

2024/2025 Business Plan and Budget – Review of Fees and Charges

Tuesday, 4 June 2024
City Finance and Governance
Committee

Strategic Alignment - Our Corporation

Program Contact:
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Public

Approving Officer:
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EXECUTIVE SUMMARY

This report seeks Council endorsement on the proposed Fees and Charges schedule for 2024/25. The report follows a series of workshops with Council as part of developing the draft 2024/25 Business Plan and Budget.

The Fees and Charges proposed reflect feedback heard from Members during workshops, combined with Administration's assessment of the current internal and external operating environment facing Council and reflect Council's adopted financial principle "Fees and charges reflect the cost of services provided".

The attachments detail each individual fee and the proposed rate for 2024/25, with specific changes of note highlighted in the body of the report.

The report and links also demonstrate through recently conducted benchmarking that Council's fees are generally lower or competitive with other capital cities and metropolitan councils for similar services.

Fees and Charges are a core source of revenue for the City of Adelaide, with approximately \$84 million budgeted for the 2024/25 financial year. Section 188 of The *Local Government Act 1999 (SA)* (the Act) provides the legal framework by which Council is delegated to set Fees and Charges, which is through by-laws or under delegation, noting some statutory charges are set by the State. The proposed fees and charges schedule was used as the basis for developing the draft 2024/25 Business Plan and Budget for public consultation.

The breakdown of the Fees and Charges total amounts by each schedule is set out below:

	\$000s
General Fees and Charges set by Council – Attachment A	\$4,298
Fees and Charges set under delegation by Council – Attachment B	\$16,007
Fees and Charges set by Council for the Adelaide Economic Development Agency – Attachment C	\$399
General Fees and Charges set by Statute – Attachment D	\$13,421
Commercial Businesses Fees and Charges set Under Delegation – Attachment E	\$50,186
Total	\$84,311

RECOMMENDATION

The following recommendation will be presented to Council on 11 June 2024 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL
THAT COUNCIL

1. Adopts the schedule of Fees and Charges set by Council for the 2024/25 Business Plan and Budget as included in Attachment A to Item 4.1 on the Agenda for the special meeting of the City Finance and Governance Committee held on 4 June 2024.
 2. Notes the schedule of Fees and Charges set under delegation by Council for the 2024/25 Business Plan and Budget as included in Attachment B to Item 4.1 on the Agenda for the special meeting of the City Finance and Governance Committee held on 4 June 2024.
 3. Adopts the schedule of Fees and Charges set by Council for the Adelaide Economic Development Agency for the 2024/25 Business Plan and Budget as included in Attachment C to Item 4.1 on the Agenda for the special meeting of the City Finance and Governance Committee held on 4 June 2024.
 4. Notes the schedule of General Fees and Charges set by Statute included in Attachment D to Item 4.1 on the Agenda for the special meeting of the City Finance and Governance Committee held on 4 June 2024. These fees will be updated in June/July 2024 once gazetted by State Government.
 5. Notes the schedule of Commercial Business Fees and Charges set under delegation by Council for the 2024/25 Business Plan and Budget as included in Attachment E to Item 4.1 on the Agenda for the special meeting of the City Finance and Governance Committee held on 4 June 2024.
 6. Notes the base level increase of 3.25% being applied to most fees and charges, which is a reflection of the most recent forecast for 2024/25 CPI from South Australian Centre for Economic Studies (SACES).
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p>Strategic Alignment – Our Corporation</p> <p>The deliverables, objectives and associated budget set out in the draft 2024/25 Business Plan and Budget document are directly aligned to the delivery of year 1 of the 2024-2028 City of Adelaide Strategic Plan.</p>
Policy	The 2024/25 budget for fees and charges has been developed in line with appropriate policies and guidelines.
Consultation	The draft 2024/25 Business Plan and Budget endorsed for public consultation factors in the proposed fees and charges.
Resource	Not as a result of this report
Risk / Legal / Legislative	Statutory Fees and Charges determined by an Act of Parliament or by Local Government Regulations are usually gazetted after adoption of Council set fees, in late May or June each year. These fees were recently gazetted on 16 May 2024, and have been reflected in the attached schedules. The financial impact of any changes, which is largely immaterial, will be updated as part of the Budget Review process for Quarter 1.
Opportunities	Not as a result of this report
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. Section 188 of the *Local Government Act 1999 (SA)* (the Act) provides the legal framework for Council setting fees:
 - 1.1. Fees and charges are determined by resolution of Council either as a direct resolution or through by-law or via delegation.
 - 1.2. Council is unable to fix or vary fees or charges prescribed under other Acts.
 - 1.3. For the use of facilities, services or works requests a Council need not fix fees or charges by reference to the cost of the Council.
 - 1.4. Council is required to keep the list of fees and charges on public display and provide updates where fees and charges are varied during the year.
2. Fees and charges are reviewed each year, in conjunction with the development of the Business Plan and Budget.
3. As an organisation and service provider, Council is not immune to the rising costs of services and inflation, therefore, as a minimum, it is necessary to increase fees and charges by CPI to align with increased expenses.
4. Council uses revenue generated from fees and charges to fund a wide range of community services. It is a critical source of funding, along with revenue from residential and commercial rates.
5. The AEDA schedule of fees were considered and approved by the AEDA Board.
6. The proposed fees and charges schedule is factored into the draft 2024/25 Business Plan and Budget developed for public consultation, which outlines the services and outcomes Council will deliver for the community in the following year.

