


POLICY		Responsible Department	Executive
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		Current Adoption Date	27.07.2022
		Audit Committee Review Date	19.08.2022
		Date of Review	30.06.2024

FUNDING POLICY	
Latest Review Changes	Minor formatting and editing changes
Previous Council Reviews	20.12.17, 30.10.19
Previous Audit Committee Reviews	24.11.17, 18.10.19

Applicable Legislation

<p>Local Government Act 1999,</p> <ul style="list-style-type: none"> - Section 133 - Sections 146 – 166 - Sections 182 and 182A <p>Local Government (Financial Management) Regulations 2011</p> <ul style="list-style-type: none"> - Regulations 5, 6 and 7 <p>Roxby Downs (Indenture Ratification) Act, 1982</p>

Related Policies

<p>Budget Management Policy</p> <p>Municipal Rating Policy</p> <p>Leases and Licences to Sporting and Community Organisations</p> <p>Treasury Policy</p>
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Related Procedures

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Reference Documents

<p>Rating and Other Funding Policy Options – Local Government Association Financial Sustainability Information Paper No 20.</p>

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1. INTRODUCTION

This policy sets out Council's approach to the funding of services it delivers or intends to deliver in the future.

The policy is based on an assessment of the beneficiaries of all of Council's services and how these should be funded. It provides the framework within which Council will raise the revenue necessary to fund expenses of programs set out in its long-term financial plan.

2. OBJECTIVE

The Funding Policy reflects Council's determined balance between the principles of:

- i. user-pays or beneficiary pays;
- ii. capacity to pay of different sections of the community;
- iii. costs of provision of services;
- iv. where relevant, prices charged by others for provision of similar services;
- v. maximising sourcing of external funding;
- vi. accommodating individual circumstances of financial hardship; and
- vii. achieving and preserving reasonable inter-generational equity.

3. STATEMENT

3.1 Long-term Financial Plan

Council will adopt a 10 year Long-term Financial Plan (LTFP) that sets out the funding (revenue raising) requirements to equitably fund the identified community needs and preferences in its Strategic Management Plans.

The LTFP is based on achievement of the targets set by Council for each of its financial sustainability indicators as set out in its Budget Management Policy.

3.2 Budget Planning and Management

Council's annual budget will be based on the relevant year of its LTFP and in particular the financial strategy that will ensure attainment of specified financial indicator targets for the year, as outlined in its Budget Management Policy. Decisions regarding the range and level of services and infrastructure provided will take into account the need to maintain long-term financial sustainability without future unplanned increases in rates or disruptive cuts to services.

3.3 Financial Assistance and Other Discretionary Grants

Council receives ongoing Commonwealth Financial Assistance Grants through the SA Local Government Grants Commission (LGGC). Similarly, Roads to Recovery Grants from the Commonwealth are an important funding source.

Historically, Council has also received funding from the State Government and BHP in accordance with the provisions of the *Roxby Downs (Indenture Ratification) Act 1982* which has been used towards the funding of Council activities.

3.4 Specific Purpose Grants

Council recognises that opportunities arise from time to time to secure grants or funding for specific projects or purposes.

Council will pursue such opportunities where the funding objectives support the directions of its Strategic Management Plan and its financial sustainability objectives.

When considering a specific purpose grant or funding opportunity Council will assess the whole-of-life costs of a project (including maintenance and other operating costs over the life of the project) and will consider the impact of these costs on Council's financial sustainability indicators over the life of the project

3.5 General and Other Rates

Council will generate general and other rates applicable to rateable properties in accordance with its Municipal Rating Policy.

Council's Municipal Rating Policy sets out its application of the following rating provisions contained in the *Local Government Act 1999*:

- Basis of valuation for rating purposes
- minimum rates or fixed charges;
- separate rates;
- service rates and charges;
- differential rates;
- rate rebates;
- maximum rate increase;
- postponement of rates.

Council reviews the Municipal Rating Policy regularly to ensure it has appropriate regard for Council's Funding Policy objectives (outlined in 2. above) and in particular any material changes in:

- the capacity to pay within sections of the community;
- the extent of opportunity of access to, use of, and benefit from, Council services by various groups of service users and ratepayers

Revenue from general rates account for a substantial part of the cost of Council services and activities.

3.6 User Charges

To reduce dependence on general rate revenue Council applies user charges to meet the cost of its services where this is equitable, efficient and practical. Charges set have regard to Council's costs, the benefits to direct users and others from the provision of the services and prices charged elsewhere for similar services.

Council's user charges are set out in Council's Fees and Charges Register.

The following principles are applied in the setting of fees and charges in each of Council Business Units.

Municipal Activities

Fees set by regulation will be charged at the regulated rates.

Fees and charges for miscellaneous items such as printing, and photocopying are set mainly on a commercial basis.

Roxby Link

Fees for the use of facilities by community organisations are determined in accordance with the provisions of Councils Leases and Licences to Sporting and Community Organisations Policy.

Fees for commercial activities will be set at competitive rates which seeks to cover costs.

Participants in sporting and recreational activities will be expected to contribute towards the cost of providing the facilities and / or staff for their activity and fees will be set at a rate which both encourages the use of the facilities and participation in the events. Generally, fees for children will set at a lower rate than adults.

Roxby Power

Electricity tariffs are set after consideration of contemporary principles of pricing setting for monopoly electricity retailers. Council must also comply with the requirements of the *Roxby Downs (Indenture Ratification) Act 1982*, with respect to electricity tariffs.

Council will ensure that all costs, including the replacement of assets are taken into account when setting fees.

Roxby Water

Water tariffs are set after consideration of contemporary principles of pricing setting for monopoly water retailers, including the National Water Initiative guidelines.

Council will ensure that all costs, including the replacement of assets are taken into account when setting fees.

Each year a Water Pricing Policy Statement is considered by Council, which describes how the new water tariffs have been determined.

3.7 Borrowings

The Council currently has no long-term debt. Loan funds can be a valuable source of funding for capital expenditure when Council does not have sufficient fund of its own for a particular project and can assist in achieving intergenerational equity. Council takes a holistic view of its Treasury Management and may use short-term borrowing to support its ongoing activities

Council manages decisions about when to borrow and what type of borrowings to raise in through its Budget Management and Treasury Policies.

3.8 Private Sector Contributions/Partnerships

Council will seek private sector funding for projects e.g. through joint venture, grants or provision of infrastructure etc where it is considered beneficial to the community. In assessing the community benefit of such arrangements Council will consider its financial exposure through an analysis of the whole-of-life costs of the project and ensure there is appropriate due diligence undertaken, and transparency, before entering into a significant private sector partnerships.

4. REVIEW

To ensure that the principles of open Government are being applied in a proper manner it is anticipated that a review will be conducted every 2 (two) years; however, Council has the right to review this policy at any time.

5. ACCESSIBILITY

This policy is available to be downloaded free of charge from Council's website www.roxbydowns.sa.gov.au

Hard copies, for a fee, can be provided in accordance with Council's Fees and Charges, at the Council office at 6 Richardson Place, Roxby Downs, SA 5725.