

2.2 FEES AND CHARGES

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Document History

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OBJECTIVE

To provide a fair, equitable and balanced process to setting Council’s fees and charges.

POLICY STATEMENT

- The policy sets forth the basis used by the Coomalie Council in determining fees and charges made for the provision of a range of services provided by the Council. The policy also provides guidance for revenue management procedures within Council. In this regard the policy is not prescriptive by nature but provides management with guidance in developing a structured approach to setting an appropriate fee for individual services.
- The purpose of this policy is to inform users, the general public and other stakeholders of the purpose of charging for services and the rationale used in determining those charges. The Council will levy a range of fees and charges each year as detailed within the annual Schedule of Fees and Charges. In accordance with “user pays” principles, fees are introduced to offset the cost of service provision, or in the case of commercial activities to realise a reasonable rate of return on assets employed by Council, in order to support the provision of services and to alleviate the burden that would otherwise be unfairly placed upon general ratepayers.
- The legislative basis for these fees may be found in the Local Government Act (S157), and associated Regulations and By-Laws, which provide that Council may charge and recover an approved fee for any service it provides, including the following:
 - Supplying a service, facility, product or commodity;
 - Giving information;
 - Providing a service in connection with the exercise of the Council’s regulatory functions – including receiving an application for approval, granting an approval or consent, making an inspection and issuing a certificate, licence or registration;
 - Allowing admission to any structure or place; and
 - Undertaking private works.

Legislative Requirements

All investments are to comply with the following:

- *Local Government Act*
- *Local Government (Accounting) Regulations*

Guidelines for Fee Setting

In accordance with “user pays” principles, fees are introduced to offset the cost of service provision, or in the case of commercial activities to realise a reasonable rate of return on assets employed by Council, in order to support the provision of services and to alleviate the burden that would otherwise be unfairly placed upon general ratepayers. Therefore, in setting the price for each fee or charge, Council will give due consideration to the following factors:

- Whether or not the service is for private works;
- Whether or not the price is dictated by legislation;
- Whether or not the primary purpose is to promote law and order;
- Whether the goods or services are provided on a commercial basis and if so market prices for similar services;
- Whether or not the goods and services are provided on a non-commercial basis i.e. as part of a normal function of Council.

In all cases Council will give regard to:

- The importance of the service to the community;
- The capacity of the user to pay;
- The actual cost of providing the service including both direct and indirect costs;

Council will then classify the fee or charge in accordance with the following pricing policies:

- Legislative - Prices are dictated by legislation
- Market - Council provides the good/service in a competitive environment. Market Price in relation to Council is defined as full cost recovery plus an element of profit to a prescribed level.
- Full Cost - Council intends to fully recover the direct and indirect cost of provision
- Partial Cost - Council intends to partially recover the cost of provision
- Free Cost - The good/service will be delivered free of charge

The pricing policy is disclosed each year in the Schedule of Fees and Charges.

All fees are quoted in “GST inclusive” terms as this is the relevant price to the customer, however many fees have been specifically exempted by the GST legislation or have been included in the Division 81 determination as the Australian Government has deemed the charge to be exempt from GST.

Fees that are exempted from GST are disclosed each year in the Schedule of Fees and Charges.

Classification of Fees and Charges and Pricing Policies

The following provides information for stakeholders and guidance for Council revenue management procedures as to the general classification of fees and charges and the pricing policy that generally is adopted for each classification. In general, the quantum of each fee reflects as far as, and as accurately as possible, the actual cost of providing the services and facilities.

Fees for the provision of Private Works

Council is available to undertake a range of works on private land usually of a civil nature. Whilst council does such work when requested, it does not openly solicit such business and is usually carried out in the vicinity of the private land.

Pricing Policy

Council will recover the Full Cost of performing such services.

Fees for services that are Legislated

Legislated fees are those that are set by an Act or Regulation. Examples are the exclusive right of burial fee which is governed by the Cemeteries Act, or provision of information (Freedom of Information) governed under the Information Act.

Council has no option but to charge the prescribed rate for these charges. However, Council should attempt to ensure that costs in relation to the administration of the fee and performance of the underlying service are recovered. If the cost of the service exceeds the total fees earned Council will consider lobbying the Government or relevant statutory authority to increase the fee.

