

Revenue Statement

Number:	Stat.PO4
Responsible Manager:	Executive Manager Finance
Head Policy:	N/A
Legislation:	Local Government Act 2009 Local Government Regulation 2012

1. Introduction - Purpose of the Revenue Statement

A Revenue Statement forms part of Council's budget each year. *The Local Government Regulation 2012, Section 172*, identifies the matters that a local government must include in its Revenue Statement. In essence, a Revenue Statement is an explanatory statement outlining and explaining the revenue measures adopted in the budget.

2. Revenue Raising Measures Adopted in The Budget Concerning the Making and Levying of Rates and Charges

(a) Overview

Council identifies costs of services which the consumer of the service will be expected to meet – either all or the greater part of the total cost of providing the 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 organisation to process and/or deliver the commodity or service and any overheads associated with these cost components.

However, 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.

Council does not presently have the ability to apply general rates, due to there being no rateable land capable of being subject to such a charge.

The relevant components of Council's Revenue Statement are based on a combination of:

- Specific user charges
- Utility charges (Water, Garbage and Sewerage)
- Charge in lieu of rent (residential)
- General levies (commercial)
- Staff Tenancy Agreements

- Community Housing Tenancy Agreements (administered through the Department of Housing and Public Works)
- State Government 40 Year Leases
- Leases
- Licences
- Sales of goods and services

These levies are set at levels that provide the most equitable and rational basis for raising revenue to provide council services.

Levies are determined from the following:

- (i) Council's legislative obligations
- (ii) the needs and expectations of the general community
- (iii) the expected cost of providing services;

(B) General Rate

As stated above, Council does not presently have the ability to apply general rates, due to their being no rateable land capable of being subject to such a charge.

(C) General Levy

Council will charge general levy to support local government infrastructure and operations as identified in Council's "Fees and Charges Schedule" and "Commercial Charges Schedule".

(D) Utility Charge (in Lieu of Rent)

Council will charge a "Utility Charge in Lieu of rent" for all residential properties that are not charged a rental payment from Council or the Department of Housing and Public Works as identified in "Fees and Charges Schedule" and "Commercial Charges Schedule".

(E) Limitation on Increase in Rates and Charges

As stated in paragraph 4(b) above, Council does not have the ability to levy general rates. As a consequence, Council will not be passing any resolution pursuant to section 116 of the *Local Government Regulation 2012*, to limit any increase of general rates or charges.

(G) **Utility Charges**

(i) **Water**

Water charges are determined, collected and used for the purpose of defraying the cost of planning, water demand management and constructing water infrastructure including interest and redemption charges incurred by Council, and the cost of operating, maintaining and managing the water supply system. The charges apply to all businesses and community members who have access to Council's water supply infrastructure and comprise an annual access charge for all connections to the system.

In accordance with section 92 & 94 of the *Local Government Act 2009* & section 99 and 101 of the *Local Government Regulation 2012*, Council makes water utility charges as per "Fees and Charges Schedule" and "Commercial Charges Schedule".

(ii) **Sewerage Charges**

Sewerage charges are determined, collected and used for the purpose of defraying the cost of planning and constructing sewerage infrastructure including interest and redemption charges incurred by Council, and the cost of operating, maintaining and managing the sewerage system.

In accordance with section 92 & 94 of the *Local Government Act 2009* & section 99 of the *Local Government Regulation 2012*, Council makes sewerage utility charges, as per "Fees and Charges Schedule" and "Commercial Charges Schedule".

(iii) **Garbage Charges**

Garbage charges are determined on a user pays basis and collected and used for the purpose of defraying the cost of supplying a cleansing service for the removal and disposal of waste. The charge is set so as to recover these costs. Garbage charges vary depending on whether use is domestic, educational, business, commercial or otherwise.

In accordance with section 92 & 94 of the *Local Government Act 2009* & section 99 of the *Local Government Regulation 2012*, Council makes garbage utility charges, as per "Fees and Charges Schedule" and "Commercial Charges Schedule".

(h) **Cost – Recovery Fees**

Council imposes cost–recovery fees for services and facilities supplied by it including (among other things) for any entitlement, facility, service or thing supplied, approval, consent, licence, permission, registration or information given, admission to any structure or place, receipt of any application, product or commodity supplied or inspection undertaken.

The quantum of each fee reflects as far and as accurately as possible, the actual cost of providing these services and facilities.

Council’s cost-recovery fees (together with Council’s business activity fees) are detailed in **Councils**

(i) **Business activity fees (Fees and Charges)**

Council has the power to conduct business activities and make business activity fees for services and facilities it provides on this basis. Business activity fees are made where Council provides a service and the other party to the transaction can choose whether or not to avail itself of the service. Business activity fees are a class of charge, which are purely commercial in application and are subject to the Commonwealth’s Goods and Services Tax.

Business activity fees include but are not confined to the following: rents, plant hire, private works and hire of facilities.

Council’s business activity fees are detailed “Fees and Charges Schedule” and “Commercial Charges Schedule”.

3. Concessions

Council have endorsed to waive \$75% of the General Rates Equivalent charge for Indigenous owned businesses.

Concessions totalling \$7,503 have been allowed in the 2018-2019 budget.

4. Discount

Given Council’s very limited revenue base, Council does not presently grant any discount on its specific user charges, utility charges and general levy equivalents.

5. Interest

In accordance with section 133 of the *Local Government Regulation 2012* Council will apply interest at a rate of 11% per annum compounding on all overdue specific user charges, utility charges and general rates equivalents, and any other amount outstanding indicated on the rate notice from the date on which they became overdue.

6. Issue of Notices

In accordance with section 107 of the *Local Government Regulation 2012*, Council will issue rate notices for all specific user charges, utility charges and general rates equivalents annually.

7. Payment of Fees, Rates & Charges

In accordance with section 118 of the *Local Government Regulation 2012* payment must be made by 30 days after the issue of rate notice.

Review

This policy is to remain in force until otherwise determined by Council.

Approval

This policy was duly authorised by Council as the Kowanyama Aboriginal Shire Council's Revenue Statement on 25 July 2018 and shall hereby supersede any previous policies of the same intent.

Chief Executive Officer, Fabian Williams



Date 25 July 2018