

Classification:	Council Policy
ECM Document Number:	4348483
Approved:	Council Meeting 26 April 2022
Last Reviewed:	N/A
Next Review:	12 April 2025
Responsible Officer:	Manager, Strategy and Governance

1. PREAMBLE

1.1 *Background*

As part of the annual budgeting process, Council sets a number of fees and charges.

Fees and charges enable Council to apply a ‘user pays’ principle to certain services, activities and infrastructure. Fees and charges also support the generation of non-rate revenue, which enables Council to keep rates as low as possible.

1.2 *Purpose*

To ensure that fees and charges are set and applied transparently and consistently across Council operations.

1.3 *Scope*

This policy applies to all of Council, excluding Alwyndor.

This policy is intended to apply to Council’s fees and charges pursuant to section 188 of the *Local Government Act 1999*, excluding statutory charges set by legislative instruments or government declarations.

This policy does not apply to rates and associated charges, which are subject to separate policies.

1.4 *Definitions*

Principal Office – the Civic Centre, 24 Jetty Road, Brighton, SA, 5048.

Similar Councils – activities, programs, or services at other councils which are considered comparable to those in the City of Holdfast Bay. Similarity should be assessed on scope of relevant activities, programs, or services, not simply geography.

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2. POLICY STATEMENT

2.1 Section 188 of the *Local Government Act 1999* enables councils to impose fees and charges as follows:

Fee Type	Pricing Parameters	Delegation Permitted
The use of any property or facility owned, controlled, managed or maintained by Council (s188(1)(a))	Need not be fixed by reference to the cost to Council. One or more of the pricing methodologies outlined in 2.5 below may be employed.	Yes
Services supplied to a person's request (s188(1)(b))		Yes
Carrying out work at a person's request (s188(1)(c))		Yes
Providing information or materials, or copies of, or extracts from, Council records (s188(1)(d))	Must not exceed a reasonable estimate of direct costs to the Council in providing information, materials, copies or extracts.	No
Any application to Council (s188(1)(e))	One or more of the pricing methodologies outlined in 2.5 below may be employed.	No
Any authorisation, license or permit granted by Council (s188(1)(f))	Statutory pricing methodology should be used	No
Any matter for which another Act provides that a fee under this Act is to be payable (s188(1)(g))	Section 188 (4) stipulates that Council cannot set fees and charges when set by another Act or when an Act specifies that no fee or charge can be set. Statutory pricing methodology should be used.	No
Any other prescribed matter (s188(1)(h))	One or more of the pricing methodologies outlined in 2.5 below may be employed.	No

2.2 Fees and charges are reviewed and set annually via the Annual Business Planning process but fees and charges can be amended, added or revoked at any time during the year by Council resolution.

2.3 Community members are encouraged to participate in the Annual Business Planning process via the statutory community engagement process which occurs every year.

2.4 In setting fees and charges, Council must give due consideration to:

- the cost of providing the service, including overhead costs
- user pays principles, to ensure full cost recovery where possible

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- agreed financial principles to keep rate revenue as low as possible and to maximise opportunities for non-rate revenue
- market comparisons if there are other providers that offer similar goods or services
- competitive neutrality principles wherever relevant
- applying a commercial approach where a council asset or service is used for commercial purposes
- the value of the goods or services to the community
- the differing levels of capacity to pay throughout the community
- whether targeted concessions are warranted on social or grounds of public good
- the requirements of any relevant legislation.

2.5 In determining fees and charges, one of the following methodologies must be approved by the relevant General Manager for use:

Pricing Methodology	When to Use
Full cost recovery	<p>The preferred method when the cost of service can be established and,</p> <ul style="list-style-type: none"> (a) the service benefits particular users, contributes to their individual income, wellbeing or profits, or provides a predominantly private benefit without broader benefit to the community, or (b) council has a monopoly over the provision of the services and there are no community service or equity considerations. <p>The price should include the full recovery of annual maintenance, on-costs, overheads, and debt-servicing costs, as applicable. The price may also include opportunity costs for the loss of value or benefit to the community, if applicable.</p>
Partial Cost Recovery	<p>When the cost of service can be established and</p> <ul style="list-style-type: none"> (a) the service benefits the community generally or substantial parts of the community, or (b) charging for the service at full cost may result in widespread evasion, or (c) the service is targeted to low-income users, or needs to be differentially priced to maximise access to the service, or (d) the service promotes or encourages local economic activity.
Comparative	<p>Direct costs of service are difficult to establish or the costs of service can be established but,</p> <ul style="list-style-type: none"> (a) are provided competitively by another provider and there is pressure to set a price that will attract adequate usage of the service, or