The 2024/25 Approach

7. Throughout the development of the draft 2024/25 Business Plan and Budget, Council's financial position and trends have been outlined to Council Members in a series of reports and workshops.
8. The principles adopted within the Long Term Financial Plan (LTFP) state 'Fees and charges reflect the cost of services provided'.
9. At the 9 April 2024 CEO Briefing, Council was presented with the financial assumptions for the draft 2024/25 Business Plan and Budget which stated that revenue increases are linked to CPI (Rates and Fees and Charges).
10. Fees and Charges proposed for 2024/25 reflect feedback heard from Members during workshops, combined with Administration's assessment of the current internal and external operating environment facing Council.
11. The most recent reports received from South Australian Centre for Economic Studies (SACES) has listed the forecast CPI for 2024/25 at 3.25%. The baseline proposal of a 3.25% increase to fees and charges is in consideration of this CPI forecast, and an opportunity to benchmark certain fees and charges against similar councils.
12. As a base position it is proposed to increase fees and charges by 3.25%. While this has formed the general position, variances exist for certain fees that required specific treatment, as outlined in the attachments.
13. The AEDA schedule of fees and charges were considered and endorsed by the AEDA Board.
14. New fees and fees reviewed include:
 - 14.1 A change to the fee model for public realm e-Scooters, aiming to reduce e-Scooter clutter.
 - 14.2 An addition to the fee model for Parklets, introducing a 75% discount to Parklets that do not have outdoor dining on the footpath.
 - 14.3 An increase in the City Works daily fee caps.
 - 14.4 Reinstatement of fees for initial inspections for food premises, to cover towards cost of service.
 - 14.5 Introduction of a fee for Local Nuisance Exemptions applications, to cover cost of service.

- 14.6 Introduction of City Works minimum fee, to cover cost of service.
- 14.7 Introduction of an Animal Management impound fee, to recover cost passed on by the Animal Welfare League.
- 14.8 Introduction of an Organic Waste Dumping fee (palm trees).
- 14.9 Introduction of Event labour and project management fees, to cover cost of service.
- 14.10 Introduction of a Public Space, event participation fee, to cover cost of service.
- 14.11 Introduction of fee for relocation, removal or installation of public infrastructure to accommodate a Temporary Parking Control, to cover cost of service.
- 14.12 Introduction of Traffic signal data designs, fault records, intersection and subsystem configuration and traffic count data, to align with costs of services offered by other councils.

Fees Set by the State

15. Statutory Fees and Charges determined by an Act of Parliament or by Local Government Regulations have in the past been declared and gazetted after adoption of Council set fees, in late May or June each year. Usually, fees set by Council are adopted ahead of the Statutory Fees, which are then added to the Fees and Charges Schedule available for public inspection once gazetted.
16. Ahead of expectations, these fees were recently gazetted on 16 May 2024, and have been reflected in the attached schedule. The financial impact of any changes, which is not material, will be updated as part of the Budget Review process for Quarter 1.

Attachments

17. The attachments highlight:
 - 17.1 Proposed 2024/25 fees along with 3 years of historical data, including the fee value change and percentage.
 - 17.2 Existing fees increased in excess of indexation either to meet the costs of providing the associated service or to bring fees charged in line with benchmarked rates.
 - 17.3 New fees added in line with appropriate legislation changes and delegations.
 - 17.4 Deleted fees are represented with a strikethrough.
18. **Attachment A** includes proposed Fees and Charges set by Council for the 2024/25 Business Plan and Budget.
19. **Attachment B** includes proposed Fees and Charges set under delegation (to the CEO) for the 2024/25 Business Plan and Budget.
20. **Attachment C** includes proposed Fees and Charges set by Council for Adelaide Economic Development Agency for the 2024/25 Business Plan and Budget.
21. **Attachment D** includes General Fees and Charges set by statute. These fees will be updated in June/July 2024 once gazetted by State Government.
22. **Attachment E** includes the list of Fees and Charges for Commercial Businesses set under delegation (to the CEO) for the 2024/25 Business Plan and Budget.
23. Included in Attachment E is the disclosure of the maximum daily rate for Council's off-street parking operations. This is aligned with the legislative requirement under section 188(3) whereby Council may provide for maximum and minimum fee charges.

Next Steps

24. The draft 2024/25 Business Plan and Budget underwent public consultation from 26 April until 19 May 2024.
 25. Feedback from this process will be reviewed and presented to Council along with proposed changes to the draft 2024/25 Business Plan and Budget, ahead of final endorsement.
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ATTACHMENTS

Attachment A – General Fees and Charges set by Council

Attachment B – Fees and Charges set under delegation by Council

Attachment C – Fees and Charges set by Council for the Adelaide Economic Development Agency

Attachment D – General Fees and Charges set by Statute

Attachment E – Commercial Businesses Fees and Charges set Under Delegation

- END OF REPORT -