

2022-2023 Business Plan and Budget – Review of Fees and Charges

Tuesday, 7 June 2022

The Committee - Pre-Council
Discussion Forum

Strategic Alignment - Enabling Priorities

Program Contact:

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Public

Approving Officer:

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EXECUTIVE SUMMARY

Fees and charges are a source of revenue for the City of Adelaide, with \$32.5 million forecast for the 2022-2023 financial year, and reflect the services provided to the community.

Section 188 of the *Local Government Act 1999 (SA)* (the Act) provides the legal context by which Council is delegated to set fees and charges. Fees and charges are set by Council through by-laws or under delegation.

The following recommendation will be presented to Council on 14 June 2022 for consideration

That Council

1. Adopts the schedule of Fees and Charges set by Council for the 2022-2023 Business Plan and Budget as included in Attachment A to Item # on the Agenda for the meeting of the Council held on 14 June 2022.
 2. Notes the schedule of Fees and Charges set under delegation by Council for the 2022-2023 Business Plan and Budget as included in Attachment B to Item # on the Agenda for the meeting of the Council held on 14 June 2022.
 3. Adopts the schedule of Fees and Charges set by Council for Adelaide Economic Development Agency for the 2022-2023 Business Plan and Budget as included in Attachment C to Item # on the Agenda for the meeting of the Council held on 14 June 2022.
 4. Notes the Statutory Fees and Charges set by the State Government will be included in the Fees and Charges Schedule available for public inspection in July 2022, after gazettal by the State Government. The list of fees and charges are included in Attachment D to Item # on the Agenda for the meeting of the Council held on 14 June 2022.
 5. Notes the schedule of Commercial Business Fees and Charges set under delegation by Council for the 2022-2023 Business Plan and Budget as included in Attachment E to Item # on the Agenda for the meeting of the Council held on 14 June 2022.
 6. Notes the CPI increase applied to fees and charges where applicable is 3.5%, being the latest forecast from Deloitte Economics. This increase has an estimated impact to the budget of \$1million to revenue.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<p>Strategic Alignment – Enabling Priorities</p> <p>The deliverables, objectives and associated budget set out in the 2022-2023 Business Plan and Budget document are directly aligned to the delivery of year 3 of the 2020-2024 City of Adelaide Strategic Plan.</p>
Policy	The 2022-2023 budget for fees and charges has been developed in line with appropriate policies and guidelines.
Consultation	The draft 2022-2023 Business Plan & Budget endorsed for consultation from the 13 May 2022 to 6 June 2022 factored in the proposed fees and charges set at a rate for CPI of 1.8%. The CPI rate applied to this schedule is 3.5% as per the updated forecasts.
Resource	Not as a result of this report
Risk / Legal / Legislative	The majority of the statutory Fees and Charges determined by an Act of Parliament or by Local Government Regulations will not be gazetted until after adoption of Council set fees. It is proposed to adopt those fees set by council with statutory fees added to the Fees and Charges Schedule available for public inspection once they have been gazetted. This is anticipated to be in early July 2022.
Opportunities	Not as a result of this report
21/22 Budget Allocation	Not as a result of this report
Proposed 22/23 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
21/22 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

1. Section 188 of the *Local Government Act 1999 (SA)* (the Act) provides the legal context:
 - 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 & Budget, and are increased by forecast Adelaide CPI (approximately 1.8%) unless there is a clear rationale to retain fees and charges at current levels, or increase by more than inflation (i.e. fees have remained at the same level for a number of years).
3. This is consistent with the decision of Council at its meeting on 27 January 2022, being “*Total statutory and non-commercial fees and charges revenue increased by CPI or statutory increase*”.
4. Since the draft budget was prepared, updated forecasts have been received by Deloitte Access Economics which increase the CPI for 2022/23 to 3.5%. As a result, the fees and charges included in the attached schedules have been increased by CPI (where appropriate) using the latest 3.5% forecast. This is slightly lower than the actual CPI released for March 2022 for South Australia of 4.7%. This is due to the fact that the Deloitte forecasts consider future economic indicators to estimate a CPI result for the following year.
5. If approved when presented to Council for adoption on 28 June 2022, the impact on the budget would be an increase in revenue of approximately \$1m. There would also be some adjustment to CPI on costs, reducing this to approximately \$800k as a net impact. Overall, this will not impact the budgeted operating position of \$86K surplus as this increase would be allocated to the budget offset of \$4.8m.
6. **Attachment A** includes proposed Fees and Charges set by Council for the 2022-2023 Business Plan and Budget.
7. **Attachment B** includes proposed Fees and Charges set under delegation for the 2022-2023 Business Plan and Budget.
8. **Attachment C** includes proposed Fees and Charges set by Council for Adelaide Economic Development Agency for the 2022-2023 Business Plan and Budget.
9. **Attachment D** includes the list of Fees and Charges set by the State Government. These fees and charges will be available for public inspection in July 2022, following gazettal by the State Government.
10. **Attachment E** includes the list of Fees and Charges for Commercial Businesses set under delegation for the 2022-2023 Business Plan and Budget.
11. Also 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.
12. The Attachments include new fees where relevant which have been set based on direction under certain sections of the Act. These include:
 - 12.1. Outdoor dining fees have been reinstated
 - 12.2. Event fees included in the schedule with the intention to reinstate in 2022-23 Business Plan and Budget
 - 12.3. Maximum expiation fees under by-laws increased significantly due to LG reform
 - 12.4. New fees added in line with appropriate legislation changes and delegations.

ATTACHMENTS

Attachment A – 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 Adelaide Economic Development Agency

Attachment D – Fees and Charges set by Statute

Attachment E – Fees and Charges for Commercial Businesses set under delegation

- END OF REPORT -