

## PURPOSE

This policy provides information regarding the levying of Council's rates, its fees and charges and other major income sources.

## SCOPE

This Policy applies to AlburyCity's rates and fees and charges.

## REFERENCES

Local Government Act 1993

## CONTENT

### A. Ordinary Rates and Special Rates Summary

Total revenue raised from the levying of land rates continues to be capped by the State Government with the Independent Pricing & Regulatory Tribunal (IPART) having developed a Local Government Cost Index (LGCI), and population growth factor for use in setting the maximum allowable increase in general income for councils across NSW.

IPART set AlburyCity's rate peg (including population factor) at 1.1% for the 2022/23 financial year. AlburyCity plans to apply for an Additional Special Variation of 0.9% resulting in an overall rate revenue increase of 2% for 2022/23.

Section 494 of the *Local Government Act 1993* (Act) requires Council to make and levy ordinary rates on all rateable land in its area for the year 2022/23.

In accordance with Section 493 and 514 of the Act, all parcels of rateable land within Council's boundaries have been declared to be within one of the following categories. The determination of the category/subcategory for each parcel of rateable land is in accordance with the definitions set out in Sections 515, 516, 518, 518A, 519 and 529 of the Act.

The applicable categories are as follows:

- Farmland
- Residential
- Business

The applicable subcategories are as follows:

- Residential Village
- Rural Residential
- Business Village

Council declares in accordance with Section 495 of the Act of making and levying of special rates for the following:

- Central Business District Parking (Albury CBD Parking)
- Albury CBD Promotional Levy Zone A
- Albury CBD Promotional Levy Zone B
- Albury CBD Promotional Levy Zone C

Special rates revenues are derived solely from ad valorem content, and are proposed to be increased by the annual rate peg and Additional Special Variation increase.

The Albury CBD Parking special rate is not applicable to all land but is concentrated on business categorised properties in a specific area of the Albury Central Business District (Albury CBD) and can be referred to by viewing the plans available. This special rate raises revenues that are applied to maintain existing car parking areas in Central Albury.

Further to the development of the AlburyCity CBD Parking Strategy, Council at its meeting on 14 December 2020 resolved to endorse the option of transitioning from the Albury CBD Parking Special Rate to Ordinary Rates over a period of four years commencing 2021/22. The 2022/23 financial year will see the second year of the gradual re-distribution across to Ordinary rates. This method will create a more equitable and consistent approach to maintain car parking across AlburyCity.

The Promotional Levy Zone's special rate is not applicable to all land but is concentrated on business categorised properties in a specific area of the Albury CBD and can be referred to by viewing the plans available. This special rate raises revenues that are collected and forwarded to Albury Business Connect (formerly referred to as Albury Northside Chamber of Commerce) and applied to various programs to promote the Albury CBD.

Plans showing the areas that Ordinary Rates and Special Rates apply are attached and are also available for review on AlburyCity's website.

Section 497(b) of the Act provides the method of structure for Council's rates. The Council in its ordinary rate has a base amount to which an ad valorem amount is added, the base amount is in accordance with Sections 499 and 500 of the Act.

Table 1 depicts the Ordinary Rate base amounts as will apply for 2022/23.

Table 1

<b>Category</b> ➤ <b>Subcategory</b>	<b>Base amount</b> <b>2022/23</b>
Residential	\$304
➤ Residential Village	\$304
➤ Rural Residential	\$304
Farmland	\$304
Business	\$798
➤ Business Village	\$436

The balance of rates collected is the ad valorem component and is determined by “land value” which is independently determined by the NSW Valuer General.

The Ordinary Rates proposed by the Council for 2022/23 contain a 2% increase in yield and a notional income carry forward adjustment of \$26,355

The valuation of land is a key component in the calculation of rate revenue to be collected by Council from landowners within AlburyCity. The 1 July 2019 unimproved land values will be used by AlburyCity to set the rates for the 2022/23 financial year.

Table 2 illustrates the proposed ordinary and special rates for the 2022/23 financial year.

