

	Funding Policy	
	Version Adoption by Council: Date 26 April 2022 Resolution Number: 2022/092 Current Version: V1.7	
	Administered by: General Manager – Finance and Business	Last Review Date: 2022 Next Review Date: 2024
Document No: D22/1085	Strategic Objective: Proactive Leadership Strategic and sustainable financial management	

1. Objective

This Policy sets out Council’s approach to the funding of services and is based on an assessment of the beneficiaries of all 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. Scope

This Policy reflects Councils determined balance between the principles of:

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

3. Specific Provisions/Responsibilities

3.1 Long-Term Financial Plan

Council has adopted a 10 year Long-Term Financial Plan that sets out the funding (revenue raising) and financing (paying for outlays) requirements for services to be provided to equitably meet its Strategic and Asset Management Plans, and identified community needs and preferences.

The Long-Term Financial Plan is based on achievement of the targets set by Council for each of its financial sustainability indicators and in particular those for its operating result, to achieve an operating surplus ratio of between 0% and 10% over any five year period in line with the LGA’s Financial Sustainability Program Financial Indicators 2015.

3.2 Budget Management and Review

Council will manage its Long-Term Financial Plan through its annual budget process ensuring that its planned long-term service, infrastructure levels and standards are met without unplanned increases in rate or disruptive cuts to services.

3.3 Financial Assistance and Other Discretionary Grants

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

Council will continue to provide timely and accurate information requested by the LGGC to ensure that it receives its appropriate funding allocation as determined by the LGGC's methodology for allocating Financial Assistance Grants. Timely and accurate information also will be provided to the Commonwealth in respect of Roads to Recovery Grants.

3.4 Special 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 Plan and its financial sustainability objectives.

Council will assess the whole-of-life costs of a project considered for a special purpose grant or funding application (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 raise general and other rates from its community in accordance with its Rating Strategy.

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

- minimum rates or fixed charges;
- separate rates;
- service rates and charges;
- differential rates;
- rate rebates; and
- postponement of rates.

Council keeps its Rating Strategy under review, as contained in the Annual Business Plan, to ensure it has appropriate regard for any material changes in:

- capacity to pay within sections of the community; and
- 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 helps meet a substantial part of the cost of Council services and activities that are widely available to ratepayers.

Note: Electronic version in Council's EDRMS is the controlled version. Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.

3.6 User Charges

To reduce dependence on 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 Councils 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 its Schedule of Fees and Charges.

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

3.7 Borrowings

Council recognises that borrowings are not a funding source but are nevertheless likely to be required at times particularly as a result of decisions to add to or enhance Councils stock of assets. If Council sets revenue raising targets at levels that not only meet the full cost of existing services but also enable it to accumulate funds to finance net asset acquisition it could create significant inter-generational inequity between beneficiaries of Councils services. Council will manage decisions about when to borrow and what type of borrowings to raise in accordance with its Treasury Management Policy.

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 this is considered beneficial to the community. In assessing the community benefit of such arrangements Council will take account of its financial exposure through an analysis of the whole-of-life costs of the project.

4. Related Documents

Annual Business Plan

Asset Management Plans

Long-Term Financial Plan

Strategic Plan

Treasury Management Policy

5. Records Management

All documents relating to this Policy will be registered in Councils Record Management System and remain confidential where identified.

6. Document Review

This Policy will be reviewed periodically to ensure legislative compliance and that it continues to meet the requirements of Council its activities and programs.

7. References

Local Government Act 1999

Section 133 – Sources of Funds

Section 146-166 – Rates and Charges on Land

Sections 182 and 182A – Remission and postponement of Rates

Local Government (Financial Management) Regulations 2011.

Regulations 5 – Long-term Financial Plans

Regulation 6 – Annual business plans

Regulation 7 – Budgets

Local Government Financial Sustainability Paper 20 - Rating and Other Funding Policy Options (Revised August 2020)

8. Further Information

Members of the public may inspect this Policy free of charge on Councils website at www.apc.sa.gov.au or at Councils Principal Office at:

2a Wasleys Rd, Mallala SA 5502

A copy of this policy may be obtained on payment of a fee.

Any queries in relation to this Policy must be in writing and directed to the General Manager – Finance and Business.