



GLEN EIRA
CITY COUNCIL

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GLEN EIRA CITY COUNCIL PRICING POLICY

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1. TITLE

Pricing Policy

2. OBJECTIVES

The purpose of this Policy is to establish a clear, consistent, and evidence-based decision-making framework to guide how Glen Eira City Council determines, reviews, and adopts non-statutory fees and charges as part of the planning and budgeting process.

This Policy establishes mandatory pricing principles and decision-making requirements that must be applied when Council determines, reviews, or adopts non-statutory fees and charges as part of the planning and budgeting process.

The Policy aims to ensure that:

- fees and charges are set in a transparent, consistent, and equitable manner across Council services
- pricing decisions balance the cost of delivering services, relevant market considerations, and the application of subsidies or concessions to support affordability, access, and community benefit
- fees and charges reflect an appropriate user-pays contribution, having regard to the balance of public and private value delivered by each service having regard to legislative compliance
- the basis and rationale for pricing decisions, including any deliberate decision not to recover full costs or to apply a subsidy, are clearly documented.

3. BACKGROUND

Glen Eira City Council delivers a wide range of services and facilities that support community wellbeing, safety, amenity, and economic activity. Some services provide broad benefit to the whole community, while others provide a more direct benefit to individual users.

Council funds services through revenue from municipal rates, grants and user fees and charges. Fees and charges are an important tool to support fair cost sharing, responsible use of resources and long-term financial sustainability.

This Policy supports Council's long-term financial sustainability and responsible revenue decision making. This Policy gives effect to the principles set out in Council's *Revenue and Rating Plan* by providing a consistent framework for setting non-statutory fees and charges in accordance with Council's adopted revenue objectives.

By establishing clear principles to guide pricing decisions, this Policy also supports Council's financial risk management framework by helping to identify, assess and manage risks associated with existing and emerging structural operating pressures, cost escalation, service demand growth, and affordability impacts.

4. SCOPE

This Policy applies to:

- All Council services and activities where Council has discretion to set non-statutory fees and charges.
- Any new or amended non-statutory fee or charge proposed for inclusion in the annual Schedule of Fees and Charges, adopted by Council as part of the Budget process.

This Policy does not apply to:

- Municipal rates and waste charges declared under the *Local Government Act 2020*.
- Statutory fees where prices are set or capped by legislation or regulation.
- Fees, charges or payments governed by separate Council policies.
- All other contractual arrangements where pricing is determined by specific legislative or contractual requirements.

5. POLICY STATEMENT

This Policy sets the required principles and considerations that must be applied when developing and assessing pricing proposals for non-statutory fees and charges.

Section 7 of this Policy sets out the principles that will apply.

6. DEFINITIONS

Term	Meaning
Community Benefit	The broader social, economic, health, safety or environmental benefit derived by the community as a whole from a Council service, beyond the benefit received by individual users.
Competitive Neutrality	The principle that Council activities operating in a competitive market should not have a net competitive advantage over private sector businesses due to public sector ownership.
Concession	A reduction to a Council fee or charge provided to individuals or groups who meet defined eligibility criteria, typically linked to State or Commonwealth government-issued concession cards or approved Council criteria.
Cost Recovery	The total cost of delivering a service, including direct costs, indirect costs, overheads, and depreciation of assets used to deliver the service.

Term	Meaning
Fees and Charges	Amounts charged by Council for the provision of services, facilities, activities or regulatory functions, excluding municipal rates and waste service charges.
Full cost of service delivery	The total cost of delivering a service, including direct costs, indirect costs, overheads, and depreciation.
Non-statutory fee	A fee or charge that Council has discretion to set and is not prescribed by legislation or regulation.
Schedule of fees and charges	The schedule adopted annually by Council as part of the Budget setting out approved fees and charges for the financial year.
Statutory fees	Fees that are set or capped by legislation or regulation that Council is required to apply and does not have discretion to vary.
Subsidy	The portion of a service's full cost that is funded by Council (through rates or other revenue sources) rather than recovered from users, applied as a deliberate policy decision to support community outcomes.

7. POLICY

7.1 Pricing Principles

When setting fees and charges, Council will apply the following pricing principles.

Principle	Description
Community benefit and public value	Where services provide a broader social, cultural, environmental, or economic benefit Council may subsidise part or all of the service cost.
Affordability and access	Council will consider affordability and cost-of-living pressures, particularly for essential services and vulnerable community members and groups, including through the application of concessions, subsidies, differential pricing or other pricing mechanisms where appropriate.
Equity and fairness	Pricing should fairly balance costs between individual users and the wider community.
Simplicity and consistency	Fee structures will be easy to understand and applied consistently across services.