Table 2

<b>2022/23 Rate Revenue</b>	<b>Ad Valorem ¢ in \$</b>	<b>Base Amount of Rate</b>	<b>Yield from Base Amount</b>	<b>Total Estimated Yield</b>
<b>Ordinary Rates</b>				
Residential	0.00868255	\$304	22%	\$31,823,672
➤ Residential Village	0.00738017	\$304	17%	\$1,418,155
➤ Rural Residential	0.00607779	\$304	12%	\$1,090,377
Farmland	0.00520953	\$304	6%	\$851,801
Business	0.01476302	\$798	11%	\$12,354,169
➤ Business Village	0.00738151	\$436	33%	\$83,555
<b>Total ordinary rates</b>				<b>\$47,621,729</b>
<b>Special Rates</b>				
Albury Parking	0.00099793			\$285,341
CBD Promotional-Zone A	0.00101522			\$58,021
CBD Promotional-Zone B	0.00055073			\$73,755
CBD Promotional-Zone C	0.00041181			\$39,064
<b>Total special rates</b>				<b>\$456,181</b>
<b>Total ordinary and special rates revenue</b>				<b>\$48,077,910</b>

AlburyCity has applied the following method when making the ad valorem for 2022/23 as per existing Council policy:

- Residential Village sub-category is 85% of Residential category ad valorem ¢ in \$.
- Rural Residential sub-category is 70% of Residential category ad valorem ¢ in \$.
- Farmland category is 60% of Residential category ad valorem ¢ in \$.
- Business Village sub-category is 50% of Business category ad valorem ¢ in \$.

AlburyCity has ensured base amount revenues are following Section 500 of the Act and do not produce more than 50 per cent of the total amount payable by the levying of the rate.

Table 3 below reflects the average change in total rates. As can be seen, the average change in total ordinary rates is an increase of 2.3%, whilst the special rates average has decreased by 22.3%. Main factors driving these changes include:

- Transitioning the CBD Parking special rate into Ordinary rates over a four-year period;
- Shifts in Land values; and
- Number of assessments.

The budgeted average assessment for ordinary and special rates per category is shown in Table 3. As can be seen, the total revenue increase reflects the prescribed AlburyCity rate peg and planned Additional Special Variation.

Table 3

<b>2022/23 Average Rate Assessment</b>	<b>Assessments</b>	<b>Rate Revenue</b>	<b>Average Income Change</b>	<b>Average Assessment</b>
Residential	22,523	\$31,823,672	2.3%	\$1,413
Residential Village	784	\$1,418,155	2.4%	\$1,809
Rural Residential	442	\$1,090,377	2.5%	\$2,467
Farmland	176	\$851,801	2.7%	\$4,840
Business	1,777	\$12,354,169	2.2%	\$6,952
Business Village	64	\$83,555	1.7%	\$1,306
<b>Total ordinary rates</b>	<b>25,766</b>	<b>\$47,621,729</b>	<b>2.3%</b>	
<b>Special Rates</b>				
Albury Parking	445	\$285,341	-32.0%	\$641
CBD Promotional-Zone A	43	\$58,021	2.0%	\$1,349
CBD Promotional-Zone B	238	\$73,755	2.0%	\$310
CBD Promotional-Zone C	164	\$39,064	2.0%	\$238
<b>Total special rates</b>		<b>\$456,181</b>	<b>-22.3%</b>	
<b>Total rate revenue</b>		<b>\$48,077,910</b>	<b>2.0%</b>	

## B. Council Annual and User Charges

### 1. Domestic Waste and Non-Domestic Waste Management Services

AlburyCity intends to make the following charges for levying in 2022/23 to meet the reasonable costs associated with the collection, disposal, and recycling in accordance with Sections 496, 501 and 504 of the Act. AlburyCity will levy annual charges per annum for the following services:

- Domestic Waste Management
- Non-Residential Waste Management

These service charges apply to residential and non-residential properties.

The Waste Collection budgeted charges for 2022/23 financial year is shown by Table 4.

