POLICY 5.25
Finance and Internal Controls
Revenue & Financing
Version: 4 | Next Review: March 2028

DISTRICT COUNCIL of TUMBY BAY

1. INTRODUCTION

Council has a Rating Policy that addresses legislative requirements, the growth/decline in rates from changing demographics, targeted rate relief, service charges and rate capping options.

As part of the annual budgeting process Council considers the impact on rates of changes in user charges. A variety of services provided by Council's are provided to specific individuals rather than the community. This is recognised in the *Local Government Act 1999* which permits Council's to raise separate rates and service rates and charges for specific projects or services and allows the Council to set a range of fees and charges for other services provided e.g. CWMS, waste management, Port Neill Soldiers Memorial Hall etc.

The charging of fees (including concession arrangements) for some of the services provided by Councils have two major benefits – it reduces the need to rely on general tax revenue and it provides equity in that only those who use such services pay for them.

2. POLICY OBJECTIVE

The purpose of this Revenue & Financing Policy (the Policy) is to ensure council supplements its rates revenue by considering:

2.1 Council's annual projected budget result for the year,

2.2 grants and subsidies (the obtaining or the allocation of funds from other government regulations),

2.3 imposing statuary fees and penalties as provided in several Acts, e.g. dog and cat registration fees, septic tank fees, development fees etc,

2.4 the sale of surplus property and other assets,

2.5 by charging fees (user pays) for a range of activities, facilities and functions provided, e.g. campgrounds, boat ramps, hall hire etc,

2.6 by carrying out commercial activities e.g. sale of land,

2.7 by investing surplus funds, and

2.8 by borrowing funds.

3. LEGISLATIVE REQUIREMENTS

Under Chapter 9 – Finances, and Chapter 10 – Rates and Charges, of the *Local Government Act 1999* the elected members must:

3.1 set the rate in the dollar for general, differential, separate and service rates,

3.2 set the fees to be charged for the use of Council properties and facilities, including separate and service charges (some fee-setting can be delegated to the CEO),

3.3 resolve to borrow appropriate funds, and

3.4 ensure that it receives regular reports that permit it to monitor the inflow of funds compared with the budgeted cash inflows.

4. GRANTS & SUBSIDIES

Council administration actively seeks new sources of grants and subsidies, ensure the accountability reporting requirements are met, and where the grant relates to additional services, ensure that the cost of the service equates with the grant funding.

5. STATUTORY FEES & CHARGES

Council administration charges maximum statutory fees permitted by legislation. Where the fees do not cover the full cost of the service, they actively lobby for the legislative change to ensure full cost recovery.

6. SALE OF SURPLUS PROPERTY & OTHER ASSETS

Surplus property and other assets are to be identified and valued for possible sale.

7. USER CHARGES

That where practical data is gathered on the use of services and facilities by specific groups rather than the community. Consider as part of the annual budget process the user charge as compared to the net cost to be funded from rate revenue.

8. COMMERCIAL ACTIVITIES

Council to consider opportunities for commercial activities in the Council area. These may include property developments.

9. INVESTING SURPLUS FUNDS

Refer to the Treasury Management Policy and the Cash Management & Investments Policy.

10. BORROWING FUNDS

Refer to the Treasury Management Policy.

11. ANNUAL BUDGET SUMMARY – UNIFORM PRESENTATION OF FINANCES

Uniform Presentation of Finances means the high-level summary of both operating and capital investment activities of the Council prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

12. COUNCIL SUSTAINABILITY

Council is required to report in its Annual Budget, Financial Statements and the Long-Term Financial Plan the following sustainability indicator:

12.1 Operating Surplus Ratio

The operating surplus ratio is the operating surplus (Deficit) expressed as a percentage of total operating income.

The ratio is calculated as: Operating Surplus *divided by* Total Operating Income

Council's target is to consistently achieve a positive ratio.

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13. REPORTING

13.1 Annual Financial Statements

The audited annual financial statements prepared in accordance with the Model Financial Statements approved by the Minister

13.2 Annual Review

Each year a report must be prepared by the Chief Executive Officer and presented to the Audit & Risk Committee on the sustainability of the council's long-term financial performance and position considering the provisions of the council's annual business plan and strategic management plans. This report will be completed as part of Council's Annual Report

14. POLICY REVIEW

This Policy will be reviewed every two (2) years. The Council has the right to review this policy at any time, if considered desirable.

15. AVAILABILITY OF THIS POLICY

This Policy will be available for inspection at the Council's Office during ordinary business hours and via the Council's website, www.tumbybay.sa.gov.au. Copies will also be provided to the public upon request and upon payment of a fee in accordance with the Council's Schedule of Fees and Charges.

16. FURTHER INFORMATION

File reference	R26/9626
Responsibility	Deputy Chief Executive Officer
Version	4
Effective date	30/06/2026
Last revised date	12/05/2020
Minutes reference	6c/62026
Next review date	March 2028
Applicable Legislation	*Local Government Act 1999* *Local Government (Financial Management) Regulations 2011*
Related Policies	Policy 5.22 - Rating Policy 5.23 – Cash Management & Investments Policy 5.24 – Treasury Management
Related Procedures	

AUTHORITY:	Adopted by Council:	8/10/2013	{Motion 11c/102013}
	Reviewed by Council:	10/11/2015	{Motion 7c/112015}
	Amended by Council:	12/05/2020	{Motion 3c/52020}
	Adopted by Council:	30/06/2026	{Motion 6c/62026}

SIGNED: 

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Responsible Officer