



STATUTORY POLICY  
**MOUNT ISA CITY COUNCIL**  
**2019/20 Financial Year – Revenue Policy**

RESOLUTION No.SM02/06/19VERSION 1

**APPLIES TO STATUTORY POLICIES ONLY**

This is an official copy of the **2019/20 Financial Year – Revenue Policy**, made in accordance with the provisions of *Local Government Act and Regulations, Public Records Act*, Mount Isa City Council’s Local Laws, Subordinate Local Laws and current Council Policies.

Statutory Policies comply with a legislative requirement; the **2019/2020 Financial Year – Revenue Policy** is approved by the Mount Isa City Council for the operations and procedures of Council. Note that Financial Year Policies are reviewed annually.

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 Sharon Ibardolaza  
**Chief Executive Officer**

DOCUMENT VERSION CONTROL					
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### Policy Statement

The Mount Isa City Council Revenue Policy will take effect following the adoption of Council's Budget at the **Special Budget Meeting on 26<sup>th</sup> June 2019**.

### Policy Instruction

The purpose of this policy is to satisfy Council's statutory obligations under the *Local Government Act 2009* and *Local Government Regulation 2012*.

### POLICY

As per Section 193 of the *Local Government Regulation 2012*, the purpose of this Revenue Policy is to set out the principles used by Council in 2019/20 for:

- A. The making of rates and charges;
- B. The levying of rates and charges;
- C. The recovery of rates and charges;
- D. Granting concessions for rates and charges;
- E. Setting cost recovery fees and charges; and
- F. Developer Contributions.

#### A. Principles used for the making of rates and charges

In general Council will be guided by the principle of user pays in the making of rates and charges so as to minimise the impact of rating on the efficiency of the local economy and to meet the range and standard of services offered to, and demanded by, the Mount Isa community and Council's stakeholders.

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and anticipated future community requirements.

Council will also have regard to the principles of:

- transparency in the making of rates and charges;
- having in place a rating regime that is simple and inexpensive to administer;
- equity by taking account of the different capacity of land to generate income or provide service within the local community, and the burden the use of the land imposes on Council services;
- responsibility in achieving the objectives, actions and strategies in Council's Corporate and Operational Plans;
- flexibility to take account of changes in the local economy;
- environmental conditions, particularly drought conditions that will have a suppressing impact upon the local economic, social and financial recovery of the Community;
- maintaining valuation relativities within the City;
- maintaining City services and assets to an appropriate standard;
- meeting the needs and expectations of the general community; and
- assessing availability of other revenue sources.

With regard to the making of utility charges (water, sewerage and garbage) Council's policy may, as far as is reasonable, comply with the requirements of the Code of Competitive Conduct (NCP).

In addition;

- Council will assess the availability of grants, subsidies, and other revenue sources with a view to decreasing the financial burden on ratepayers;
- Council may limit the increase of rates due to significant land valuation increases to limit the financial burden on ratepayers; and
- Council may apply a minimum general rate to those categories where deemed appropriate to ensure all ratepayers pay an appropriate share of basic services.

#### **B. Principles used for the levying of rates**

In levying rates Council will apply the principles of:

- making the levying system simple and inexpensive to administer;
- communication by clearly setting out the Council's, and each ratepayer's, obligations in relation to rates and charges by advising ratepayers about rate notice issue dates and due dates;
- clarity by providing meaningful information on rate notices to enable ratepayers to clearly understand their responsibilities;
- timing the levying of rates to take into account the financial cycle of local economic, social and environmental conditions, in order to assist with the smooth running of the local economy;
- consistency in timing the levying of rates in a predictable way to enable ratepayers to plan for their rating obligations by the issuing of rate notices on a half-yearly basis and water notices on a half-years / quarterly basis; and
- adjusting the way general rates are charged in response to fluctuations in valuations combined with economic and seasonal factors affecting major local industries.

General rates revenue provides essential whole-of-community services not funded through trading income, subsidies, grants, contributions or donations received from other entities or not provided for by other levies or charges. Council will consider all full cost recovery options before calculating the general rate.

#### **C. Principles used for the recovery of rates and charges**

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers and ensure all ratepayers contribute fairly to funding Council's services. It will be guided by the principles of:

- Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations;
- Making the administrative processes used to recover overdue rate and charges well-defined and cost effective;
- Consistency by having regard to providing the same treatment for ratepayers in similar circumstances;
- Flexibility by responding, where necessary, to changes in the local economy; and
- Adherence to the debt collection guidelines developed by the Australian Competition and Consumer Commission.

#### **D. Concessions for rates and charges**

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

- equity by having regard to the different levels of capacity to pay within the local community,
- the extent to which a community sector is providing support to the wider Mount Isa community;
- the same treatment for ratepayers with similar circumstances;
- transparency by making clear the requirements necessary to receive concessions; and
- flexibility to allow Council to respond to local economic issues.

Council may give consideration to granting a class concession in the event all or part of Mount Isa City Council experiences a significant natural disaster, environmental disaster or similar event.

Council will also consider a concession of all or part of the rates and charges levied on individuals, organisations or entities that meet the criteria detailed in section 120 of the *Local Government Regulation 2012*.

#### **E. Cost recovery fees and charges**

When developing cost recovery fees and charges Council will be guided by the principles of:

- financial sustainability;
- the same treatment for persons with similar circumstances;
- transparency by making clear the rationale for the fees, and
- flexibility to allow Council to respond to local economic issues.

All fees and charges will be set with reference to full cost pricing. When determining Commercial Charges, Council takes into account “user pays” principles and market conditions when determining commercial charges for Council services and facilities.

When determining Regulatory Fees, Council takes into account “user pays” principles and sets regulatory fees at a level sufficient to recover no more than the full cost of providing the service or taking the action for which the fee is charged.

All fees set by Council are included in a Register of Fees and Charges.

#### **F. Developer Contributions**

While it is expected that developers will contribute to new physical and social infrastructure when they commence a new development, the amount of their contribution and how much of the infrastructure they fund may vary. This will depend on many factors and will be assessed for each development. However, the processes used in determining the contribution will be transparent, fair and equitable.