Fees and Charges Policy

1. INTRODUCTION

This purpose of this policy is to provide guidance around factors to be considered when setting Council's fees and charges.

2. POLICY OBJECTIVES

Council will adopt a Schedule of Fees & Charges annually, distinguishing between statutory fees and user charges. Where fees and charges are not statutory, Council will apply the principles of user-pays and, where practicable, seek to recover the full cost of providing the service or goods. Where it can be demonstrated that full cost recovery would cause financial hardship or limit equitable access, Council may apply a subsidy.

3. POLICY STATEMENTS

3.1 Types of Fees and Charges

3.1.1 Statutory Fees & Charges are those that are set and regulated under the provisions of the legislation to Council business. These fees are non-discretionary and must align with the relevant statute or current Ministerial advice. They are not included in the Schedule of Fees & Charges but may be found in the respective legislation.

3.1.2 Discretionary Fees & Charges are not regulated by legislative statute and are at Council's discretion to determine. These are listed in the Schedule of Fees & Charges.

3.2 Pricing Methodology

Fees & Charges will be set as either:

3.2.1 Market Rate:

3.2.1.1 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;

3.2.1.2 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.

3.2.2 Full Cost Recovery:

3.2.2.1 The service benefits particular users, making a contribution to their individual income, welfare, or profits, or a private benefit being provided without any broader benefits to the community and;

3.2.2.2 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.

3.2.3 **Subsidised**:

3.2.3.1 The benefits from the provision of the service to the community as a whole, groups within the community or to individual users;

3.2.3.2 When charging prices to recover full cost may result in widespread hardship or evasion;

3.2.3.3 The service targets low income users or a differential service fee is charged according to the classification of users to maximise access to the service and/or;

3.2.3.4 The service promotes or encourages local economic activity.

3.2.3.5 Where the cost to provide the service are considered negligible, the ability to impose the fee is not practical, no specific fee is charged the overall cost to council can be recovered via rates.

3.2.4 **Statutory**

3.2.4.1 The service is a regulatory or statutory service and the fee is determined by Council in accordance with a pricing principle prescribed in regulations (e.g. a maximum price).

3.2.4.2 The amount of the fees 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.

3.3 Subsidised Fees or Charges

Subsidies are to be applied where full cost recovery is not appropriate due to equity, access, or broader community benefit considerations. In determining a subsidised fee or charge, Council will take into account:

3.3.1 the social value and community benefit of services and activities organised and provided by community not for profit groups or registered charities where the activity aligns with goals and strategies of Council's Community Plans and Strategies.

3.3.2 optimal and sustainable use of community facilities.

3.3.3 public health and safety and enhanced environmental outcomes.

3.3.4 recognition of hardship and marginalised groups and individuals.

3.3.5 ensuring Council's services and facilities provide an optimal commercial return.

3.3.6 open, fair, accountable and transparent process.

3.4 **Updates to the Fees and Charges Register**

3.4.1 The review of discretionary fees & charges is to be undertaken at least annually in alignment with the Annual Business Plan and Budget process with Council updating an updated register annually.

3.4.2 The discretionary fees & charges that are set under delegation (via Council's Published Delegations Register) will be updated as required.

3.4.3 The statutory fees & charges will be updated as statutory charges are amended through the year.

4. PRACTICAL APPLICATION

4.1 Fees are to set using a consistent, cost-informed approach, balancing full cost recovery with equity and policy objectives. In practice, Council and Administration with consider:

4.1.1 Fees are to be set using a consistent, cost-informed approach, balancing full cost recovery with equity and policy objectives. In practice, Council and Administration will:

4.1.2 Determine if a fee applies to a service or activity and if this fee is statutory or discretionary.

4.1.3 Determine the full cost of a service or activity taking into consideration direct and allocated overheads.

4.1.4 Apply one of two pricing principles:

- Full cost recovery, or
- Subsidised price (where equity or access considerations apply).

4.1.5 Set a fee level based on policy objectives such as user-pays, community benefit and affordability.

4.1.6 Document, approve and publish fees in the annual Schedule of Fees & Charges.

4.1.7 Apply across all users and services.

4.1.8 Review fees and charges annually and adjust for cost changes or policy direction.

5. AVAILABILITY OF THE POLICY

5.1 This policy will be available for inspection at the Council office, 11 Railway Terrace Karoonda, during ordinary business hours and available to be downloaded, free of charge, from Council's website: www.dckem.sa.gov.au.

5.2 Copies will be provided to interested parties upon request. Email council@dckem.sa.gov.au grievances in relation to this policy or its application should be forwarded in writing addressed to the Chief Executive Officer of Council.

6. DOCUMENT ADMINISTRATION AND CONTROL

COUNCIL POLICY	
Policy title:	Fees & Charges Policy
Responsible officer:	Chief Executive Officer
Version:	1
Committee review:	Audit & Risk Committee
First issued / adopted:	June 2026
Review frequency:	Within 12 months following a Local Government Election, or as otherwise required by legislation.
Next review date:	November 2027
Applicable legislation / related documents:	*Local Government Act 1999* *Local Government (Financial Management) Regulations* Local Government Association of South Australia Model Financial Statements and Uniform Presentation of Finances