

Fees and Charges (Non-Rates) Policy

Classification:	Council Policy
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Last Reviewed:	22 June 2021, C220621/12857
Next Review:	June 2025
ECM Tracking No.:	2288434
Responsible Officer:	Director, Corporate and Development
Relevant Legislation:	<i>Local Government Act 1999</i>
Related Policies:	Fees and Charges (Non-Rates) - Waivers, Discounts and Subsidies Policy Hire of Community Open Space and Facilities

1. Introduction

- 1.1 The objective of this policy is to provide guidance to Council in undertaking its annual fees and charges process.
- 1.2 This policy applies to all fees and charges listed in the Fees and Charges Schedule published annually as part of the strategic planning and budget setting cycle.
- 1.3 It also applies to any new fee that may be introduced and authorised for publication throughout the financial year, not previously included in the Fees and Charges Schedule.

2. Strategic Community Plan Desired Outcome

- 2.1 The strategic Desired Outcomes are;
 - Principle: Spans all Strategic Plan Principles
 - Theme: Spans all Strategic Plan Themes
 - Goals: Spans all Strategic Plan Goals
 - Priority: Spans all Strategic Plan Priorities
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3. Our Approach

- 3.1 Regularly review, update and adopt leading governance, risk management and administrative practices.
- 3.2 Provide sufficient resources to meet current and future needs of the community.

4. Legislative Requirements and Corporate Policy Context

- 4.1 This policy operates as a direct consequence of the provisions of Section 188 (1) (Fees and Charges) of the Local Government Act 1999 (the Act) for South Australia, empowering a Council to impose fees and charges. These charges are in respect of;
 - (a) for the use of any property or facility owned, controlled, managed or maintained by the council;
 - (b) for services supplied to a person at his or her request;
 - (c) for carrying out work at a person's request;
 - (d) for providing information or materials, or copies of, or extracts from, council records;
 - (e) in respect of any application to the council;
 - (f) in respect of any authorisation, licence or permit granted by the council;
 - (g) in respect of any matter for which another Act provides that a fee fixed under this Act is to be payable;
 - (h) in relation to any other prescribed matter.
 - 4.2 Fees and charges under s188 (2) states (a), (b), (c) need not be fixed by reference to the cost to the council.
 - 4.3 Fees and charges under s188 (2a) states (d) must not exceed a reasonable estimate of the direct cost to the council in providing the information.
 - 4.4 The provisions of Section 188 (3) of the Act, states a Council may provide for;
 - (a) specific fees and charges;
 - (b) maximum fees and charges and minimum fees and charges;
 - (c) annual fees and charges;
 - (d) the imposition of fees or charges according to specified conditions or circumstances.
 - (e) the variation of fees or charges according to specified factors;
 - (f) the reduction, waiver or refund, in whole or in part, of fees or charges.
 - 4.5 Other numerous legislative frameworks and Acts relating to specific areas of Council services are subsequently dealt with through policy and protocols directly relating to those areas of operations.
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- 4.6 Council has obligations under Section 81.5 of the national *New Tax System (Goods and Services Tax) Act, 1999* which states that GST applies to payments of taxes, fees and charges.
- 4.7 Taxes, fees and charges may be excluded from the GST by a Determination of the Commonwealth Treasurer.
- 4.8 The Determinations applicable to local government business are listed in A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (No. 1). The list of items which are exempt can be found in Part 6 (South Australia).

5. Interpretation

- 5.1 For the purpose of this policy:
 - 5.1.1 "Council" means the City of Burnside.
 - 5.1.2 "GST" means Goods and Services Tax on goods or services provided by Council.
 - 5.1.3 "Fees and Charges Schedule" means the table that informs Council and residents of fees and charges published on Council's website.
 - 5.1.4 "Statutory Fees" means fees, charges and expiations set by statutory legislation and administered by Council.
 - 5.1.5 "Discretionary Fees" means fees and charges set by Council where it has discretion as to the provision of the good or service being offered and what price is charged for it.
 - 5.1.6 "Legislation" means all relevant State and Federal legislation and Council By-Laws.
 - 5.1.7 "the Act" means the *Local Government Act 1999* for South Australia.

6. Policy

6.1 Objectives

- 6.1.1 The objective of this Policy is to provide guidance as to Council's annual fees and charges process.
- 6.1.2 It outlines the principles and methodology of how fees and charges are set according to criteria explained in this Policy.
- 6.1.3 This policy also explains the process by which a new fee may be introduced and approved, if not previously included in the current Fees and Charges Schedule.

6.2 Categories

- 6.2.1 Fees and Charges are categorised into two (2) key components.
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- Statutory Fees and Charges are those that are set and regulated under the provisions of the legislation relevant to Council business. These fees are non-discretionary and must align with the relevant statute or current Ministerial advice.
- Discretionary Fees and Charges are not regulated by legislative statute and are at Council's discretion to determine.

6.3 Pricing Principles

6.3.1 In determining discretionary fees and charges the factors outlined below will be considered as a minimum prior to the fee or charge being approved;

- the cost of providing the good or service;
- the collective user's ability to pay for the service;
- the demand for the good or service by the community;
- comparative market pricing with other like enterprises performing similar services including Competitive Neutrality principles if they are relevant to the good or service being provided; and
- the environmental and social benefit of the good or service being provided.

