

# MID NORTH COAST JOINT ORGANISATION OF COUNCILS

## STATEMENT OF REVENUE POLICY - 2023/2024

### Introduction

This document constitutes the Mid North Coast Joint Organisation (MNCJO) Statement of Revenue Policy and is prepared in accordance with section 405 of the Local Government Act 1993 (“the Act”), and the Local Government General Regulation 2005 (3971).

**The Revenue Policy includes the following statements for the year 2023/2024 financial year:**

- a) an estimate of the MNCJO income and expenditure (refer to attachment);
- b) a schedule of membership contributions to be levied on member Councils;
- c) types of fees to be charged by the MNCJO and the amounts of any such fee;
- d) any amounts of external borrowings, the sources from where these are to be borrowed, and the means by which these are to be secured, and
- e) any other such matters as may be prescribed by the regulations.

**The statements in the Revenue Policy with respect to income for the year include:**

- Provision of unspent funds associated with the establishment and on-going operation of the MNCJO;
- Provision of unspent funds associated with the Capacity Building Fund Rounds 1 and 2. This includes the balance of funds from the Biodiversity Project (\$42,612) and funding received in June 2021 (\$54,408) for the Community Land Trust and Circular Economy Projects.
- Provision for unspent funds (\$33,485) from Resilience NSW for a Simtable project (funded over a two- year period under the Bushfire Resilience and Recovery Program).
- Provision for unspent funds (\$71,889) from NSW Government for Joint Organisation Net Zero Acceleration Project. Also further payment of the grant (\$62,000). The grant approved was \$155,000.
- Provision for unspent funds (\$364,356) from NSW Government Disaster Risk Reduction Fund. Also further payment of the grant (\$380,345). The grant approved was \$760,690.
- Provision for unspent funds (\$180,935) from NSW Government Business Case Strategy Development Fund. Also further payment of the grant (\$48,000). The grant approved was \$240,000.
- Provision for administration, report writing and financial management fees levied in respect of grants received for various programs and activities.
  - NSW Government for Joint Organisation Net Zero Acceleration Project (\$25,000)
  - Disaster Risk Reduction Fund (\$65,000)
  - Capacity Building Fund Stage 1 (\$15,000)
  - Capacity Building Fund Stage 2 (\$15,000)
  - Business Case Strategy Development Fund (\$40,000)

### Financial Contributions by Member Councils

Financial contributions by member councils fall into two categories:

1. Annual contributions from Member Councils in order to perform the principal functions of delivering on strategic priorities, regional leadership and inter-governmental co-operation; and

2. Optional additional contributions from Member Councils for specific functions.

Member Councils will each contribute \$25,000 (\$75,000) toward the operational costs of the MNCJO for the financial year 2023/2024.

Significant contributions in kind are also made by each Member Council toward the operational costs of the JO. These contributions relate to administration (including management of the JO website), IT support, attendance at meetings and Financial Management.

As outlined in the MNCJO Charter, the MNCJO member financial contributions are to be set in consultation with Member Councils and in doing this, consideration is given to:

- an annual base fee of the same amount for each Member Council;
- fees associated with the programs of works and activities; and
- the annual financial contribution required to be made by Associate Members, if fees are to be charged.

### **Borrowings**

The MNCJO does not propose any borrowings for the 2023/2024 financial year. In the event of any future borrowings, the Revenue Policy Statement will include an amount of proposed borrowing, the sources from which they are proposed to be borrowed and the means by which they are proposed to be secured.

### **Factors influencing the MNCJO Statement of Revenue Policy**

The following factors have influenced the MNCJO Statement of Revenue Policy:

#### Community Service Obligations:

A community service obligation arises where a council provides a function or service that has general community benefits beyond those received by direct users. Councils mainly exist to provide services that are considered to have community importance but are not viable or practical to be provided on a commercial basis.

Councils review their level of Community Service Obligations as they relate to fees and charges. Where such a community service obligation may exist across the membership of the Councils, the Councils may consider the community service obligations as a group.

#### Cost Recovery:

The MNCJO applies the principle of full cost recovery to determine the total cost of services.

