



# Murweh Shire Council

## Revenue Policy

Policy No:	FIN-002	Date adopted:	30 July 2024
Council Resolution Ref:	159/24	Review Date:	June 2025
Responsible Officer:	Director of Corporate Services	Version No:	8

### 1. Legislative Authority

*Local Government Act 2009*  
*Local Government Regulation 2012*

### 2. Commencement of Policy

This Policy will commence on adoption. It replaces all other specific Revenue policies of Council (whether written or not).

### 3. Introduction

Under the *Local Government Regulation 2012*(section 193) Council is required to prepare a Revenue Policy each year. The Revenue Policy is intended to be a strategic document. Its adoption, in advance of setting the budget, allows Council to set out the principles that it will use to set its budget and to identify in broad terms the general strategy to be used for raising revenue. This Revenue Policy will be of interest to ratepayers, federal and state departments, community groups and other interested parties seeking to understand the revenue policies and practices of Council.

### 4. Purpose

The purpose of the policy is to identify the planning framework within which Council operates and to set out the principles used by Council for:

- Making of rates and charges;
- Levying of rates;
- Recovery of overdue rates and charges; and
- Concessions for rates and charges and
- Cost recovery methods

### 5. Planning Framework

The *Local Government Act 2009* sets a general planning framework within which Council must operate. There are a number of elements to the planning framework including the preparation and adoption of a Corporate Plan and Operational Plan. Section 169 (2) of the Regulation also requires each local government to adopt a Revenue Statement as part of its annual budget.

Council considers that the best way of setting its revenue objectives, and to achieve them, is to effectively plan through each of the elements of the planning framework. The revenue policy effectively cascades down through the Corporate Plan. Council's Corporate Plan sets

out its corporate objectives. This will be achieved by maintenance of Council's existing revenue sources through the following strategies:

- Maintaining an equitable system of rating and charging through annual review of the rating and charging structure; and
- Maximising other revenue sources, grants and subsidies.

## **6. Principles**

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. However, Council provides services that are not fully cost recoverable but are deemed to be provided as a Community Service Obligation and are cross subsidised, any subsidy will be in accordance with Council's Community Service Obligation Policy.

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 levels of capacity to pay within the local community;
- 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, adverse seasonal conditions and extraordinary circumstances;
- maintaining valuation relativities within the shire;
- maintaining shire services to an appropriate standard;
- meeting the needs and expectations of the general community; and
- assessing availability of other revenue sources.

### **6.1 Levy of rates**

In levying rates Council will apply the principles of:

- making clear what is the Councils and each ratepayers responsibility to the rating system;
- making the levying system simple and inexpensive to administer;
- timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

### **6.2 Recovery of rates and charges**

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. 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 meet their financial obligations;
- making the processes used to recover outstanding rates and charges clear, simple to

administer and cost effective;

- capacity to pay in determining appropriate arrangements for different sectors of the community;
- equity by having regard to providing the same treatment for ratepayers with similar circumstances; and
- flexibility by responding where necessary to changes in the local economy.

### **6.3 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 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, adverse seasonal conditions and extraordinary circumstances; and
- fairness in considering the provision of community service concessions.

### **6.4 Cost Recovery Fees**

Section 97 of the *Local Government Act 2009* allows Council to set cost-recovery fees. The Council recognises the validity of fully imposing the user pays principle for its cost recovery fees unless the imposition of the fee is contrary to its express social, economic, environmental and other corporate goals. This is considered to be the most equitable approach and is founded on the basis that the Council's rating base cannot subsidise the specific users or clients of Council's regulatory products and services. However, in setting its cost recovery fees, Council will be cognizant of the requirement that such a fee must be not more than the cost to Council of providing the service or taking the action to which the fee applies.

## **7. Community Service Obligations**

### **7.1 Policy on Community Service Obligations**

Council recognises the need to provide a range of services to their communities which are resourced from general revenues and which are in the nature of public services undertaken for valid social, equitable or environmental reasons. Accordingly, Council resolves to adopt the following policies in relation to its community service obligations.

### **7.2 Sport, Recreation and Community Facilities**

Council believes that the provision of sporting and recreational facilities for use by organisations or the public in general is a community service reflecting community expectations of an appropriate use of general funding.