Transparency and accountability	The basis for setting fees and charges — including the rationale for any subsidy, concession or departure from full cost recovery or market-based pricing — must be explicit, evidence-based, and documented.
Financial sustainability	Fees and charges will support Council’s long-term financial sustainability and reduce undue reliance on municipal rates.
Cost reflectivity	Fees and charges will reflect the full cost of delivering services, including capital and asset-related costs spread over the life of the asset, or relevant market rates where services operate in a competitive market, unless Council has deliberately chosen to apply a subsidy to achieve policy or community outcomes.

7.2 Public and Private Value

The pricing positions outlined below represent Council’s default pricing requirements based on the balance of public and private value.

Any changes to these standard approaches must be approved and clearly explained, including why a subsidy is needed or why full cost recovery isn’t being used.

Value type	Description	Default pricing expectation
Public value	Benefits are shared broadly across the community and are mostly funded by rates.	Fully or substantially subsidised
Mixed value	Benefits are shared between individual users and the broader community, that deliver both public and private value, and costs are shared fairly between users and Council.	Partial cost recovery
Private value	Benefits are primarily received by individual users or groups and are generally funded through fees.	Full cost recovery

7.3 Cost Recovery

Cost recovery refers to how much of the cost of delivering a service is recovered through fees and charges rather than rates. When determining an appropriate level of cost recovery, Council will consider:

- the full cost of service delivery
- the balance of public and private value
- affordability and access considerations
- any policy decision to apply a subsidy.

Where pricing is proposed below full cost recovery or below market rates, this constitutes a deliberate subsidy and must be supported by a documented public policy rationale and approved through the appropriate governance and delegation pathway.

7.4 Pricing Methods

Pricing methods outlined in this Policy apply to non-statutory fees and charges where Council has discretion to set prices.

Pricing methods are selected based on the balance of public and private value, the full cost of service delivery, market context, and Council-approved policy objectives. Services delivering primarily private benefit are expected to recover full cost or market rates unless an approved subsidy applies. Council may apply one or more of the following pricing methods:

Method	Description
Full cost recovery	All service costs recovered through fees and charges.
Partial (subsidised) cost recovery	Some service costs funded by Council.
Zero / minimal cost recovery	Services provided free of charge (or at a nominal fee) due to a strong public benefit.
Market-based pricing	Informed by benchmarking and applied in line with competitive neutrality obligations.
Incentive pricing	Pricing designed to influence customer behaviour and improve service efficiency (e.g. encouraging digital transactions or reducing administrative costs).

In determining the appropriate pricing method for a service, Council will be guided by:

- the balance of public and private value delivered by the service
- the extent to which the service benefits individual users versus the broader community
- whether the service operates in a competitive market
- affordability and access considerations
- whether there is a strategic or policy rationale for applying a subsidy

Services that deliver primarily private benefit will generally be priced to recover full costs or reflect market rates, while services delivering mixed or public value may be partially or fully subsidised.

By requiring pricing decisions to be deliberate, transparent and evidence-based, this Policy supports consistent decision-making, community trust and Council’s long-term financial resilience while allowing appropriate flexibility to reflect different service contexts.

7.5 Concession

Following the decision about what pricing method to use for a service, Concessions will only be applied where eligibility criteria are defined and approved by Council or prescribed through State or Commonwealth concession arrangements. Concessional pricing aims to remove barriers to participation and is given as deduction on a fee or charge.

8. ROLES AND RESPONSIBILITIES

Role	Responsibilities
Council	<p>Adopts the Pricing Policy and the annual Schedule of Fees and Charges as part of the Budget.</p> <p>May vary non-statutory fees and charges outside of the annual review cycle where required.</p>
Chief Executive Officer	<p>Ensure pricing proposals comply with this Policy prior to submission to Council or approval under delegation.</p>
Executive	<p>Ensure annual review of fees and charges is completed for relevant services in accordance with this Policy.</p> <p>Ensure pricing proposals are supported by appropriate costing, benchmarking, and/or policy rationale as applicable.</p>

9. LEGISLATIVE COMPLIANCE

This Policy has been assessed as compatible with the *Charter of Human Rights and Responsibilities Act 2006*. In line with the *Gender Equality Act 2020 (Vic)*, a Gender Impact Assessment has been completed for this policy.