Pricing Policy

Council will charge the legislated fee.

Fees for services that are related to Public Law and Order

These fees relate to services provided primarily to maintain law and order. An example of this type of fee is dog registration and related fees. In setting these fees Council will consider need to consider the effectiveness of the existing fees in regulating behaviour and maintaining law and order and the balance between each of the fees charged.

Pricing Policy

Council will recover the Full Cost of administering and enforcing the related laws.

Fees for services that can be provided by alternate Commercial Providers

These fees relate to services provided by Council but the public can obtain similar services from commercial service operators. These services can be further classified as:

Core Services

These are services which the council is legally required to provide but which can also be outsourced to competitively priced local commercial operators. Council will need to give consideration to the full cost of providing the service compared with the costs of outsourced service provision.

Pricing Policy

Council will charge a Market Price aimed to recover full cost plus an element of profit to a maximum of 10% below local commercial rates.

Non-core Services

These are discretionary services that can also be provided directly to the public by a number of commercial organisations. Examples are the photocopying, faxing, and word processing services. Council needs to review the need for continuation of non-core services and the equivalent commercial fees when setting prices.

Pricing Policy

Council will charge a Market Price aimed to recover full cost plus an element of profit to a maximum of no more than 10% below competitive suppliers so as not to act as to a disincentive to local business.

Fees for services provided as a normal function of Council

These fees relate to services provided by Council for which there are no viable commercial operators.

These services can be further classified as:

Compulsory Services – Requiring Significant Council Infrastructure

These are services that require the support of significant infrastructure and which the public are required to use as there are no significant commercially operated alternatives. An example is the residential waste disposal service which is charged as part of the Council's rates. In setting fees for this service Council needs to be mindful of the ultimate cost of replacement of the asset and the utilisation of the service provided by the facility.

Pricing Policy

Council will charge Full Cost including a provision for asset replacement.

Elective Services – Requiring Significant Council Infrastructure

Elective services are those which members of the public use as a matter of choice. Examples are fees charged for the use of the Council's sporting facilities. Council needs to take into account the long term replacement of these facilities as well as the need to encourage or limit the use of such facilities.

Pricing Policy

Council will charge Full Cost up to a level of perceived fee resistance. If Full Cost is not recovered, then the fee is classified as Partial Cost.

Community Service Obligations

Many of the services provided by Council are by way of community service obligations and as such are funded by rates, grants or contributions. The public uses these services on an elective basis and as such there is the opportunity to recover a portion of the cost of providing these services by implementing user charges. An example is the provision of public swimming pool facilities. Council will consider the full costs of delivering the services, the level of usage, the opportunity for grants or other subsidies, alternative service providers and comparability with other jurisdictions when setting charges for these services.

Pricing Policy

Council will charge Full Cost up to a level of perceived fee resistance. If Full Cost is not recovered, then the fee is classified as Partial Cost.

Procedures for Proposing and Reviewing Fees and Charges

Fees and Charges will be reviewed annually to coincide with the preparation of Council's Shire Plan and Annual Budget. To assist in this process the following Schedules are attached:

Schedule 1 – Classification of Fees and Charges – Defines the classification of each of the existing fees and Charges in accordance with this policy and whether or not GST is applicable

Waste Management Charges in the Shire

Domestic – All premises with the Wards of Batchelor Town and Adelaide River Town, the service is a kerbside collection service of one garbage collection visit per week with a maximum of one 240 litre mobile bin per garbage collection. Additional bins are available at the relevant charge.

Commercial – All commercial premises within the Wards of Batchelor Town and Adelaide River Town, the service is a kerbside collection service of two garbage collection visits per week with a maximum of one 240 litre mobile bin per garbage collection. In relation to commercial premises the garbage services shall consist of two clearances per week by the number of 240 litre bins registered in Council's records to be emptied from those premises. Additional bins are available at the relevant charge.