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Pricing Methodology	When to Use
	(b) the service is a profit-making activity and the price should recover more than the cost of delivery.
Market Value	The service is commercial in nature and a market valuation is appropriate so as to maintain competitive neutrality and meet other policy principles.
Statutory	The service is regulatory or statutory and the fee is determined, either (a) by Council in accordance with parameters set in regulations (for example, a maximum price), or (b) by legislation or another authority, and Council has no discretion to determine the amount.
Demand Management	The price may be higher or lower than cost of service, to (a) encourage greater uptake of the service, or (b) to provide a disincentive for use, or (c) recognise indirect costs associated with providing the service.
Security Deposit	A refundable fee against possible loss or damage to Council property.
No Charge	The service is provided at no charge, having considered all matters in 2.4 of this policy.

- 2.6** Fees and charges should be fair and equitable and generally comparable to similar councils, based on a three-yearly benchmarking assessment.
- 2.7** Where proposed fees and charges diverge from comparable benchmarking, an explanation of, and justification for, the divergence must be included in the Annual Business Plan.
- 2.8** When setting fees and charges, Council must take into account broader economic conditions and may make adjustments accordingly.
- 2.9** When exceptional or unexpected conditions occur, Council may, by resolution, adjust fees and charges outside the Annual Business Planning process. Statutory fees and charges will be updated whenever statutes change, which may occur outside the Annual Business Planning process.
- 2.10** It should be noted that Council invests heavily to activate spaces through events as a means to maintain and increase visitor numbers across economic cycles. Council's preference is to provide broad-scale support to the community as a whole, rather than individualised financial support.
- 2.11** Public funds should not subsidize losses that are attributable to individual business operations or decisions, or to subsidize non-viable business models or operations.

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- 2.12** Council recognises that there are Commonwealth and State agencies that provide financial relief and support for businesses, which should be utilised as a first step, before relief is sought from Council.
- 2.13** Pursuant to section 188 (6) of the *Local Government Act 1999*, Council keeps a list of fees and charges imposed under this section on public display (during ordinary office hours) at the principal office of the council and will take reasonable steps to advise persons who may be affected of fees and any changes.

Administrative Fees

- 2.14** Administrative fees such as those charged for providing information or materials, or copies of, or extracts from, Council records will not exceed a reasonable estimate of the direct cost to Council in providing the information, materials, copies or extracts.

Relief from Fees and Charges

- 2.15** Where it can be demonstrated that members of the community are unable to meet the full cost of fees and charges, waivers, refunds or concessions may be applied.
- 2.16** Council's preferred method of responding to financial hardship is deferral of fees and charges until a later date, as this is a more sustainable model.
- 2.17** Council, or the relevant delegate, may, at their discretion, offer relief from fees and charges from time to time where:
- a. there is a clear public good to doing so, for example, where heritage, environmental, economic or other community outcomes are enhanced, or
 - b. there is a strategic reason to do so.
- 2.18** When considering whether to grant relief from any fees or charges, Council or the relevant delegate must consider:
- a. the full financial impact to Council
 - b. whether a precedent is set by the decision and the desirability of such a precedent
 - c. the future impacts of any precedents created.
- 2.19** Decisions must be fair and equitable.
- 2.20** In granting any request for fee relief, Council or the relevant delegate needs to consider a 'recovery pathway' or plan to return to normal charging arrangements.
- 2.21** A repayment arrangement that has regard to circumstances and capacity to pay which provides an avenue of assistance that does not forego income over the long-term is preferred.

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2.22 The decision about whether to provide a reduction, waiver or refund in whole or in part, pursuant to section 188(3)(f) of the *Local Government Act 1999* will be made by the relevant delegate.

3. REFERENCES

- *Local Government Act 1999*