

NOTICE OF MEETING & AGENDA

Special Meeting

Wednesday 19 May 2021

Roma Administration Centre

NOTICE OF MEETING

Date: 19 May 2021

Mayor:

Councillor T D Golder

Deputy Mayor:
Councillors:

Councillor G B McMullen
Councillor J R P Birkett
Councillor M C Edwards
Councillor J L Guthrie
Councillor J M Hancock
Councillor W L Ladbrook
Councillor C J O'Neil
Councillor W M Taylor

Chief Executive Officer:

Ms Julie Reitano

Executive Management:

Mr Rob Hayward (Deputy Chief Executive Officer/Director
Development, Facilities & Environmental Services)
Ms Sharon Frank (Director Corporate & Community Services)

Attached is the agenda for the **Special Meeting** to be held at the Roma Administration Centre on **19 May, 2021 at 12.10PM**



Julie Reitano
Chief Executive Officer

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Confidential Items

In accordance with the provisions of section 254J(3) of the Local Government Regulation 2012, a local government may resolve to close a meeting to the public to discuss confidential items that it's Councillors or members consider it necessary to close the meeting.

C Confidential Items

- C.1 Draft 2021-22 Budget - Airport**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.2 Draft 2021-22 Budget - Saleyards**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.3 Draft 2021-22 Budget - Water**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.4 Waste Management Utility Charges - Industrial Area Roma**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.

- C.5 Draft 2021-22 Budget - Sewerage**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.6 Draft 2021-22 Budget - Gas**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.7 Draft 2021-22 Budget - Waste**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.8 Draft 2021-22 Budget - Plant**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.9 Draft 2021-22 Whole of Council Operational (Business as usual) Budget**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.10 Draft 2021-22 Budget - Quarry and quarry pits**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.11 Draft 2021-22 Project proposals**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.12 Draft 2021-22 Budget - Laboratory**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.13 Rural Fire Brigade Special Charge 2021/22**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.14 Prompt Payment Discount - Rates**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.
- C.15 Category 39 - Rural Differential General Rates Modelling**
Classification: Closed Access
Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.

C.16 Long-term Financial Forecast

Classification: Closed Access

Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.

C.17 Interest on Overdue Rates

Classification: Closed Access

Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.

C.18 Loan Refinancing Options

Classification: Closed Access

Local Government Regulation 2012 Section 254J(3)(c) the local government's budget.

Closure

OFFICER REPORT

Meeting: Special 19 May 2021

Date: 28 April 2021

Item Number: 6.1

File Number: D21/33822

SUBJECT HEADING: Revenue Policy 2021/22

Classification: Open Access

Officer's Title: Director - Corporate & Community Services

Executive Summary:

The purpose of this Revenue Policy is to set out the principles used by Council for:

- Levying rates and charges;
- Granting concessions for rates and charges;
- The recovery of unpaid rates and charges; and
- Cost recovery fees and methods.

Officer's Recommendation:

That Council:

1. Receive and note the document titled "Revenue Policy 2021/22".
2. In accordance with Section 193 of *Local Government Regulation 2012* adopt the 2021/22 Revenue Policy.

Individuals or Organisations to which the report applies:

Are there any individuals or organisations who stand to gain a benefit, or suffer a loss, (either directly or indirectly) depending on the outcome of consideration of this matter?

(Note: This is to assist Councillors in identifying if they have a Material Personal Interest or Conflict of Interest in the agenda item - i.e. whether they should participate in the discussion and decision making).

This report applies to Maranoa Regional Council.

Acronyms:

Are there any industry abbreviations that will be used in the report?

Note: This is important as particular professions or industries often use shortened terminology where they refer to the matter on a regular basis. However, for individuals not within the profession or industry it can significantly impact the readability of the report if these aren't explained at the start of the report).

Acronym	Description
LGR 2012	<i>Local Government Regulation 2012.</i>

Context:

Why is the matter coming before Council?

LGR 2012 Section 193(3) states a local government must review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

Background:

Has anything already happened in relation to this matter?

(Succinct overview of the relevant facts, without interpretation)

The purpose of this Revenue Policy is to set out the principles used by Council for:

- Levying rates and charges;
- Granting concessions for rates and charges;
- The recovery of unpaid rates and charges; and
- Cost-recovery fees and methods;

The Revenue Policy states guidelines that will be used for preparing the Revenue Statement.

The *Local Government Act 2009* requires that the Revenue Policy be reviewed annually.

