

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) for use in setting the maximum allowable increase in general income for local government.

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 2021/22.

In accordance with Section 493 and 514 of the Act, all parcels of rateable land within Councils boundaries have been declared to be within one of the following categories:

- Farmland
- Residential
- Business

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 it is proposed to be increased by the annual rate peg percentage increase of 2.0% as set by IPART. This rise reflects cost increments that IPART have determined as applying to Local Government.

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; and seek public submissions to this proposal as part of the public exhibition of AlburyCity's draft 2021/22 Statement Revenue Policy. The gradual re-distribution will create a more equitable and consistent revenue policy to maintain car parking across AlburyCity. The transition over four years will also lessen the impact on ordinary rate categories.

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 2021/22.

Table 1

Category ➤ Subcategory	Base amount 2021/22
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 2021/22 contain a 2.0% increase in yield and a notional income carry forward adjustment of \$35,020.

The valuation of land is a key component in the calculation of rate revenue to be collected by Council from land owners within AlburyCity. The 1 July 2019 unimproved land values will be used by AlburyCity to set the rates for the 2021/22 financial year.

Table 2 illustrates the proposed ordinary and special rates for the 2021/22 financial year.

Table 2

2021/22 Rate Revenue	Ad Valorem ¢ in \$	Base Amount of Rate	Yield from Base Amount	Total Estimated Yield
Ordinary Rates				
Residential	0.00843865	\$304	22%	\$30,651,977
➤ Residential Village	0.00717286	\$304	17%	\$1,212,358
➤ Rural Residential	0.00590706	\$304	13%	\$1,067,054
Farmland	0.00506319	\$304	6%	\$842,399
Business	0.01439424	\$798	12%	\$11,842,338
➤ Business Village	0.00719712	\$436	34%	\$82,165
Total ordinary rates				\$45,698,291
Special Rates				
Albury Parking	0.00146755			\$419,638
CBD Promotional-Zone A	0.00099531			\$56,883
CBD Promotional-Zone B	0.00053993			\$72,163
CBD Promotional-Zone C	0.00040374			\$38,412
Total special rates				\$587,096
Total ordinary and special rates revenue				\$46,285,387

AlburyCity has applied the following method when making the ad valorem for 2021/22 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 in compliance with 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 17.6%. 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 is at the prescribed 2.0% rate peg.

Table 3

2021/22 Average Rate Assessment	Assessments	Rate Revenue	Average Income Change	Average Assessment
Residential	22,225	\$30,651,977	2.2%	\$1,379
Residential Village	674	\$1,212,358	2.4%	\$1,799
Rural Residential	440	\$1,067,054	2.2%	\$2,425
Farmland	175	\$842,399	2.7%	\$4,814
Business	1742	\$11,842,338	2.5%	\$6,798
Business Village	64	\$82,165	1.8%	\$1,284
Total ordinary rates	25,320	\$45,698,291	2.3%	
Special Rates				
Albury Parking	448	\$419,638	-23.5%	\$937
CBD Promotional-Zone A	43	\$56,883	2.0%	\$1,323
CBD Promotional-Zone B	240	\$72,163	2.0%	\$301
CBD Promotional-Zone C	165	\$38,412	2.0%	\$233
Total special rates	896	\$587,096	-17.6%	
Total rate revenue		\$46,285,387	2.0%	

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 2021/22 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 charges for 2020/21 were decreased by \$40 in response to COVID-19, as part of Councils financial assistance package. The Waste Collection charges for 2021/22 have reverted back to pre-COVID-19 rates as shown in Table 4.

Table 4

Domestic Waste Management (Section 496)	Standard Service Charge	Estimated Yield
Default Service Option	\$250	\$5,598,250
Larger Recycling Option	\$270	\$63,180
Large Service Option	\$297	\$385,209
Small Service Option	\$227	\$98,518
Weekly Refuse Option	\$315	\$0
Weekly Refuse Option With a Large Recycling Bin	\$295	\$0
Weekly Refuse Option With a Large Refuse Bin	\$322	\$0
Vacant Land	\$25	\$28,125
Total		\$6,173,282

Non-Residential Waste Management (Section 501)	Standard Service Charge	Estimated Yield
Default Service Option	\$250	\$161,000
Larger Recycling Option	\$270	\$810
Large Service Option	\$297	\$11,880
Small Service Option	\$227	\$40,406
Total		\$214,096