#### The User-Pays Principle:

The User-Pays Principle involves pricing for the provision of goods, projects, services and facilities that require the user or consumer to pay the actual cost of the service provided. The MNCJO may apply this pricing policy for the provision of project works and activities to businesses or members of the community.

#### Corporate Overheads:

The MNCJO corporate overheads are for governance, employment, administration functions and compliance required to deliver on the Statement of Strategic Regional Priorities (SSRP).

#### Competitive Neutrality:

Competitive Neutrality is one of the principles of National Competition Policy applied throughout Australia at all levels of Government, including Local Government. Competitive Neutrality is based on the concept of a 'level playing field' for competitors in a market, be they public or private sector competitors. All Government business organisations should operate without competitive advantages over businesses as a result of their public ownership.

When and if the MNCJO competes in the market place with other private businesses, the MNCJO will do so on the basis that it does not utilise its public position to gain an unfair advantage over private businesses that may be in competition with the MNCJO or its member Councils.

#### Goods and Services Tax:

The Federal Government's Goods and Services Tax (GST) must be applied to non-exempt fees and charges. The current rate of GST is 10% and is included in the price paid by the recipient of the service. The GST indicators (GST exempt or not) in the list of fees and charges are subject to change at any time from changes that occur in the GST Act and/or regulations.

#### Ordinary Membership Policy:

Each member Council of the MNCJO is to contribute a monetary payment or equivalent contribution based on the following methodology:

- fixed administration and membership contribution or fee, and any
- variable project and service or delivery fees.

Member Councils will be consulted about proposed contributions by:

- undertaking and participating in annual planning, and
- an annual written proposal based on the activity determined in the business planning process

#### **Fees for Service**

##### Approved fees for service:

Section 608 of the Local Government Act 1993 provides that the MNCJO may charge and recover an approved fee for any service it provides.

Section 609 of the Act provides that when determining the approved fee, the MNCJO must take into account the following factors:

- the cost to the Council of providing the service;
- the prices suggested for that service by any relevant industry body or in any schedule of charges published, from time to time, by the Office of Local Government;
- the importance of the service to the community; and
- any factors specified in the regulations under the Act.

##### Credit Charge Surcharge:

The MNCJO imposes a Credit Charge Surcharge on all payments made via credit card in accordance with Reform of Credit Card Schemes in Australia (iv) and the Final Reforms and Regulation Impact Statement (August 2002).

##### Private Works:

The MNCJO may carry out any kind of work that may lawfully be carried out. Private work will be carried out on the basis of a charge representing full cost recovery of the work carried out plus a margin for profit. The profit margin is dependent on and subject to market forces.

### Budget Estimate 23/24

	Carry Forward 30/06/2023	Income	Expenditure	Balance
MNCJO operations	\$195,360.00			
Audit and Insurance			\$15,000.00	
ARIC			\$10,000.00	
Governance				
NSWJO Chairs Forum			\$3,000.00	
Accounting			\$13,000.00	
Board Meeting Costs			\$500.00	
Sitting Fees			\$6,000.00	
Hosted Forums			\$500.00	
Salary and Overheads			\$154,000.00	
Office Expenses			\$2,000.00	
Project Manager			\$80,000.00	
Administration fees		\$160,000.00		
Bank Interest		\$10,000.00		
Member Council contributions		\$75,000.00		
BCRRF - Simtables Grant Funds	\$33,485.00		\$33,485.00	
Capacity Building - Stage 1 Biodiversity	\$42,612.75		\$42,612.75	
Capacity Building - Stage 2 CLT	\$9,908.00		\$9,908.00	
Capacity Building - Stage 2 Circular Economy	\$44,500.00		\$44,500.00	
JONZA	\$71,889.09	\$62,000.00	\$133,889.00	
DRRF - Confirmed	\$364,356.79	\$380,345.00	\$744,701.79	
DRRF				
DRRF				
Circular economy business case	\$180,935.00	\$48,000.00	\$228,935.00	
<b>TOTAL</b>	<b>\$943,046.63</b>	<b>\$735,345.00</b>	<b>\$1,522,031.54</b>	<b>\$156,360.09</b>