

REVENUE AND PRICING

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OBJECTIVE

To establish the governing principles that align Council's capacity to generate revenue, and the pricing of Council's services, with the strategic direction of the organisation.

APPLICABILITY

This policy establishes the principles and methodologies in determining the fees and charges to be levied by Council for all operations and activities of the organisation.

GENERAL

In accordance with the provisions of the Local Government Act 1993, and the Local Government (General) Regulations 2005, Council raises revenue to fund the provision of works, services and facilities to our community.

Ordinary Rates

Rates are levied against properties in accordance with their categorisation as defined in the Local Government Act 1993. Council has defined the following categories/sub-categories for the purposes of levying rates:

- Residential
- Residential - Rural Residential
- Residential - Clifton Grove
- Residential - Ammerdown
- Residential - Village
- Farmland
- Business
- Business - Village

Special Rates

The Local Government Act 1993 makes a provision for Council (with approval) to levy a special rate to finance a project that will benefit either the whole or part of the City. A project may be comprised of works, services, facilities or activities. Council levies a special rate for the Orange Central Business Area.

Part Year Rating

Assessments that receive a supplementary land valuation will have rates and charges levied from the commencement of the rating quarter following the registration of the subdivision. Likewise, any cancellation of rates and charges will be actioned from the commencement of the rating quarter immediately following registration of the plan.

Waste Management Charges

In accordance with the provisions of the Local Government Act 1993, Council's pricing of Waste Management Charges will be limited to the recovery of the reasonable costs of providing the services and the funding of the Waste Services plant replacement program.

All policies can be reviewed or revoked by a resolution of Council, at any time.

User Fees and Charges

Where it is legally permissible, Council shall charge fees for the provision of all goods and services that it provides. These fees will be charged to all Council's clients that avail themselves of Council's services.

Services are price-based on one of the following *Pricing Policies*:

- Full Cost Pricing – Fees are set to enable the recovery of all direct and indirect costs involved in the provision of a service
- Subsidised Pricing – Fees and charges are set at a level that recovers less than the full cost incurred in service delivery. In effect some level of subsidisation is factored into the price
- Rate of Return Pricing – Fees and charges are set to enable the recovery of all direct and indirect costs in the provision of a service plus a profit margin
- Market Pricing – Fees and charges are based on current market fee structures. The market price is usually determined by examining competitor's prices and may have little relationship to the cost of providing the service
- Statutory Pricing – Fees and charges are set to comply with statutory legislation

Borrowings

Council's policy on funding expenditure through loan borrowings is:

- Funds will only be borrowed for specific capital projects, which are clearly linked to Council's adopted Community Strategic Plan.
- Council will consider the use of loans to ensure existing residents are not burdened with the cost of infrastructure which will be enjoyed by future generations.
- Loan borrowings will only be considered after all potential funding strategies have been investigated, including the use of any existing cash reserves and external funding opportunities.
- The use of loan borrowings to fund operational shortfalls or operational services is not permitted except in special or unique circumstances of a one-off nature. This may be considered upon determination by Council.
- The use of loan borrowings for the purpose of leveraging an investment is not permitted.
- Council will review its long-term financial plan to ensure there is capacity to service debt from recurrent revenues.

Responsible Area – Corporate and Commercial Services

REVISION					
	DATE	RESOLUTION		DATE	RESOLUTION
1	August 2014	14/955	4	25 June 2019	19/333
2	9 May 2017	17/189	5		
3	7 December 2017	17/562	6		

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SUMMARY OF AMENDMENTS

Date	Section/Reference and Amendment
May 2019	Formatting updates, Minor Update to 'Borrowings' section to include exception - "The use of loan borrowings to fund operational shortfalls or operational services is not permitted <i>except in special or unique circumstances of a one-off nature. This may be considered upon determination by Council.</i> "
Dec 2017	Formatting updates only.
May 2017	Addition of Business – Village Category. Inclusion of Part Year Rating section.
August 2014	New Policy