

POLICY STATEMENT

Pricing methodology

As part of the annual budget process, Council Officers review the Fees and Charges. This typically involves revising existing fee amounts, introducing new fees, and/or discontinuing fees that are no longer relevant.

When determining an appropriate price setting methodology, Council considers several key factors, including:

- The full cost of providing the service (direct and indirect costs)
- Whether the goods or services are delivered on a commercial basis
- The level of usage of facilities and associated demand
- The application of competitive neutrality principles.

This approach helps ensure that fees are fair, transparent, financially sustainable, and aligned with regulatory and policy requirements.

According to the *Local Government Act 1993*, Section 610D states that a Council, if it determines the amount of a fee for a service, then it must take into consideration the following factors:

- The cost to Council providing the service
- The price suggested for that service by a relevant industry body or in any schedule of charges published, from time to time, by the department
- The importance of service to the community
- Any factors specified in the regulations.

The following pricing structure by service category is applied:

1. **Statutory fee** (Council has no power to alter the amount)
2. **Zero cost recovery** (because of significant community benefit, practical constraints or resolution of Council)
3. **Partial cost recovery** (to stimulate demand or there are 'public good' considerations)
4. **Full cost recovery** (including operating and asset cost recovery)
5. **Commercial/business activity** (the amount may include a profit objective)
6. **Demand management** (may include recognition of indirect costs or act as a disincentive).

Application of CPI

At a minimum all non -statutory fees and charges are indexed annually by the prior year Consumer Price Index (CPI) published by the Reserve Bank of Australia at 30 June, prior to rounding.

Typically, fees are rounded to the nearest \$0.50 or \$1.00 to ensure simplicity.

Review

All fees and charges are to be reviewed at least every four years to ensure they remain aligned with the actual costs of service delivery. This review is to include:

- Review of the pricing structure, to ensure it is still appropriate
- All costs associated with providing the service including direct and indirect costs
- Any historical agreements or arrangements to assess whether they remain viable.

Non-profit Organisation/Financial Hardship

To qualify for Not for Profit Fees or Financial Hardship the following criteria must be met:

- i) The person or organisation must provide a copy of their Not for Profit certification and be able to demonstrate that the service or product that they require will provide them with some reasonable benefit and that this benefit is not available to them through means other than Council
- ii) The person or organisation must be able to demonstrate that their personal financial situation is such that they are unable to pay the adopted fee or charge.

Fee Waivers and Concessions

- Fee waivers, reductions, or exemptions may only be approved by a Director, the Executive Leadership Team or Council resolution
- All fee waivers are to be retained for audit and reporting purposes
- Historical fee waivers are subject to cyclical review at least every four years.

Credit/Debit Card Merchant Service Fee

- A merchant service fee applies to all payments made by credit or debit card.