



Fees & Charges Policy

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Endorsement	Executive, 6 May 2015 Policy Review Panel, 27 May 2015
Authorisation	Council, 23 June 2015
Expiry date	30 June 2018
Responsible officer	Finance Manager
Policy owner	Coordinator Management Accounting

1. Purpose

Is to provide advice on the principles that Council will follow in determining its fees and charges, under the Local Government Act 1989 (The Act) and other relevant legislation, (e.g. National Competition Policy and Competitive Neutrality Policy) to ensure a consistent application across all Council's Services.

2. Scope of Policy

The fees and charges policy identify two types of fees and charges i.e., Statutory and User:

2.1 Statutory Fees and Charges

Are those associated with infringements, permits and licences set by the State or Australian Governments by legislation or regulations: examples of statutory fees and charges include parking infringements, town planning fees, land information certificates, permits and property Information requests.

Council does not have the power to determine statutory fees & charges. Hence the Council's guiding principle with regard to statutory fees and charges shall be to align the relevant charges with the statute. These will be done at the time of adoption of annual budget and also as and when the fees and charges schedules are revised by statute.

2.2 User Fees and Charges

Are associated with Council activities provided to the community through the sale of goods and services, or rental of property or facilities. User fees and charges are not regulated by statute. Examples of user fees and charges including waste disposal, community and aged care, children services, land clearing fees, library service fees, community hall hire fees

With regard to user fees and charges that not regulated by statute, Council will consider the guiding principles which recognises that Council services are very diverse and there are widely differing levels of need and ability to pay among the various client groups. Hence Council's methodology in pricing the different services will vary accordingly, taking into account the factors and principles such as statutory limitations, community services obligations, cost recovery, user capacity to pay and benchmarking of similar services provided by other Councils or service providers.

This will enable the Council to meet its objectives for the services to the community according to the Council plan.

3. Definitions

Word/Term	Definition
Benchmarking	Benchmarking involves measuring the performance of your business against a competitor in the same market. Comparing your business to others is a valuable way of improving your understanding of your business performance and potential.
Best Value Principles	The Best Value Principles are series of standards; a local government entity should meet in relation to quality, cost, needs of the community etc as outlined in Section 208b of the Local Government Act 1989.
The Act	The <i>Local Government Act</i> 1989
National Competition Policy/Competitive Neutrality Policy	Refers to a set of federal government policies introduced in Australia with the aim of promoting economic reform to ensure that Government businesses do not enjoy any net competitive advantage simply as a result of their public sector ownership.
VAGO	Victorian Auditor General's Office.

4. Policy Statement

The policy statement includes the following guiding principles. These are described in detail in the Council's Fees and Charges Procedure & Guidelines.

- Cost reflective pricing and future considerations.
- Community expectations and equity values.
- Best value principles.
- Compliance with the Trade Practices Act (TPA) 1975 and the National
- Competition Policy requirements pricing.
- Market pricing.

To implement the policy each department within Council is required to review their individual fees and charges in accordance with fees and charges review procedure. In summary this involves following the 5 step process outlined below which are described in detailed in the fees and charges review procedure and guidelines.

Every business unit within the Council that provide goods and services to the public for a fee will be required to:

1. Adopt the appropriate pricing regime for the goods and services provided and articulate the rationale for the basis adopted.
2. Choose the appropriate cost recovery/pricing methodology for the service.
3. Comply with Trade Practices Act and Competitive Neutrality Policy and Guidelines
4. Establish prices for new services and/or review current price in the fees and charges schedule.

5. Update the revised charges in the fees and charges schedule to be included in the annual Budget document.

5. Accountability

5.1	General Managers
	<ul style="list-style-type: none"> • Ensure that all business units adopt the fees and charges policy in determining the fees and charges for goods and services supplied to their customers. • Review the social, economic, political, financial and environmental impact of any increase in fees and charges.
5.2	Managers
	<ul style="list-style-type: none"> • Undertaking an annual review of all fees and charges in accordance with the fees and charges policy and procedure and guidelines. • Identifying any new fees and charges that should apply and seek approval from Executive to include in the fees and charges schedule. • Updating the fees and charges schedule for inclusion in the Proposed Budget document prior to its release for public submissions.
5.3	All council officers
	<ul style="list-style-type: none"> • Providing accurate information to facilitate an annual review of all fees and charges in accordance with the fees and charges policy and procedure guidelines. • Ensuring that the new fees are in place at the date the budget is formally adopted.

6. Responsibility for Administration of Policy

6.1	Finance Manager
	<ul style="list-style-type: none"> • responsible for administering this policy
6.2	Coordinator Management Accounting
	<ul style="list-style-type: none"> • responsible for providing professional advice and guidance to all staff regarding this procedure & guidelines.

7. References and links to legislation and other documents

Name	Location
<i>Local Government Act 1989 (Vic)</i>	www.legislation.vic.gov.au
Crowe Horwath- Internal Audit Report – Fees and Charges (Non Statutory)	Finance Department
VAGO- Victorian Auditor General's Office Report on Fees and Charges- Cost Recovery by Local Government	http://www.audit.vic.gov.au/reports_and_publications/reports_published_in_2012-13.aspx
Fees and Charges Review Procedure & Guidelines	Policy & Procedures Intranet
Schedule of Fees and Charges adopted as part of the Council's annual Budget.	www.melton.vic.gov.au