

N1 Council Resolution

Ideal Standard

Council has resolved to apply the Code to this business activity.

Outline/Summary

The Local Government Act requires each Council to annually review its and nominate its business activities (*this is the first step in the process as required by Local Government Act (LGA) s765*).

This step is a prerequisite to accessing payments under the Local Government Financial Incentive Payments Scheme. It simply requires the Council to resolve to apply the Code of Competitive Conduct to the business activity. However, in practice, many Councillors are reluctant to adopt the code without knowing the implications on the prices which need to be charged on a FCD Basis. Therefore, Council officers (eg. Finance staff or appointed consultants) should ideally undertake a pricing exercise to identify the likely impact. Refer N3 for the steps to ensure that prices set are reasonable, and not unnecessarily high. (*Prices are reasonable where they reflect the full cost of service provision. The management decisions that occur as a result of having this information must take into consideration community issues such as Community Service Obligations.*)

The Local Government Act requires each Council to annually review and resolve to apply the Code to its business activities, including those to which the code has already been applied. (I.e. this must be resolved each year for each business activity. This must be done during the year, to apply the following year). It is suggested that a standard resolution could be included in the budget resolutions, so as to streamline the annual review process.

The suggested resolution is “Council resolves to apply the Code of Competitive Conduct to its xxx business activity in 2002/03”.

To get the extension of time to implement the reforms the following resolution is suggested Council resolves to implement the Code (or remaining elements of the Code that have not been fully implemented) by 1 July 2003 generally in accordance according with the timetable outlined in the report.”

Key Steps

1. Undertake FCD impact calculations;
2. Present report to Council;
3. Adopt the Code of Competitive Conduct by Council resolution; and
4. Review and identify business activities annually.

Further Information

LG Act s765 – annual identification of business activities as per s762;

LGA s763 – compulsory resolution to apply CCC to roads businesses; and

LGA s766 – resolution to apply CCC to identified business activities.

QCA Documentation Standard

Council resolution. Budget document (Statement on activities to which the CCC applies)