Table 4

<b>Domestic Waste Management (Section 496)</b>	<b>Standard Service Charge</b>	<b>Estimated Yield</b>
Default Service Option	\$270	\$6,121,686
Large Recycling Option	\$290	\$68,708
Large Refuse Service Option	\$324	\$425,481
Small Service Option	\$240	\$105,462
Weekly Refuse Option	\$330	\$0
Full Size Service Option	\$368	\$0
Vacant Land	\$27	\$30,755
<b>Total</b>		<b>\$6,752,092</b>

<b>Non-Residential Waste Management (Section 501)</b>	<b>Standard Service Charge</b>	<b>Estimated Yield</b>
Default Service Option	\$270	\$176,054
Large Recycling Option	\$290	\$881
Large Refuse Service Option	\$324	\$13,122
Small Service Option	\$240	\$43,254
<b>Total</b>		<b>\$233,310</b>

### 2. Water Charges

AlburyCity intends to make the following water charges for levying in 2022/23 in accordance with Sections 501, 502 and 552 of the Act, as well as reflecting the requirements of the Council of Australian Governments through the NSW Water, Supply Sewerage and Trade Waste Pricing Guidelines.

Water meter reads are scheduled for October, February and June with billing generally undertaken in the subsequent month. Annual charges will be levied in three equal instalments.

Revenue for residential and non-residential access and usage is included in Table 5.

Table 5

<b>Water Access Charges (Section 501)</b>	<b>Annual Access Charge</b>	<b>Estimated Yield</b>
Not connected to system	\$139.20	\$87,418
Service Size: 20mm-connected to system	\$139.20	\$2,799,173
Service Size: 25mm-connected to system	\$217.50	\$97,875
Service Size: 32mm-connected to system	\$356.40	55,955
Service Size: 40mm-connected to system	\$556.80	\$165,926
Service Size: 50mm-connected to system	\$870.00	\$22,620
Service Size: 65mm-connected to system	\$1,470.30	\$52,931
Service Size: 80mm-connected to system	\$2,227.20	\$1,260,595
Service Size: 100mm-connected to system	\$3,480.00	\$142,680
Service Size: 150mm-connected to system	\$7,830.00	\$62,640
<b>Total</b>		<b>\$4,747,813</b>

<b>Water Consumption Charges (Section 502)</b>	<b>Per kilolitre</b>	<b>Estimated Yield</b>
Residential Usage First 225kL	\$1.41	\$5,341,159
Residential Usage 226kL to 19,999kL	\$2.35	\$2,456,504
Residential Usage 20,000kL plus	\$1.90	Nil
Non-Residential Usage	\$1.90	\$4,133,216
Greater Hume Shire Council LWU Supply Scheme Usage Charge	\$1.71	\$820,800
<b>Total</b>		<b>\$12,751,680</b>

The above table figures are based on forward projections for water usage, as well as forecast operational and capital expenditure. Therefore, changes in water usage will have an impact on these projections.

AlburyCity's Schedule of Fees and Charges 2022/23 (including those for Water) is an appendix to this document and should be read in conjunction with this policy. This is a comprehensive list of all fees and charges and details the relevant sections of the Act that authorises Council to charge.

### 3. Sewerage

AlburyCity intends to make the following charges for levying in 2022/23 in accordance with Sections 501, 502 and 552 of the Act, as well as reflecting the requirements of the Council of Australian Governments through the NSW Water Supply, Sewerage and Trade Waste Pricing Guidelines.

Water meter reads are scheduled for October, February and June with billing generally undertaken in the subsequent month. Annual charges will be levied in three equal instalments.

Residential sewerage charges are a single fee but are calculated recognising both access and treatment components.

Revenue for residential and non-residential access and treatment is shown by Table 6.

