



Fees & Charges – Policy

Version No	1.2 November, 2021
Endorsement	Executive
Authorisation	Policy Review Panel- 30 November 2021 Council- 13 December 2021
Expiry date	30 June 2024
Responsible officer	Manager Finance
Policy owner	Coordinator Accounting Services

1. Purpose

Is to provide advice on the principles that Council will follow in determining its fees and charges, under the Local Government Act 2020 (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 include waste disposal, community and aged care, children services, land clearing fees, library service fees and community hall hire fees.

With regard to user fees and charges that are 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 and social policy 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.
Service Performance Principles	The Service Performance 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 106 of the Local Government Act 2020.
The Act	The <i>Local Government Act 2020</i>
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.
- Service Performance Principles.
- Compliance with the Competition and Consumer Act 2010 and the
- National Competition Policy requirements pricing.

Services are to be provided on the basis of one of the following pricing methodologies. These pricing methodologies are described in detail in the Melton City Council Revenue and Rating Plan 2021/22 to 2025/26.

- Market pricing
- Full costs recovery pricing
- Subsidised or accessible pricing.
- Disincentive 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 pricing methodology for the service.
3. Comply with Competition and Consumer Act and Competitive Neutrality Policy and Guidelines.
4. Establish prices for new services and/or review current price in the Fees and Charges Module which feeds into the fees and charges schedule to be included in the Annual Budget document.
5. Update the revised charges in the Fees and Charges Module which feeds into 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 and ratifying fees and charges in the Fees and Charges Module for inclusion in the Annual Budget document.
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	Manager Finance
	<ul style="list-style-type: none"> • Responsible for administering this policy
6.2	Coordinator Accounting Services
	<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 2020 (Vic)</i>	www.legislation.vic.gov.au
<i>Gender Equality Act 2020 (Vic)</i>	www.legislation.vic.gov.au
Melton Council Fees and Charges Procedure & Guidelines	Policy & Procedures Intranet
Melton City Council Revenue and Rating Plan 2021/22 to 2025/26	Council website www.melton.vic.gov.au/Council/About-Council/Council-Plans-and-Budget
Financial Assistance (Rates & Charges) Policy	Policy & Procedures Intranet
Schedule of Fees and Charges adopted as part of the Council's Annual Budget.	PowerBudget – Link 8a
Training Notes for use of the Fees and Charges Module in PowerBudget	PowerBudget – Side tab under Training Notes, titled: 'Fees Charges – LG Solutions'