

The 2026/27 budget will be available for inspection on MRC's website at:

<http://www.mackay.qld.gov.au/budget>

Objective

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

- levying rates and charges
- granting concessions for rates and charges
- recovering overdue rates and charges
- cost recovery methods.

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.

Policy Statement

The *Local Government Act 2009* (the Act) requires a local government to review and adopt a Revenue Policy for each financial year.

The requirements of the policy under the Act and *Local Government Regulation 2012* (the Regulation) are:

- a) to set out the principles intended to be used by MRC for the 2026/27 financial year for:
 - levying rates and charges
 - granting concessions for rates and charges
 - recovering overdue rates and charges
 - cost recovery methods.
- b) if the local government intends to grant concessions for rates and charges—the purpose for the concessions; and
- c) the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

This Revenue Policy forms the basis of the revenue measures adopted by the Council at the budget meeting and throughout the financial year it relates to. It is a strategic document, which clearly establishes the principle used in exercising the revenue powers available to Council.

This process to remain in force until otherwise determined
by Mackay Regional Council

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1.0 Principles

When determining principles to be applied for the levying of rates and charges, MRC must act consistently 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 behaviour of Councillors and local government employees.

1.1 Principles applied in levying rates and charges

Making rates and charges

It is MRC's policy to identify certain services where the consumer of the service will be expected to meet all or the greater part of the total cost of providing the specific service. In such cases, the cost of providing the service will include the cost of acquiring the commodity or service, the cost of providing the infrastructure or the cost to process and/or deliver the commodity or service and any overheads associated with these cost components.

It is acknowledged that individual consumers of a commodity or service cannot always be separately identified. For this reason, there is a need for specific user charges to be supplemented by other general revenue sources.

The relevant components of MRC's rates and charges are based on a combination of specific user charges, separate charges, special charges and a differential general rating system based on the value of land to provide the most equitable and rational basis for raising revenue.

Rates and charges are determined after due consideration of the following:

- (i) MRC's legislative obligations
- (ii) The needs and expectations of the general community
- (iii) The cost of maintaining existing facilities and necessary services
- (iv) The need for additional facilities and services
- (v) Equity by ensuring 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.

MRC will also have regard to the principles of:

- Transparency of process
- Simplicity and efficient administration
- Flexibility to take account of changes in the local economy.

Levying rates and charges

In levying rates and charges, MRC will apply the principles of:

- Making clear what is MRC's and each ratepayer's responsibility in relation to the rating system
- Making the levying process, granting discount and any refund of rates and charges as simple and efficient to administer as possible
- Timing the levy of rates notices to take into account the financial cycle to which the ratepayers are accustomed or may adapt to.

1.2 Principles applied in granting concessions for rates and charges

In considering the application of concessions, MRC 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 objectives 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, MRC 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. MRC should assist in such circumstances.

The purpose for the concessions is to provide support to identified classes of ratepayers in meeting their obligations under MRC's rating regime within the available provisions of the Act and the Regulation.

1.3 Principles applied to the recovery of overdue rates and charges

Under the provisions in Part 12 of Chapter 4 of the Regulation, MRC 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 MRC 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.

MRC requires payment of rates and charges within a specified period and 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 other ratepayers who meet their legal obligations in full.

When pursuing the collection of overdue rates and charges MRC will have due concern for any financial hardship faced by ratepayers.

MRC's Debt Recovery Policy provides guidance in the collection of overdue rates and charges.

1.4 Payments in Advance

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

1.5 Cost recovery fees and other fees

MRC 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 MRC, 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 each year adopts a Code of Competitive Conduct Statement which provides the framework for identification of community service obligations enforced on its identified business units.

1.6 Physical and social infrastructure cost funding

MRC 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 *Planning Act 2016*.

The amount MRC can collect in infrastructure charges is limited by section 52 and Schedule 16 of the *Planning Regulation 2017*.

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

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean *the Mayor and Councillors of Mackay Regional Council*

MRC shall mean *Mackay Regional Council*

The Act shall mean *the Local Government Act 2009*

The Regulation shall mean *the Local Government Regulation 2012*

3.0 Review of Policy

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

- The related documents are amended or replaced.
- Other circumstances as determined from time to time by a resolution of Council

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Land Valuation Act 2010*
- *Planning Act 2016*
- *Planning Regulation 2017*
- State Planning Regulatory Provision 2012 (adopted charges)