6.4 Pricing Methodology

6.4.1 The predominant consideration when determining a fee or charge is the cost of providing the good or service.

6.4.2 This determination will only apply where the following factors can be accurately established:

- the cost of the good or service provision; and
- the ability of users to pay for that service.

6.4.3 If neither of these factors can be accurately and efficiently established, then the methodologies listed below will assist in determining a suitable price level for a good or service.

6.4.4 It is the responsibility of the Director to approve the selection of the appropriate pricing methodology which will be used to set discretionary fees and charges within their operational remit.

6.4.5 If the Director does not wish to use one of these methodologies, then they must gain the authority of Council to use another method for setting a fee or charge for the good or service being offered.

6.4.6 Fees and charges for externally funded programs will be set in accordance with the requirements of the funding contract, terms and conditions and it is the responsibility of the Director to approve the appropriate fees and charges in accordance with the funding obligations and budget.

6.4.7 The table below assists the determination process in which a fee or charge is set in each case.

CODE	PRICING METHODOLOGY	GUIDELINES
1	Full Cost Recovery	<p>(a) the service benefits particular users, contributing to their individual income, welfare or profits or a private benefit being provided without any broader benefits to the community and;</p> <p>(b) Council has a monopoly over the provision of the service and there are no community service or equity obligations. The fee or charge is calculated on the full recovery of annual and maintenance costs, on-costs and overheads and debt servicing, if applicable.</p>
2	Partial Cost Recovery	<p>(a) the benefits from the provision of the service apply to the community, groups within the community or to individual users;</p> <p>(b) charging prices to recover full cost may result in widespread evasion;</p> <p>(c) the service is targeted to low-income users, or a differential service fee is charged according to the classification of users to maximise access to the service and/or;</p> <p>(d) the service promotes or encourages local economic activity.</p>
3	Council Comparative	<p>(a) the service provided is in competition with that provided by another Council or agency (private or public) and there is pressure to set a price which will attract adequate usage of the service and/or;</p> <p>(b) the service is a profit-making activity and the price paid by users should recover an amount greater than the full cost of providing that service.</p>
4	Statutory	<p>a) the service is a regulatory or statutory service and where the fee is determined by Council in accordance with a pricing principle prescribed in regulations (e.g. a maximum price).</p> <p>b) the amount of the fee is prescribed in regulations, legislation or Council by-laws. Council has no discretion to determine the amount of the fee for a service when the amount is fixed by regulation or by another authority.</p>
5	Demand Management	<p>The fee or charge is determined at a level greater than the direct cost of the service to provide a disincentive for use, or to recognise indirect costs associated with the provision of the service.</p>

6	No Charge	The service is provided at no charge or has been specifically excluded from any cost recovery.
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6.5 Fees and Charges Review Cycle

- 6.5.1 The review of fees and charges is to be undertaken at least annually.
- 6.5.2 The commencement of the review is to coincide with and be subordinate to Council's strategic planning and the implementation of its annual business plan as part of the budget setting cycle.
- 6.5.3 All fees and charges are to be reviewed by each Council administrative delegate responsible for the maintenance and management of the service for which fees or charges may apply. This should be done in conjunction with the Finance team such that any budgetary analysis associated with fee changes can be undertaken and reflected in Council's budget setting process.
- 6.5.4 Proposed fees and charges will be finalised by Administration within enough time so that the Fees and Charges Schedule can be considered for adoption by Council as part of the budget setting cycle.
- 6.5.5 It is the responsibility of the Finance team to ensure the final annual review of fees and charges is integrated into the annual budget setting process.
- 6.5.6 The final approval for the Fees and Charges Schedule is required to come from Council.

6.6 New or Varied Fee Provisions

- 6.6.1 Under the provisions of the Act, Council is to take reasonable steps to bring all fees and charges, or the variation of a fee or charge, to the notice of persons who may be affected.
- 6.6.2 A new fee, or the methodology for setting a fee, may be approved by Council outside of the normal annual fees and charges review cycle.
- 6.6.3 Once approved these additions or variations should be added to the Fees and Charges Schedule for the attention of users.
- 6.6.4 Council may also approve the variation of a current fee, or the methodology underpinning the fee, if it sees fit.
- 6.6.5 Once adopted by Council the Fees and Charges Schedule should be amended to reflect the variation.

7. Review and Authority

- 7.1 In line with the requirements of the Act, Fees and Charges will be reviewed annually along with the adoption of the Annual Business Plan.

8. Availability

- 8.1 The Policy is available to be downloaded, free of charge, from Council's website www.burnside.sa.gov.au
- 8.2 The Policy will be available for inspection, free of charge, at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually

by Council.

8.2.1 City of Burnside Civic Centre; 401 Greenhill Road, Tusmore SA 5065
Telephone; 8366 4200; Email; burnside@burnside.sa.gov.au
Office hours: Monday to Friday, 8.30am to 5.00pm (except public holidays)

9. Further Information

9.1 For further information about this policy please contact:

City of Burnside Civic Centre; 401 Greenhill Road, Tusmore SA 5065
Telephone; 8366 4200; Email; burnside@burnside.sa.gov.au
