

METHOD FOR CALCULATING

PRICING STRUCTURE	1. Statutory	2. Zero Cost Recovery	3. Partial Cost Recovery
SERVICE CATEGORIES	A	B	E
	Statutory – This is the amount required to be charged by statute. Where this principle applies, Council has no power to alter the amount.	Significant Community Benefit – Service provides a broad community benefit. Generally these services would not be provided if other principles were used to fund them.	Evasion – Where the imposition of a fee or charge to recover full cost may result in widespread evasion.
		C	F
		Practical Constraints – Where the service provided is a minor part of the overall operation of the Council or where the potential for revenue collection is so minor as to be outweighed by the costs of collection.	Stimulate Demand – Where a service is subsidised to provide a stimulus for the demand of a service for: <ul style="list-style-type: none"> the development of a new service; to promote community or environmental benefits; to ensure the economic well being of the community.
	D	G	
	Council Resolution – where a Council resolution is made which effectively states that the service is to be provided as a “public good”.	Public Good including Equity and Social Justice – Where a service is subsidised to ensure access by low income users or other similarly disadvantaged persons.	

Hardship

A reduction or waiver of the fee or charge will only be permitted where the person or organisation requesting it is determined by the General Manager to fit into one or more of the following categories:

Category 1 - Significant Personal Hardship

Category 2 - Not for profit Organisation with Significant Financial Hardship

Category 3 - Demand Stimulation/Community Benefit

For more information, see the section titled “Fees and Charges” in the Operational Plan.

FEES AND CHARGES 2018/19

4. Full Cost Recovery	5. Commercial / Business Activity	6. Demand Management
H	K	M
Operating costs – Where the fee or charge is calculated based on the full recovery of annual operating and maintenance costs, on-costs and overheads, including debt servicing.	Commercial / Business Activities – Goods and services provided are of a commercial nature and recovery of costs is based on commercial principles. As a result of these principles a profit may accrue to Council as a compensation for exposure to market risk.	Demand Management – Fee or charge is determined at a level greater than the direct cost of the service so as to provide a disincentive, or to recognise indirect costs associated with the provision of the service.
I	L	
Operating and Assets Costs – As above plus recovery of asset costs such as asset depreciation and the like.	Internal Services – These services are provided predominantly for Council’s “in-house” use but may be made available for sale to external markets to defray operating costs. The fee or charge is determined with a profit objective.	
J		
Service Fee – Recovery of costs for “one-off” or irregular services provided by Council. Fee or charge is based on actual cost of providing the service.		