2. Water Charges

AlburyCity intends to make the following water charges for levying in 2021/22 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

Water Access Charges (Section 501)	Annual Access Charge	Estimated Yield
Not connected to system	\$139.20	\$87,418
Service Size: 20mm-connected to system	\$139.20	\$3,618,226
Service Size: 25mm-connected to system	\$217.50	\$95,048
Service Size: 32mm-connected to system	\$356.40	\$46,688
Service Size: 40mm-connected to system	\$556.80	\$84,634
Service Size: 50mm-connected to system	\$870.00	\$157,470
Service Size: 65mm-connected to system	\$1,470.30	\$8,822
Service Size: 80mm-connected to system	\$2,227.20	\$113,587
Service Size: 100mm-connected to system	\$3,480.00	\$153,120
Service Size: 150mm-connected to system	\$7,830.00	\$54,810
Total		\$4,419,823

Water Consumption Charges (Section 502)	Per kilolitre	Estimated Yield
Residential Usage First 225kL	\$1.41	\$4,988,401
Residential Usage 226kL to 19,999kL	\$2.35	\$1,645,707
Residential Usage 20,000kL plus	\$1.90	Nil
Non Residential Usage	\$1.90	\$4,127,600
Greater Hume Shire Council LWU Supply Scheme Usage Charge	\$1.71	\$820,800
Total		\$11,582,508

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 2021/22 (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 2021/22 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

Sewerage Charges (Section 501)	Annual Access Charge	Estimated Yield
Residential-not connected to system	\$140.40	\$135,626
Residential-connected to system	\$713.25	\$16,632,990
Non-Residential-not connected to system	\$180.00	\$42,660
Service Size: 20mm-connected to system	\$280.95	\$309,239
Service Size: 25mm-connected to system	\$438.90	\$131,161
Service Size: 32mm-connected to system	\$719.10	\$73,828
Service Size: 40mm-connected to system	\$1,123.50	\$139,861
Service Size: 50mm-connected to system	\$1,755.45	\$212,434
Service Size: 65mm-connected to system	\$2,966.70	\$10,363
Service Size: 80mm-connected to system	\$4,494.00	\$126,722
Service Size: 100mm-connected to system	\$7,021.65	\$130,600
Service Size: 150mm-connected to system	\$15,798.45	\$39,830
Total		\$17,985,314

Sewerage Treatment Charge (Section 502)	Per kilolitre	Estimated Yield
Sewerage Treatment Charge	\$2.92	\$3,387,915
Total		\$3,387,915

AlburyCity's Schedule of Fees and Charges 2021/22 (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 2021/22 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

Trade Waste Charges (TW) (Section 501)	Annual Charge	Estimated Yield
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
Total		\$43,542

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

Excess mass charges apply which are subject to volume variations. For more information refer to the AlburyCity's Schedule of Fees and Charges 2021/22 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 2021/22. This schedule is extensive to cover the broad range of Council services and facilities. AlburyCity's Schedule of Fees and Charges 2021/22 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

Category	Description
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"> - through no fault of the individual; - due to unforeseen circumstances; - due to a natural disaster. Or where it is determined to be in the public interest.

This document is uncontrolled once printed. Refer to the AlburyCity website / intranet for current version.

<i>Effective Date:</i> 1 July 2021	<i>Version</i> 1	<i>Draft - Statement of Revenue Policy 2021/22</i>	<i>DOC21/49510</i>	<i>Page 9 of 11</i>
---------------------------------------	---------------------	--	--------------------	---------------------

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 2021/22 financial year total \$2.9 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 \$19.5 million are budgeted for the 2021/22 financial year to support capital new initiatives. Further borrowings are projected to occur in future years of the delivery program.

AUTHORISATION

Owner	Directorate	Business, Growth & Community
	Responsible Officer	Service Leader Strategy & Performance
Review Date	This Policy is updated Annually	
Register	This policy is included in the Public Policy and Procedure Register.	
Record of Amendments	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

This document is uncontrolled once printed. Refer to the AlburyCity website / intranet for current version.

<i>Effective Date:</i> 1 July 2021	<i>Version</i> 1	<i>Draft - Statement of Revenue Policy 2021/22</i>	<i>DOC21/49510</i>	<i>Page 11 of 11</i>
---------------------------------------	---------------------	--	--------------------	----------------------