Table 6

<b>Sewerage Charges (Section 501)</b>	<b>Annual Access Charge</b>	<b>Estimated Yield</b>
Residential-not connected to system	\$140.40	\$149,666
Residential-connected to system	\$713.25	\$16,915,437
Non-Residential-not connected to system	\$180.00	\$47,160
Service Size: 20mm-connected to system	\$280.95	\$318,400
Service Size: 25mm-connected to system	\$438.90	\$134,024
Service Size: 32mm-connected to system	\$719.10	\$76,091
Service Size: 40mm-connected to system	\$1,123.50	\$139,123
Service Size: 50mm-connected to system	\$1,755.45	\$218,037
Service Size: 65mm-connected to system	\$2,966.70	\$10,389
Service Size: 80mm-connected to system	\$4,494.00	\$127,035
Service Size: 100mm-connected to system	\$7,021.65	\$125,221
Service Size: 150mm-connected to system	\$15,798.45	\$39,928
<b>Total</b>		<b>\$18,300,511</b>

<b>Sewerage Treatment Charge (Section 502)</b>	<b>Per kilolitre</b>	<b>Estimated Yield</b>
Sewerage Treatment Charge	\$2.92	\$3,395,849
<b>Total</b>		<b>\$3,395,849</b>

AlburyCity's Schedule of Fees and Charges 2022/23 (including those for Sewer) is an appendix to this document and should be read in conjunction with this policy. This is a comprehensive list of all fees and charges and details the relevant sections of the Act that authorises Council to charge.

The above table figures are based on forward projections for water usage, as well as forecast operational and capital expenditure. Therefore, changes in usage may have an impact on these projections.

#### 4. Trade Waste

AlburyCity intends to make the following Trade Waste charges for levying in 2022/23 in accordance with Sections 501 and 502 of the Act, as well as reflecting the requirements of the Council of Australian Governments through the NSW Water Supply, Sewerage and Trade Waste Pricing Guidelines.

Trade Waste will be separately charged for businesses that contribute pollutants to the system greater than the normal load, the charges comprise both fixed and treatment components.

Budgeted revenue for trade waste is included in Table 7:

Table 7

<b>Trade Waste Charges (TW) (Section 501)</b>	<b>Annual Charge</b>	<b>Estimated Yield</b>
TW-Agreement Charge	\$99.00	\$792
First TW facility-Annual Administration Charge	\$90.90	\$34,542
Additional TW facility-Annual Administration Charge	\$56.90	\$5,064
TW facility-Annual Administration Charge (C)	\$393.00	\$3,144
<b>Total</b>		<b>\$43,542</b>

  

<b>Trade Waste Treatment Charge (Section 502)</b>	<b>Per kilolitre</b>	<b>Estimated Yield</b>
TW-R1	\$2.00	\$420,000
TW-R2	\$5.30	\$530
TW-R3	\$18.40	Nil
<b>Total</b>		<b>\$420,530</b>

Excess mass charges apply which are subject to volume variations. For more information refer to the AlburyCity's Schedule of Fees and Charges 2022/23 which is an appendix to this document and should be read in conjunction with this policy. This is a comprehensive list of all fees and charges and details the relevant sections of the Act that authorises Council to charge.

The above figures are based on forward projections for usage, as well as forecast operational and capital expenditure. Therefore, changes in usage may have an impact on these projections.

## 5. Rates & Charges Payments

AlburyCity rates and charges are payable in full or by quarterly instalments in accordance with Section 562 of the Act.

Council may agree to enter into a payment plan with the titled owner/s. The amount and frequency of the payments under the agreement are required to be acceptable to Council.

Section 566 of the Act enables the charging of interest on rates and charges that remain unpaid after they become due and payable. The applicable interest rate is set each year by the minister for Local Government. Council will adopt the maximum rate applicable as set by the Minister.

A 1.5% discount will be available to ratepayers who pay their rates and charges in full by the nominated date set at levy time; this is in accordance with Section 563 of the Act.

## C. Council Annual Fees & Pricing Policy

Fees and charges revenue contributes to the funding of AlburyCity services and infrastructure. The following principles are considered as part of the annual review of fees and charges:

- Applying the 'user contributes' principle
- Asset/community utilisation
- Market competitiveness



The Council approves with this Revenue Policy a Schedule of Fees and Charges for its activities and services to apply in 2022/23. This schedule is extensive to cover the broad range of Council services and facilities. AlburyCity's Schedule of Fees and Charges 2022/23 is an appendix to this document and should be read in conjunction with this policy. This list details the relevant sections of the Act that authorises Council to charge. Some fees are set by State Government legislation and cannot be altered by Council.

