Procedure 5.06.6  Statement of pricing

Department                     Strategy & Business Services
Responsible Officer            Group Manager

Introduction
Council’s pricing policy generally supports the cost recovery philosophy. It recognises people’s ability to pay and balances an expectation that some services will be cross subsidised from rates for the common good of the community.

Pricing will:
- Explore cost recovery opportunities.
- Pursue value for money by providing effective and efficient service.
- Balance rates and grants against other funding sources.
- Manage financial risk in a volatile climate.
- Ensure that debt financing is limited to works of a capital nature and that the total debt is limited to ensure long-term financial stability.
- Develop pricing structures that can be administered simply and cheaply and be understood by the public.
- Develop pricing structures that reflect real life-cycle and environmental costs
- Recognise pricing encourages or discourages consumer use and behaviours

Fees and Charges
Fees and charges in general (not including statutory fees, fees set by management committees, fees assessed by the community services such as respite care) will be increased generally by C.P.I.

For amounts between $0.00 to $10.00 they will be rounded to the nearest 50c. Amounts between $10.00 to $50.00 are to be rounded to the nearest dollar. Amounts over $50.00 to the nearest $5.00 (there may be a variations in these rounding calculations).

Where GST applies to the fee amounts will be rounded up to the next 10c.

Fees and charges are listed in a document available on the website and for inspection at council offices.

Developer Contributions for roads/water/sewer have been increased by the relevant index or other means nominated in the relevant contribution plan.

Rentals or leases are to be increased to the maximum allowed under the terms of each individual lease.

The Local Government Council Fixed Penalty Handbook lists a number of penalties relating to various Acts and Regulations. Council reserves the right to apply these as appropriate to the offence. Penalties are not all individually listed.
## Definitions

<table>
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<th>Term</th>
<th>Definition</th>
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<tr>
<td>Full Cost Recovery</td>
<td>Recovery of all direct and indirect costs associated with providing a service including, in some cases, making provision for future expenditure.</td>
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<td>Partial Cost Recovery</td>
<td>Subsidised operations which are of benefit to the community as a whole, particularly keeping low-income users in mind.</td>
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<td>Market Pricing</td>
<td>Council will not use subsidies to compete unfairly or price others out of the market.</td>
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<td>Statutory fees</td>
<td>Statutory fees are charged at rates defined by the state government in relevant legislation and regulations or certificates. These fees will only be varied by changes to the legislation concerned. The schedule of Fees and Charges reflects the current Statutory Fees. All Fees gazetted by government may not appear in the published Council Fees &amp; Charges document.</td>
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<td>Demand Management</td>
<td>Pricing structures that reflect real life cycle and environmental costs and recognise that pricing encourages or discourages consumer use and behaviours. These include water, sewer, trade waste and waste charging and car parking fees.</td>
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<td>Community Service Obligation</td>
<td>Council is mindful of the effect of its pricing policies when considering the ‘bottom line’ cost of services or products, or its intention to encourage or discourage consumption or usage patterns. Council may choose not to recover the full cost of delivering a service or product, in recognition of the community’s interest in having that service subsidised to enable access to that service by most users. That ‘subsidy’ is considered a community service obligation and generally applies where the fees and charges schedule discloses ‘partial cost recovery’ or ‘statutory fees’.</td>
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<td>Rate of Return Pricing</td>
<td>Pricing for entrepreneurial activities, including investments in financial institutions, will be aimed at securing the optimum return from the assets concerned. Dividends or return on investments (ROI) may also be secured from water and sewer assets based on best practice pricing principles, benefitting the general fund.</td>
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<td>Developer Contributions</td>
<td>Contributions from developers reflect the costs of providing infrastructure (roads, carparks, drains, sewerage etc.), needed to meet the additional needs of the community created by new development and to make sure existing local amenity does not diminish. Development levies assist the renewal and upgrade of existing open space, community and recreational facilities listed in works schedules appended to the contribution plans.</td>
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<td>Private Works</td>
<td>Work done by council on private land will be charged at rates to recover the labour costs at award rates, plant costs at Council hire rates and a component to cover administration and on-costs.</td>
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<td>GST</td>
<td>Goods and Services Tax (GST) will be included on those fees and charges that are considered to be for a taxable supply. Those fees and charges that are of a regulatory nature are GST exempt. GST has been included on or excluded from fees and charges in a manner consistent with the Commonwealth Government’s A new Tax System (Goods and Services Tax) Act 1999 and Division 81 Determination. Should this legislation be amended, the current treatment of GST and the impact on the relevant fees and charges will be reviewed.</td>
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