



Shire of **Ngaanyatjaraku**
ON A JOURNEY

Council Policy

Policy 2.9 – Fees and Charges Revenue

Table of Contents

Policy Objective	3
Definitions	3
Background	3
Policy Statement	4
Recovery Principle	4
Concessions and Waivers	5
Policy History	5
Amendments to this Policy.....	5
History	5
Previous Policy	6



Council Policy 2.9 – Fees and Charges Revenue

Policy Objective

To provide strategic support and direction for the establishment of Fees and Charges.

Definitions

Fees are a fixed sum to permit the payer to undertake a certain action or privilege that, had they not paid the fee, they would not be entitled to receive.

Charges are an amount sought to compensate the seller for action they take in providing a benefit to the payer.

Direct Costs are costs that can, by their nature, be identified uniquely to a single good or service.

Indirect Costs are not unique to an individual good and service and can't be exclusively attributed to one output activity.

Variable costs move relative to volume of the good or service provided.

Fixed costs are incurred regardless of the volume of goods and service provided.

Background

A local government may impose a fee or a charge for any goods or services it provides. The level of the fee or charge may be set by external legislation.

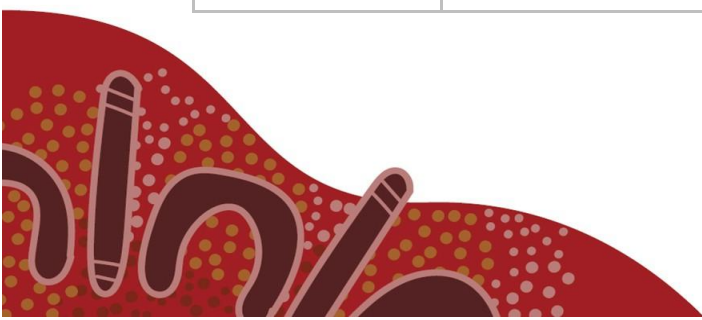
Members of the public may inspect, free of charge, those items set out in section 5.94 of the Local Government Act.

The Council must set a fee or charge by an absolute majority decision. For those fees or charges not set by external legislation, the level of the fee or charge must be set taking into account cost, the importance to the community and the price of competitors.

Although cost must be considered, with some exceptions, a fee or charge is not limited to cost and a local government may make a profit from the delivery of the service.

A summary of the various categories of fees and charges as set out below:

Category	Sub-Category	Examples
Set by Legislation	Internal	Local Laws.
	External	External Legislation.
Upper limit Cost S. 6.17 (3) LG Act	Copies of Information S. 5.96 LG Act	Council Minutes, rate book extracts and registers.



	Approvals S. 6.16(2)(d) LG Act	Receiving an application, inspections, issuing licenses, permits and certificates.
General	Commercial Activity	Leisure and Tourism Centres, Golf Courses.
	Community Activity	Playing field fee or hall hire.
Other	Limited by Other Legislation.	National Competition Policy.

Policy Statement

In setting Fees and Charges Council is committed to:

- a) Ensuring resources are used efficiently and effectively to finance the service delivery objectives outlined in the Strategic Community Plan.
- b) identifying the level of contribution (if any) provided to individual activities to ensure transparency in decision making.
- c) Consider the local governments long-term financial sustainability and apply a principle of contribution by users as part of determining the most appropriate way to fund services.
- d) All Shire fees and charges are to be generated in accordance with the recovery principles in this policy and the framework set in Appendix A.
- e) In the event existing fees and charges levels are not in accordance with the target ranges as outlined in Appendix A, a phasing in of the levels is to be negotiated with the relevant individual or group provided that any phase-in period does not exceed a period of four years.

Recovery Principle

The Shire will generally apply the following recovery principles in relation to the various fees and charges categories as listed in Table A.

Principle	Definition	Comments and Rationale
Full Cost	<ul style="list-style-type: none"> • Full cost includes all direct and indirect costs associated with providing the good or service (including depreciation). 	<ul style="list-style-type: none"> • Full cost seeks to recover all associated cost relating to the provision of the good or service. Full cost is a 100% user pays principle and seeks to ensure the impact of providing the good or service is not subsidised by rates or other general-purpose income.
Full Cost Attribution	<ul style="list-style-type: none"> • Full cost plus a return on capital plus relevant imputed (equivalent or assigned cost not necessarily 	<ul style="list-style-type: none"> • Full cost with attribution is seeks to approximate the commercial equivalent in the pricing policy to

Principle	Definition	Comments and Rationale
	recognised in the accounts) for example equivalent rates and taxes.	<p>ensure the price does not result in any unintended economic distortion of the market.</p> <ul style="list-style-type: none"> Significant commercial activities subject to national competition principles captured by the Competition Principles Agreement are required to set their price no less than full cost including cost of capital and attributed costs.
Discounted Full Cost	<ul style="list-style-type: none"> Full cost discounted by the nominated percentage as set out in Appendix A <p>Any recurrent revenue sources received as a subsidy or grant for providing the good or service is to be applied to reduce the net fee to the end user after applying the target ranges as set out in Appendix A</p>	<ul style="list-style-type: none"> Full cost may be discounted to achieve the objectives set out in the Shire's Strategic Community Plan. The reduction in revenue from a recovery of less than full cost is subsidised by rates and other general-purpose income and incurred due to the nature of the activity and its importance to community wellbeing and social cohesion.
Avoidable Cost	Copies of information available for inspection under Section 5.96 of the Local Government Act.	<ul style="list-style-type: none"> The incremental variable costs and identifiable fixed costs of having to copy and provide information.

Concessions and Waivers

Application for concessions or waiver of fees and charges are to be considered in accordance with the Shires Concessions and Waivers Policy.

Policy History

Amendments to this Policy

Amendments to this policy require a simple majority decision of Council.

History

Policy adopted: 24 June 2020

Policy reviewed: 28 June 2023



Previous Policy

N/A