The costs of provision and maintenance of such facilities cannot be recovered on a full cost basis from users nor would that be in the community's best interests. The treatment in each case has been identified below. This policy decision encourages participation and a healthier community lifestyle and recognises the fact that many community members have an involvement in a number of sporting and recreation associations and contribute considerable time and effort.

### **7.3 Halls and Community Centres**

The maintenance and depreciation on Council's halls and community centres ensures they are available for community functions such as memorial services, commemorative occasions, public meetings and meeting places for special non-profit interest groups, as well as being available for hire to schools, sporting, businesses, entertainment and social functions. To encourage greater use of all facilities and to foster junior sporting and recreational pursuits, Council has undertaken not to charge junior representatives for use of these facilities. An apportionment of costs will be made to ensure that the charges levied on senior (adult) and other interest groups reflects the apportionment of the common costs (above), as well as the direct costs of lighting, cleaning, staffing and the provision of consumables.

### **7.4 Stock Routes**

Operation and maintenance of an extensive stock route network throughout the Shire is undertaken by Council on behalf of the Department of Resources. These stock routes were first established prior to Federation in the mid-1800s providing an essential route between watering holes for travelling stock. Over time they have not only provided a much needed facility for the rural landholders but now provide ready access for recreational pursuits for the fishing enthusiast.

Council believes that these facilities used by the general public are a community service which reflects community expectations of an appropriate use of general funding. This policy decision encourages participation and a healthier community lifestyle and recognises the fact that many community members have an involvement in a number of sporting and recreational pursuits. The costs of operation and maintenance of such facilities cannot be recovered on a full cost basis from users nor would that be in the community's best interests and are identified as a CSO.

### **7.5 Cemeteries**

The costs of burials at the cemetery will be recovered in full from the fee charged. This fee will also offset part of the costs of grounds maintenance and the tending of gravesites. The community as a whole has an ongoing obligation to care for cemeteries as a mark of respect for its previous generations. Those costs are identified as a CSO.

### **7.6 Television**

Council provides relay facilities for the transmission of four channels to the Shire area to overcome a "blackspot" deficiency in reception quality. A user pays charge for the operation and use of this would be impractical. Access to quality television, whilst not a basic function of local government, is nonetheless a community expectation. These costs are therefore treated as a CSO.

## **7.7 Showgrounds**

The showgrounds incorporate a sports oval and indoor sporting amenities. It also has an extensive canteen and kitchen. In addition to its annual use by the Show Society, the show grounds are used by sporting clubs regularly and for catering functions, with senior (adult) participants being charged for use. The charging of fees and bonds for sporting clubs ensures the facilities are properly maintained however to encourage greater use of all facilities and to foster junior sporting and recreational pursuits, Council has undertaken not to charge junior representatives for use of these facilities. The annual show represents an opportunity for the Shire to showcase its products, services and talents to the world in a way that fosters trade, commerce and entertainment. To ensure maximum community participation, the fee is set at a nominal amount. The balance of the attributable costs in maintaining and upgrading facilities at the show grounds are to be treated as a CSO.

## **7.8 Racecourse**

The racecourse was built with special purpose grant funding and incorporates a community hall. Revenue comes from race meeting fees, stabling fees and various meetings and functions. The community hall has largely replaced the town hall in terms of utilisation and the costs for upkeep of the community hall and racecourse excluding hire service fees is treated as a CSO.

The racecourse complex was built through grant funding. Running expenses are met by the Council but it is envisaged that any substantial replacement works would also only be undertaken if grant funding were available.

## **7.9 Swimming Pool**

No swimming pool is self-funding. Patrons, including schools, clubs and other participating organisations, are charged a nominal fee which encourages use of the facility and promotes water safety. This fee is established by the resident lessee and approved by Council. All fees and receipts from the operation of the canteen are retained by the lessee. Whilst the Charleville pool is leased for operating, training and promotional purposes, Council is responsible for all maintenance expenditure. Council treats as a CSO, costs which amount to 90% of the benchmark for the operation of a 50 metre pool in Western Queensland.

## **7.10 Aged Care**

Council runs an accredited aged care facility, which raises funds for its operations through government grants, contributions and rentals charged to its guests. These rentals have been established based on similar facilities in Central Queensland offering a comparable level of service, as well as the reasonable capacity of individuals or families to pay.