There are five pricing categories within the Schedule of Fees and Charges which are:

- A. Statutory charge set by regulation;
- B. Recommended rate by advisory organisation;
- C. Partially subsidised rate, applying the 'user contributes' principle;
- D. Fully subsidised rate; and
- E. Commercial rate to recover all costs & risks, applying a 'user pays' principle

#### **D. Waiver or Reduction of Fees**

Section 610E of the *Local Government 1993* allows Council to waive payment of, or reduce, certain non-business activity fees if it is satisfied that the case falls within a category of hardship or any other category that Council has determined.

Council has determined that depending upon the context of the situation, non-business activity fees may be waived or reduced in the following circumstances:

*Table 8*

<b>Category</b>	<b>Description</b>
Hardship	Where there is evidence that the payment of the fee will impose significant and/or unreasonable financial hardship in an applicant's personal circumstances, including where the applicant provides evidence of temporary or terminal illness. In general terms the loss of income due to recent unemployment is not automatic or entirely sufficient to support a claim for hardship; it will however be a consideration in the context of structuring a hardship payment plan.
Charity	Where the applicant is a registered charity, and the fee is for a service that will enable the provision of charitable services for the betterment of the AlburyCity community.
Not for profit	Where the applicant is an organisation that holds "not for profit" status and the fee is for a service that will enable the achievement of their objectives and betterment for the AlburyCity community.
Commercial	Where it is in the commercial interest of Council to attract and or secure investments, services, and activities of significance to the AlburyCity local government area
Miscellaneous	In circumstances, including but not limited to, where the fee arises: <ul style="list-style-type: none"> <li>- through no fault of the individual;</li> <li>- due to unforeseen circumstances;</li> <li>- due to a natural disaster.</li> </ul> Or where it is determined to be in the public interest.

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Council will directly, or through delegated authority, assess and make determinations on requests for the reduction or waiver of fees in accordance with the following principles:

- (a) compliance with relevant legislation;
- (b) compliance with any applicable Council policy or procedure;
- (c) fairness, consistency, and equity; and
- (d) transparency.

#### **E. Scale of Fees for Private Works**

AlburyCity Engineering group provides a range of private works services which include but are not limited to:

- horticultural;
- civil construction;
- building maintenance; and
- fleet management and servicing.

It is AlburyCity's practice that private works are charged at the appropriate labour, equipment, and material rates to fully recover all costs.

Charges for specific activities are specified in the AlburyCity's Schedule of Fees and Charges. Competitive quotes are provided for other services as requested.

#### **F. Sale of Assets**

Proceeds forecast from the sale of real estate assets for the 2022/23 financial year total \$3.6 million.

#### **G. Funds Returned to Council from Community Financial Loans**

AlburyCity has provided interest free loan funding to qualifying community groups. This program enables groups to bring forward expenditure on facilities and spread the cost over the life of the facility by repaying the loan generally over a ten-year term.

#### **H. Proposed Borrowings**

It is proposed that AlburyCity continue the practice of part funding capital projects with borrowings as this carries part of the project cost to the future users of the asset. Borrowings are proposed to be long-term loans repayable by quarterly instalments that will be sourced from the banking sector and secured against Council revenue.

Debt levels are measured against Councils current and projected debt service ratio. A conservative position against industry benchmarks is maintained. New loans of \$22.2 million are budgeted for the 2022/23 financial year to support capital new initiatives. Further borrowings are projected to occur in future years of the delivery program.

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## AUTHORISATION

<b>Owner</b>	<b>Directorate</b>	Business, Growth & Community
	<b>Responsible Officer</b>	Service Leader Strategy & Performance
<b>Review Date</b>	This Policy is updated Annually	
<b>Register</b>	This policy is included in the Public Policy and Procedure Register.	
<b>Record of Amendments</b>	Reviewed each year in conjunction with the Four-Year Delivery and Operational Plan	

## Attachments

1. General Rate Category Map
2. Albury CBD Special Rate Map
3. Albury CBD Parking Rate Zone Map
4. Fees and Charges Schedule

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