



STATEMENT OF REVENUE POLICY

Background

It is a requirement of the Joint Organisation that it adopts a Statement of Revenue Policy for 2023/24. The Revenue Policy is to be made publicly available on the NRJO website for comment and adopted before 30 June 2023.

As part of presenting the Statement of Revenue Policy for endorsement by the board a copy of the draft Budget for 2023/2024 and draft 10 year Long Term Financial Plan has been included.

Introduction

This document constitutes the Northern Rivers Joint Organisation Statement of Revenue Policy and is prepared in accordance with section 405 of the Local Government Act 1993 ("the Act").

The Revenue Policy includes the following statements for the year 2023-24 financial year:

- a) an estimate of the Northern Rivers Joint Organisation income and expenditure;
- b) each membership and non-voting membership fee;
- c) types of fees to be charged by the Northern Rivers Joint Organisation and the amounts of each such fee;
- d) 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 membership and non-voting membership fee include, as required, the following particulars:

- a) the base amount of the membership and non-voting membership fee;
- b) the ad valorem amount (the amount in the dollar) membership and non-voting membership fee;
- c) in the case of project participant fees the estimated amount and principle behind the application of this fee; and
- d) any expectations agreed by the membership regarding the fees.

Factors Influencing Northern Rivers Joint Organisation Revenue and Pricing Policy
The following factors will influence the Northern Rivers Joint Organisation's revenue and pricing 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 generally 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 obligation as a group.

Cost recovery

Northern Rivers Joint Organisation applies the principle of full cost recovery to determine the total cost of services.

The user-pays principle

The User-Pays Principle involves pricing the provision of goods, projects, services and facilities that require the user or the consumer to pay the actual cost of the service provided.

The Northern Rivers Joint Organisation may apply this pricing policy for the provision of project works and activities to businesses or members of the community.

Corporate overheads

Northern Rivers Joint Organisation corporate overheads are for governance, employment, administration functions and compliance required to deliver on the Strategic Regional Plan and the annual Business Plan.

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 net competitive advantages over businesses as a result of their public ownership.

Where Northern Rivers Joint Organisation competes in the market place with other private businesses, Northern Rivers Joint Organisation 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 Northern Rivers Joint Organisation or the 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 the 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 is to contribute a monetary payment or equivalent contribution based on the following methodology:

- a) an equal share of 50% of the required annual membership fees, plus
- b) a share of the remaining 50% of the required annual membership fees apportioned by population using the latest census population figures from the ABS by LGA

Member councils will be consulted about proposed contributions by:

- a) Draft budgets for each financial year are to be presented at the February meeting of the Northern Rivers Joint Organisation in order for the proposed annual membership fees to be identified before each member Council commences the budget cycle for the upcoming financial year.

Fees for service

Approved fees for service

Section 608 of the Local Government Act 1993 provides that the Northern Rivers Joint Organisation may charge and recover an approved fee for any service it provides, other than a service provided, or proposed to be provided on an annual basis for which it is authorised or required to make an annual charge under Section 496 or 501 of the Act.

Section 609 of the Act provides that when determining the approved fee, the Northern Rivers Joint Organisation must take into account the following factors:

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

Credit card surcharge

Northern Rivers Joint Organisation imposes a Credit Card Surcharge on all payments made via credit card in accordance with Reform of Credit Card Schemes in Australia (iv) and Final Reforms and Regulation Impact Statement August 2002.

Private works

Northern Rivers Joint Organisation 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 applying at the time.

Northern Rivers Joint Organisation DRAFT Budget Summary 2023 - 2024

	2023- 2024 TOTAL \$	2022- 2023 TOTAL \$
INCOME		
Membership Fees	263,900	251,300
MyRoadInfo	0	16,000
LG Procurement Rebate	45,000	30,000
Interest	12,000	1,000
Total Income	320,900	298,300
EXPENSES		
Bank Charges	100	0
Conferences, Events, Travel	12,600	12,250
Professional Development	14,250	14,250
Exec Officer - Salary/Oncosts/Recruit	0	95,650
Exec Officer - Computer	0	0
Exec Officer - Vehicle Allowance	0	8,795
Exec Officer - Support (RDA)	0	44,000
Exec Officer - Financial Mgt (Rous)	0	30,000
Managed Services (Rous)	135,000	0
Committee Support	5,535	5,400
Chair Stipend	10,000	10,000
MyRoadInfo	0	15,000
Professional Fees - Audit	11,300	11,000
ARIC Fees	2,300	3,000
ARIC Superannuation	300	0
Media and Communications	5,300	5,200
Vendor Panel Access	0	65,000
Sundry Expenses	5,300	3,750
Strategic Projects	100,000	0
Total Operational Expenses	301,985	323,295
TOTAL OPERATING RESULT (SURPLUS/(DEFICIT))	18,915	(24,995)
REGIONAL PROJECTS (unspent funds from 30 June 2022 to be carried forward)		
Capacity Building #1 (2020/21 funding)	0	
Capacity Building #2 (2021/22 funding)	140,750	
Disaster Dashboards	30,820	
	171,570	
EQUITY		
Retained Earnings	775,564	1,043,966
Current Year Earnings	18,915	(268,402)
TOTAL EQUITY	794,479	775,564