In relation to all commercial premises within the shire that utilise 660L garbage bins the service is a kerbside collection service of two garbage collection visits per week with a maximum of one 660 litre mobile bin per garbage collection. Additional bins are available at the relevant charge

Rural and Vacant land - In relation to all properties in the Wards of Coomalie/Tortilla, Adelaide River Rural, Lake Bennett, Batchelor Rural, Batchelor Town and Adelaide River Town the annual waste management charge shall be set by Council and multiplied by the number of separate residential parts or units that are adapted for separate occupation or use (pursuant to Section 148 (4) of the Act 2008) on each allotment of land or the number 1; whichever is greater. **Vacant land will also be charged at this rate.**

The process for determination of Annual Fees will be: ACTION	RESPONSIBILITY
1. Finance Section will initiate the review of Fees and Charges as part of the Shire Plan/Annual Budget Process	Finance Manager
2. Classification of Fees and Charges will be reviewed for modification to the proposed classification of individual charges	Finance Manager
3. Officers will review the charges for which they are responsible in accordance with the classification of the charge and with reference to previous years' charges	Responsible Officer
4. Guidelines for Developing Fees Strategies will provide assistance to responsible persons of the considerations that should be made when determining the appropriate fee for the coming year.	Responsible Officer
5. If a new fee is proposed, or if it is proposed that an old fee be discontinued, then the responsible person will make a proposal justifying the action which will be endorsed by the Manager and forwarded to the CEO for review and recommendation to Council.	Responsible Officer
6. When completed the Finance Section review the proposed charges and compile the Schedule of Fee and Charges for endorsement as part of the Budget Approval process.	Finance Manager
7. Assistance should be sought from the Finance Manager at any time during the year in determining appropriate fees, particularly in relation to inclusion of appropriate asset replacement costs	Finance Manager

Service Description	Pricing Code	GST
Administration Fees		
Rate book inspection fee	Free	0%
Rate search fee	Full cost	0%
Urgent rate search fee	Full cost	0%
Reprint of rate notice – current year	Full cost	10%
Reprint of rate notice – prior year	Full cost	10%
Sale of budget estimates	Free	0%
Research/retrieval of council documents	Full cost	10%
Application under Freedom of Information		
Freedom of Information – Personal	Free	0%
Freedom of Information – Non Personal	Full cost	10%
Bowls Club		
Bond	Full cost	0%
Key deposit	Full cost	0%
Hire fee	Full cost	10%
Cemetery Charges		
Reserved graves	Full cost	10%
Interment of ashes	Full cost	10%
Installation of plaque	Full cost	10%
Community Centre		
Bond	Full cost	0%
Key deposit	Full cost	0%
Hire fee	Full cost	10%
Adelaide River Office		
Bond	Full cost	0%
Key deposit	Full cost	0%
Hire fee	Full cost	10%
Dog Fees and Charges		
Dog registration- entire	Full cost	0%
Dog registration – desexed	Partial cost	0%
Concessions	Full cost	0%
Impounding – registered dog release fee	Full cost	0%
Impounding – unregistered dog release fee	Full cost	0%
Ovals		
Hire fee	Partial cost	10%
Pool		
Entry fees	Partial cost	10%
Tennis Courts		
Hire fee	Partial cost	10%
Waste Disposal		
Domestic	Free	0%
Commercial	Market	10%
Rural and Vacant Land		
Planning Fees		
Work Permits	Full cost	10%

Schedule 2 – Guidelines for developing fees and charges

TYPE			
Is the Fee Legislated	Y	Review the cost of providing the relevant service, including administration costs. If the cost of the service exceeds the total fees earned, consider lobbying the Government or authority for an increase Compare the equivalent fee and fee volume with other jurisdictions and consider using this information in the lobbying process	Attempt to obtain full cost recovery
N			
Is the primary purpose to promote law & order	Y	Consider the importance of guiding the behaviour of the public by evaluating the level of public nuisance or safety risk and the potential infringements in an unregulated environment Evaluate the effectiveness of the existing fee in regulating behaviour Identify the challenges and costs involved in regulating the behaviour Determine the costs of enforcement Consider the impact of penalties on limiting undesirable behaviour and balancing revenue between fee/charges/licences and fines or penalties	Attempt to obtain full cost recovery of administration and enforcement
N			
Are Commercial service providers competing to provide this service?	Y	Compare the costs of outsourced service provision with the direct costs of in-house service provision. Ensure that the in-house costs include directly allocated overheads and appropriate provisions for asset replacement Ensure that all potential users of the service are identified Develop pricing schedules based on service usage	Aim to recover full cost plus an element of profit