10. ASSOCIATED COUNCIL DOCUMENTS

Strategic and Planning Documents

- *Council Plan (current)*
- *Council Plan Annual Action Plan (current year)*
- *Council Budget (current year) incorporating fees and charges schedule*
- *Council Financial Plan (10-year plan)*
- *Revenue and Rating Plan (current)*
- *Financial Sustainability Strategy*

Council Policies

- *Leases and Licensing Policy*
- *Procurement Policy*
- *Rates Financial Hardship Policy*
- *Risk Management Framework and Policy*
- *Sports Ground and Facility Allocation Policy*
- *Waste Management Pricing Policy*

11. EXTERNAL REFERENCES / RESOURCES

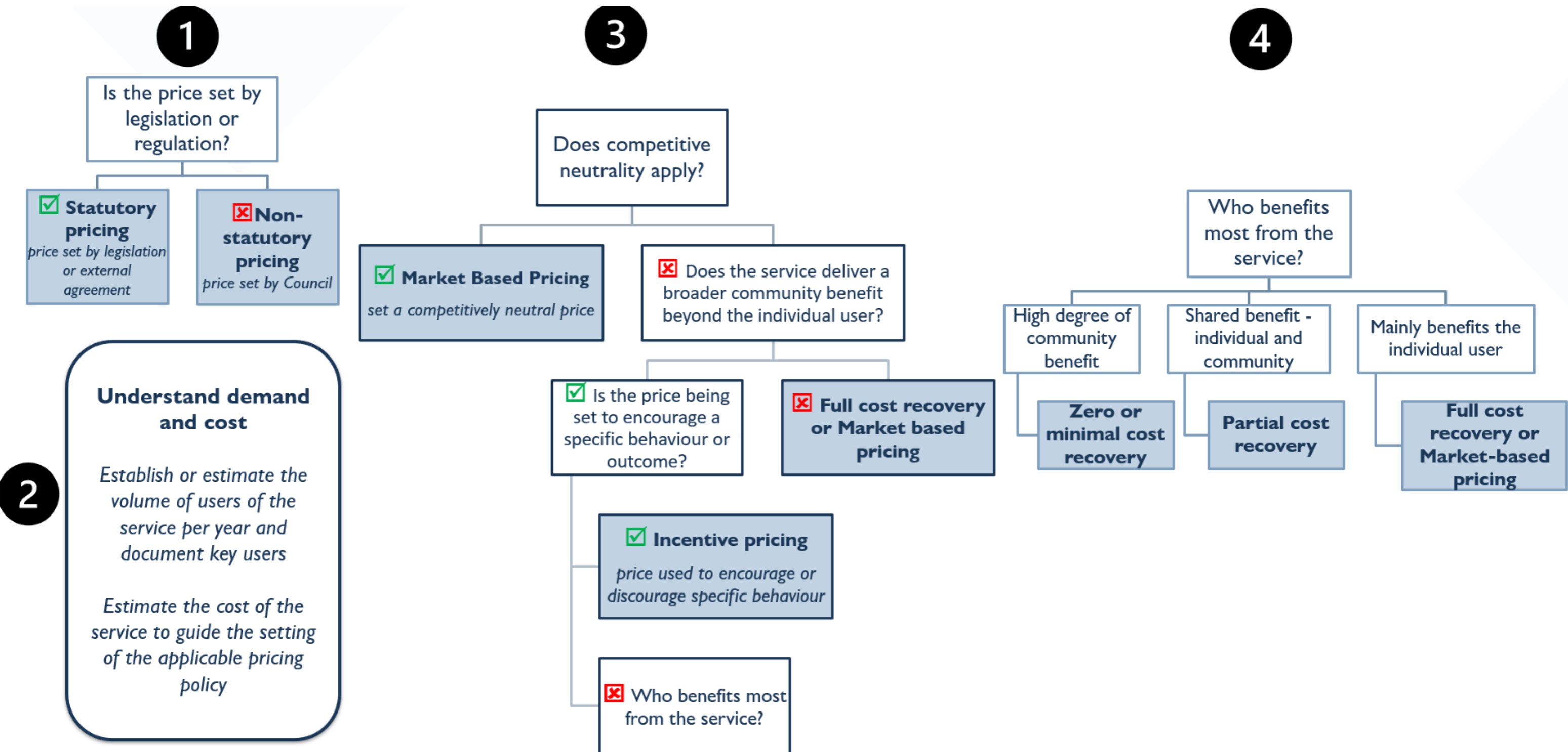
Legislation

- *A New Tax System (Goods and Services Tax) Act 1999*
- *Equal Opportunity Act 2010 (Vic)*
- *Local Government Act 2020 (Vic)*
- *Local Government Regulations 2020 (Vic)*
- *Public Administration Act 2004 (Vic)*

External guidance

- *National Competition Policy (Commonwealth)*
- *Competitive Neutrality Policy (Victoria)*
- *Victorian Auditor-General's Report: Fees and Charges – Cost Recovery by Local Government (April 2010)*

12. APPENDIX – PRICE SETTING PROCESS





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