A rigorous application of full cost allocations has not previously been undertaken for this facility and there are issues to be addressed in relation to the maintenance and sustainability of existing infrastructure. Council recognises that costs may rise but it also recognises a higher order of community benefit.

Council believes that its older citizens should have the right to choose to remain in their own community so that they may enjoy quality of life in later years from contact with family and friends and in familiar surroundings. It benefits both the individual and the community at large.

Therefore, Council will meet, out of general rate funding, a proportion of the costs of operating the aged care facility where this is not recovered from government grants, contributions or rentals. The proportion, or absolute amount, will be established each year during the budget process and will be recognised as a CSO.

### **7.11 Water Supply**

Metering of all residential, commercial and industrial users is being undertaken by the Council to ensure that usage is correctly monitored. While the water supply system as a whole is intended to be self-funding, there is some cross subsidy between the operations of the separate town systems. This will be identified and quantified in the budget documents. In relation to Fire Brigade usage for firefighting purposes, Council regards the provision of the water as a CSO.

### **7.12 Aerodromes**

Council maintains three airstrips within the Shire – Augathella, Morven and Charleville. Apart from irregular use by the Royal Flying Doctor Service (RFDS) and emergency services, Augathella and Morven strips are only used occasionally by local graziers and there are no hangers or lockdown areas. Consequently, no charges apply at these airstrips either for annual usage or for landing fees. Council does not intend to change this policy nor does it intend to levy those communities separately for the costs of maintaining the facilities. It is Council's view that a wider community service is involved given the nature of its principal purpose, and that the costs should be borne by all ratepayers.

Charleville aerodrome is in a different category. It is the major air link for the Shire. A new terminal building was opened in April 2017. Whilst the present fee structure does not recover the full operating and maintenance costs of the aerodrome, it has been developed to reflect the relative uses by the different categories of user. For instance: Concessional rates apply to the RFDS and to flying schools which practice touchdowns on the strip. Local aircraft owning ratepayers pay an annual charge which includes an adjustment for landing fees. Helicopter musterers pay a reduced annual fee including landing fee adjustment because of the reduced use of the runway. In addition to fees for landing rights, passenger fees and a head tax are levied on Registered Passenger Transport (RPT). Rentals are levied for hangers and lockdown areas to cover use of space and facilities. Council believes that, with the exceptions outlined below, users should pay their full share of the aerodrome costs. In relation to the RFDS, Council will reduce the full costs in recognition of the special services offered to the people of the Shire. The costs of the upkeep of Morven and Augathella airstrips will be met from general funding. These will be recognised as community service obligations of Council.

### **7.13 Refuse Management**

One of Council's strategic objectives is the promotion of a clean and healthy environment and it has instituted several initiatives to further this objective. Council is actively encouraging the use of greenways (reusing green waste) and recycling through publications and community promotions. All refuse tips are free to householders for the disposal of normal rubbish. Use of the services of an oil collection agency is encouraged. Substantial EPA fines apply for illegal dumping. Council levies charges for industrial waste and excessive volumes of disposal by individuals. Fees for these will reflect the appropriate portion of the real costs of disposal. Council will continue, in accordance with its corporate policy, to subsidise the operations of its refuse tips and will treat these as a community service obligation. It is noted that the operation of town garbage services will continue on a cost recovery basis.

### **7.14 Tourism Facilities**

Charleville Cosmos Centre (ex Skywatch facility) is an important tourism facility for Charleville and the Shire becoming a significant tourist attraction in South West Queensland. The volume of visitors is not yet sufficient to recover costs and it is envisaged that this situation will prevail until the full effect of the major marketing initiatives are achieved. A major refurbishment in 2017 was completed in that year.

Cosmos Planetarium was completed in late 2019. This is an educational and tourist attraction which is now operational and open to visitors. It is planned that in the future its operating and maintenance costs will be covered by entry fees collection.

World War II Precinct opened in 2021. This facility is expected to bring visitors to the Shire, both domestic and international visitors. As 2021 is the first year of operations of the precinct, proceeds from entry fees and other income may not fully cover operational costs.

## **5. Variations**

Murweh Shire Council reserves the right to vary, replace or terminate this policy from time to time.

## **6. Audit and Review**

This policy shall be reviewed every year or as required by changes to process of legislation, relevant Standards and industry best practice.