

POLICY		Responsible Department	Finance
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FUNDING	
Latest Review Changes	Minor formatting and editorial changes Updated with feedback from the August 2026 Audit & Risk Committee Meeting
Previous Council Reviews	20.12.17, 30.10.19, 28.08.24
Previous Audit & Risk Committee Reviews	24.11.17, 18.10.19, 16.08.24

Applicable Legislation

Local Government Act 1999
Local Government (Financial Management) Regulations 2011
Roxby Downs (Indenture Ratification) Act, 1982

Related Policies

Budget Management Policy
 Capital Contributions Policy
 Leases and Licences to Sporting and Community Organisations
 Municipal Rating Policy
 Treasury Policy

Related Procedures

Reference Documents

Local Government Association of South Australia – *Financial Sustainability Information Papers*
 Local Government Association of South Australia – *Rating and Other Funding Policy Options (Information Paper No. 20)*
 Council's Strategic Management Plan, Long-term Financial Plan and Annual Business Plan and Budget

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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;
- vii. achieving and preserving reasonable inter-generational equity; and
- viii. maintaining long-term financial sustainability through responsible and transparent funding decisions.

3. STATEMENT

3.1 Long-term Financial Plan

Council will adopt a 10-year Long-term Financial Plan (LTFP) that identifies the funding and revenue-raising requirements necessary to meet Council's responsibilities and obligations equitably and sustainably, while responding to the community needs and preferences identified through Council's 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 Long-term Financial Plan (LTFP) and in particular the financial strategy that supports the achievement of the financial indicator targets outlined in its Budget Management Policy. Decisions regarding the range and level of services and infrastructure provided will have regard to the need to maintain long-term financial sustainability while avoiding unplanned future increases in rates or disruptive reductions in services. Legislation requires Council to review its LTFP annually to incorporate any new Infrastructure and Asset Management Plans (IAMP), consider recent economic impacts and review the assumptions underpinning the Plan.

3.3 Financial Assistance and Other Discretionary Grants

Council receives Commonwealth Financial Assistance Grants through the South Australian 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.

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 municipal services.

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, renewal and other operating costs over the life of the project) and will consider the impact of these costs on Council's long-term financial sustainability.

Council will also consider the availability of funding for any required Council contribution and Council's capacity to deliver and maintain the project within its existing financial resources.

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;
- rates capping;
- 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 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 funding 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 having regard to full cost recovery and increases in CPI.

Roxby Link

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

Fees for commercial activities will be set at competitive rates which seek 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 be 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 considered 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 considered 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

Loan funds represent a prudent and equitable means of financing, particularly for long lived assets that will provide benefits to future generations

Council manages borrowing decisions through its Budget Management and Treasury Policies but also having regard to its LTFP.

3.8 Private Sector Contributions/Partnerships

Council will seek private sector funding for projects e.g. through joint venture, grants or provision of infrastructure, 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 partnership.

4. REVIEW

This Policy will be reviewed every three (3) years, or earlier if required by legislative or regulatory requirements.

5. ACCESSIBILITY

Sections 49(4) and 132(1)(a) of the Local Government Act SA 1999 entitle a person to inspect (without charge) this Policy at the principal business office of the Council during ordinary business hours.

Under S 49(5) and S 32(1)(b), a person is entitled, on payment of a fee fixed by the Council, to a copy of this Policy.

Section 132(3)(d) requires that the Council should, so far as is reasonably practicable, make this Policy available for inspection on the Internet within a reasonable time after the Policy is available at the principal office of the Council.