Council is required to adopt the policy in sufficient time before the start of the financial year to allow an annual budget that is consistent with the Revenue Policy to be adopted for the next financial year.

Legislation, Local Laws, State Policies & Other Regulatory Requirements:

What does the legislation and other statutory instruments include about the matter under consideration?

(Include an extract of the relevant section's wording of the legislation – please do not just quote the section number as that is of no assistance to Councillors)

LGR 2012 Section 193(3) - a local government must review its revenue policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

Council Policies or Asset Management Plans:

Does Council have a policy, plan or approach ordinarily followed for this type of decision?

What are relevant sections of the policy or plan?

(Quote/insert the relevant section's wording / description within the report)

Revenue Policy 2020/21 **Resolution No. OM/06.2020/70**

Revenue Policy 2019/20 **Resolution No. GM/02.2019/72**

Input into the Report & Recommendation:

Have others' views or input been sourced in developing the report and recommendation to Council? (i.e. other than the report author?) What did each say? (Please include consultation with the

funding body, any dates of critical importance or updates or approvals required)

Funding Bodies:

Is the project externally funded (or proposed to be)? If so, are there any implications in relation to the funding agreement or grant application. (Please do not just include names)

Not Applicable.

This Financial Year's Budget:

Will the matter under consideration impact how much Council collects in income or how much it will spend? How much (\$) ? Is this already included in the budget? (Include the account number and description).

If the matter under consideration has not been included in the budget, where can the funds be transferred from? (Include the account number and description) What will not be done as a result?

The adoption of a Revenue Policy is an essential prerequisite for the new year's budget.

Future Years' Budgets:

Will there need to be a change in future years' budgets to cater for a change in income or increased expenditure as a result of Council's decision? How much (\$) ? (e.g. estimate of additional maintenance or operating costs for a new or upgraded project)

The Revenue Policy is reviewed and adopted each year.

Impact on Other Individuals or Interested Parties:

Is there anyone who is likely to be particularly interested in or impacted by the decision, or affected by the recommendation if adopted? What would be their key interests or concerns? (Interested Parties Analysis - IS9001:2015)

Residents and ratepayers across the Maranoa Region.

Risks:

What could go wrong if Council makes a decision on this matter? (What is the likelihood of it happening and the consequence if it does) (List each identified risk in a table)

Risk	Description of likelihood & consequences
Legislative	Consideration and adoption of the policy now will help ensure Council's budget is compliant with one of our legislative obligations.

Advice to Council:

What do you think Council should do, based on your skills, qualifications and experience, your knowledge of this and related matters, and the facts contained in the report?

(A summary of what the employee thinks Council needs to hear, not what they think individual Councillors want to hear – i.e. employees must provide sound and impartial advice – the employee's professional opinion)

Council should review and adopt the Revenue Policy in accordance with section 193(3) of the *Local Government Regulation 2012* to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

Recommendation:

What is the 'draft decision' based on the advice to Council?

Does the recommendation suggest a decision contrary to an existing Council policy? If so, for what reason?

(Note: recommendations if adopted by Council become a legal decision of government and therefore must be clear and succinct about the action required by employees (unambiguous)).

That Council:

1. Receive and note the document titled "Revenue Policy 2021/22".
2. In accordance with Section 193 of *Local Government Regulation 2012* adopt the 2021/22 Revenue Policy.

Does this recommendation suggest a decision contrary to an existing Council policy?

If so, for what reason?

N/A

Link to Corporate Plan:

Corporate Plan 2018-2023

Strategic Priority 2: Delivering strong financial management

2.2 Revenue collection

2.2.5 Prepare, review and adopt revenue documents required by legislation (e.g. Revenue Policy, Revenue Statement, Fees and Charges Scheduled).

Supporting Documentation:

[1](#) Draft Revenue Policy 2021-22

D21/33823

Report authorised by:

Chief Executive Officer

Revenue Policy 2021/22

Local Government Regulation 2012
Section 169 – Preparation and content of budget

- (2) *The budget must also include—*
(c) *a revenue policy.*

Revenue Policy 2021/22

Purpose

To comply with the requirements of Chapter 4, Part 1 and Part 2 of the *Local Government Act 2009* and Section 169 (2) (c) and Section 193 of the *Local Government Regulation 2012* by setting out:

- (a) the principles which Council will apply during the 2021/22 financial year for:
 - levying rates and charges;
 - granting concessions for rates and charges;
 - the recovery of unpaid rates and charges;
 - cost-recovery fees and methods;
- (b) the purpose of 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.

Scope

The Revenue Policy applies to revenue raised by rates, utility charges and fees and charges.

This policy applies to the making, levying, recovery and concessions for rates and utility charges and the setting of regulatory and commercial fees and charges for Council.

Definitions

Council	Maranoa Regional Council
Act	<i>Local Government Act 2009</i>
Pensioner	a person who is the holder of a pensioner concession card issued by the department of the Commonwealth responsible for administering the <i>Social Security Act 1991</i> (Cwlth) or the <i>Veterans' Entitlement Act 1986</i> (Cwlth).
Regulation	<i>Local Government Regulation 2012</i>

All other definitions are as per the *Local Government Act 2009* and the *Local Government Regulation 2012*.

1. Details

1.1 Introduction

In accordance with the provisions of the *Local Government Act 2009* and *Local Government Regulation 2012*, Council is required to prepare and adopt by resolution a Revenue Policy.

Council's Revenue Policy is based on the following principles:

- (a) Fairness & Equity – by ensuring the consistent application of lawful rating and charging principles without bias;
- (b) Transparency - by communicating the Council's charging processes and each ratepayer's responsibility under the rating system;

- (c) Efficiency - by having a rating regime that is cost effective to administer;
- (d) Sustainability – to support the financial strategies for the delivery of infrastructure and services identified in Council's short, medium and long term planning.
- (e) Flexibility within agreed parameters - by providing payment arrangements to assist ratepayers in meeting their rate commitments

Council will apply these principles when:

- Making rates and charges;
- Levying rates and charges;
- Recovering rates and charges;
- Granting and administering rates and charges concessions;
- Charging for local government services and facilities;
- Charging for business activities (subject to the National Competition Policy);
- Funding Council infrastructure.

1.2 Making and Levying of Rates and Charges

Council's application of the above principles in making and levying of Rates and Charges for the 2021/22 financial year are detailed as follows:

1.2.1 General Rates

General rates are set each year to assist Council in raising sufficient revenue to provide services to the community (exclusive of water, sewerage and cleansing/waste management utilities).

Council recognises that different categories of land use will generate different needs and requirements for Council services and facilities. Council also recognises that it will incur a different level of resources expenditure to provide the necessary services and facilities and therefore has opted for a system of differential General Rating to meet its needs.

1.2.1.1 Differential General Rates

Council considers that the use of differential general rates allows the following factors to be taken into account in determining how the general rate revenue is to be raised which would not be possible if only one general rate were adopted:

- (a) the relative effects of various land uses on the requirements for, level of, and the cost of providing Council facilities and services;
- (b) movements and variations in the Unimproved Capital Value (UCV) both within categories and between categories of land use which affect the level of rates and issues such as 'fairness' and 'equity';
- (c) location and access to services; and
- (d) amount of the Unimproved Capital Value (UCV) and the rate payable.

To ensure that owners of land across all differential categories contribute equitably to the cost of common services, Council will apply a minimum rate to each differential rating category.

1.2.2 Utility Charges – Water, Sewerage and Waste Management Services

In general, Council will be guided by the principle of user pays in the making of charges that relate to the provision of water, sewerage and waste management services.

Wherever possible, those receiving the benefits of a utility service will pay for the service received through the relevant utility charge. Council will annually review its utility charges and other fees for service to ensure that revenues are meeting intended program goals and are keeping pace with the cost of providing the service.

1.2.3 Special and Separate Rates and Charges

Council may consider levying special and separate rates and charges when appropriate, to recover the costs associated with a particular service, project or facility that provides direct or additional benefit to the ratepayers or class of ratepayer.

1.3 Granting of Rebates and Concessions

1.3.1 Guiding Principles

In accordance with Chapter 4 Part 10 of the *Local Government Regulation 2012* Council may grant a concession for rates and charges. In exercising these concession powers Council will be guided by the principles of equity and transparency by:

- Applying the same treatment to ratepayers with similar circumstances;
- Making clear the requirements necessary to receive concessions;

Consideration may be given by Council to granting a class concession in the event that all or part of the local government area is declared a natural disaster area by the State Government.

1.3.2 The Purpose of Concessions

In accordance with Section 120 (1) of the *Local Government Regulation 2012*, Council may grant a concession in 2021/22 for the owner categories, or in some circumstances occupier categories, and properties used for the listed purposes.

(a) Pensioner Concession

Eligible pensioners as defined in Schedule 8 of the *Local Government Regulation 2012* may be granted a concession on general rates.

(b) Non-Profit Community Organisation Concession

In accordance with Section 120 (1) (b) of the *Local Government Regulation 2012*, a concession may be granted if Council is satisfied that the land is used for community purposes and is operated on a not-for-profit basis.

The purpose of these concessions is to encourage and support not-for-profit and charitable organisations where the land use is considered to contribute to the health and well being of the community and the social enrichment of residents.

(c) Hardship Concession

Council may grant a concession where it can demonstrate that the payment of the rates or charges will cause hardship to the land owner.

(d) Other Concessions

Council will receive and consider applications from ratepayers where Council is satisfied that the application meets the eligibility criteria as provided for in Section 120 (1) of the *Local Government Regulation 2012*. Applications for concessions under this section will be considered and determined by Council on a case by case basis.

1.4 Recovery of Unpaid Amounts of Rates and Charges

Council will exercise its rates recovery powers pursuant to the provisions of Chapter 4 Part 12 of the *Local Government Regulation 2012* in order to reduce the overall rate burden on ratepayers, and will be guided by the principles of:

- Fairness & Equity - by treating all ratepayers in similar circumstances in the same manner; and by making every attempt to follow-up on outstanding rates and charges prior to taking legal action;
- Transparency – by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their obligations;
- Efficiency – by making the process used to recover outstanding rates and charges simple to administer and cost-effective.
- Flexibility – by providing ratepayers with a number of options to meet their rate obligations.

1.5. Charges for Local Government Services and Facilities

With the exception of fees and charges associated with Council's Business Activities, there are broadly two types of fees and charges:

1.5.1 Cost Recovery ('Regulatory') Fees and Charges (s97 of the *Local Government Act 2009*)

These are fees under a local law or a resolution, which involve:

- (a) an application for the issue or renewal of a licence, permit, registration or other approval under a Local Government Act (an application fee); or
- (b) recording a change of ownership of land; or
- (c) giving information kept under a Local Government Act;

A cost recovery fee must not be more than the cost to Council of taking the action for which the fee is charged.

Whilst Council notes that, pursuant to Section 97 of the Local Government Act 2009, it may introduce a tax component into a regulatory fee in order to achieve a social or other objective, it is not Council's intention to encompass a tax in any regulatory fee.

Accordingly, Council will not recover more than the cost of administering the regulatory regime.

1.5.2 Other ('Commercial') Fees & Charges

Council will apply, as a minimum and as far as practicable, the principle of full cost recovery (including overheads) in setting charges for services and facilities, including community or non-profit organisations.

Council may give consideration to charging at less than the full cost of the service / facility when it considers it appropriate to do so in order to achieve social, economic or environmental goals.

When the service or facility supplied is of a commercial nature, then Council will give consideration to including a 'return on investment' element in the charge. Such consideration will be made on a case by case basis.

1.6 Fees & Charges for Business Activities (Subject to National Competition Policy)

In setting charges for a business under National Competition Policy reforms, Council's pricing strategy will apply full cost pricing principles whilst also meeting other economic, efficiency and social objectives. Full cost pricing means that on average, prices should fully recover all the relevant costs of supplying a product or service including:

- (a) direct costs;
- (b) indirect non-capital costs;
- (c) capital costs (includes return on capital, interest payments, debt guarantee fees and return of capital (depreciation));
- (d) tax equivalent adjustments; and
- (e) other competitive neutrality adjustments.

Council may decide to apply charges at less than full cost pricing in order to achieve social, economic, environmental or other objective. In making any such decision the reason for the decision will be clearly set out in the resolution together with the estimated amount of revenue to be foregone in the subject year.

When any such decision is applied to a Commercialised Business Unit, the direction to the Commercialised Business Unit will be recognised as a 'community service obligation' and a subsidy shall be paid to the Commercialised Business Unit and that subsidy shall be recognised in the accounts of the Commercialised Business Unit.

1.7 Funding of New Development

To minimise the impact of physical and social infrastructure charges on the efficiency of the local economy, Council will be guided by the principle of user pays in the making of physical and social infrastructure charges for new development, to the extent permissible by law. Council may depart from applying this principle if it is determined by Council that it is in the community interest to do so.

Special Provisions

N/A

Related Policies and Legislation

Local Government Act 2009
Local Government Regulation 2012

Associated Documents

Revenue Statement
Community Organisations Rates & Charges Rebates
& Concessions
Fees and Charges Register