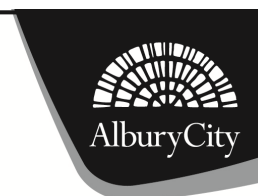


<b>POLICY NAME</b>	Statement of Revenue Policy 2017/18 (Part of Four Year Delivery and Operational Program)
<b>DIRECTORATE</b>	Executive Services



## PURPOSE

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

### A. Estimated Income and Expenditure

Council's position of revenues by category and expenses by category from continuing operations are detailed in *Attachment 1*. This attachment projects outcomes for the next four years at a detailed level and displays the net operating result.

### B. 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 2017/18.

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 1.5% 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.

Council will consult with the community regarding the Albury CBD Parking Special Rate in 2018/19 following completion of the review of the Albury Parking Strategy which is to be completed during the 2017/18 financial year.

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 the organisation known as Albury Central and applied to programs to promote the Albury CBD.

Plans showing the areas that Ordinary Rates and Special Rates apply are attached, available for inspection at the Council Offices, 553 Kiewa Street Albury, and on the 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 2017/18.

Table 1

<b>Category</b>	<b>Base amount</b>
<b>➤ Subcategory</b>	<b>2017/18</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 2017/18 contain a 1.5% increase in yield and a notional income carry forward adjustment of (\$52,957).

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 2016 unimproved land values will be used to set the rates for the 2017/18 financial year.

Table 2 illustrates the proposed ordinary and special rates for the 2017/18 financial year.

Table 2

2017/18 Rate Revenue	Ad Valorem ¢ in \$	Base Amount of Rate	Yield from Base Amount	Total Estimated Yield
<b>Ordinary Rates</b>				
Residential	0.008152	\$304	24%	\$26,558,120
➤ Residential Village	0.006929	\$304	18%	\$749,199
➤ Rural Residential	0.005706	\$304	14%	\$928,034
Farmland	0.004891	\$304	8%	\$673,632
Business	0.013861	\$798	12%	\$10,426,908
➤ Business Village	0.006931	\$436	38%	\$74,425
<b>Total ordinary rates</b>				<b>\$39,410,317</b>
<b>Special Rates</b>				
Albury Parking	0.001861			\$504,680
CBD Promotional-Zone A	0.000938			\$50,870
CBD Promotional-Zone B	0.000508			\$64,204
CBD Promotional-Zone C	0.000392			\$35,156
<b>Total special rates</b>				<b>\$654,910</b>
<b>Total ordinary and special rates revenue</b>				<b>\$40,065,227</b>

AlburyCity has applied the following method when making the ad valorem for 2017/18 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.

The budgeted average assessment for ordinary and special rates per category is shown in Table 3.

Table 3

<b>2017/18 Average Rate Assessment</b>	<b>Assessments</b>	<b>Rate Revenue</b>	<b>Permissible Income Change</b>	<b>Average Assessment</b>	<b>Average Assessment Change</b>
Residential	21,030	\$26,558,120	0.5%	\$1,263	0.6%
Residential Village	448	\$749,199	4.4%	\$1,672	4.9%
Rural Residential	430	\$928,034	10.4%	\$2,158	10.4%
Farmland	179	\$673,632	14.4%	\$3,763	14.4%
Business	1654	\$10,426,908	1.2%	\$6,304	1.4%
Business Village	65	\$74,425	1.1%	\$1,145	1.1%
<b>Total ordinary rates</b>	<b>23,806</b>	<b>\$39,410,317</b>	<b>1.2%</b>		
<b>Special Rates</b>					
Albury Parking	443	\$504,680	1.5%	\$1,139	1.5%
CBD Promotional-Zone A	42	\$50,870	1.5%	\$1,211	1.5%
CBD Promotional-Zone B	239	\$64,204	1.5%	\$269	1.5%
CBD Promotional-Zone C	159	\$35,156	1.5%	\$221	1.5%
<b>Total special rates</b>		<b>\$654,910</b>	<b>1.5%</b>		
<b>Total rate revenue</b>		<b>\$40,065,227</b>	<b>1.2%</b>		

Your Rates at Work (Attachment ii) details Council's income sources and how this income is spent on services and infrastructure.

## **C. Council Annual and User Charges**

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

AlburyCity intends to make the following charges for levying in 2017/18 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.

Waste Collection budgeted revenue for the 2017/18 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	\$250	\$5,430,250
Larger Recycling Option	\$270	\$35,640
Large Service Option	\$297	\$183,546
Small Service Option	\$227	\$72,640
Vacant Land	\$25	\$27,225
<b>Total</b>		<b>\$5,749,301</b>

<b>Non-Residential Waste Management (Section 501)</b>	<b>Standard Service Charge</b>	<b>Estimated Yield</b>
Default Service Option	\$250	\$200,000
Larger Recycling Option	\$270	\$540
Large Service Option	\$297	\$5,940
Small Service Option	\$227	\$227
<b>Total</b>		<b>\$206,707</b>

## 2. Water Charges

AlburyCity intends to make the following water charges for levying in 2017/18 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	\$137.70	\$94,325
Service Size: 20mm-connected to system	\$137.70	\$3,367,412
Service Size: 25mm-connected to system	\$215.25	\$86,961
Service Size: 32mm-connected to system	\$352.65	\$43,376
Service Size: 40mm-connected to system	\$550.80	\$82,620
Service Size: 50mm-connected to system	\$860.70	\$153,205
Service Size: 65mm-connected to system	\$1,454.55	\$7,273
Service Size: 80mm-connected to system	\$2,203.20	\$110,160
Service Size: 100mm-connected to system	\$3,442.50	\$151,470
Service Size: 150mm-connected to system	\$7,745.70	\$46,474
<b>Total</b>		<b>\$4,143,276</b>

<b>Water Consumption Charges (Section 502)</b>	<b>Per kilolitre</b>	<b>Estimated Yield</b>
Residential Usage First 225kL	\$1.39	\$4,924,881
Residential Usage 226kL to 19,999kL	\$2.34	\$2,045,864
Non Residential Usage	\$1.88	\$3,879,906
Greater Hume Shire Council LWU Supply Scheme Usage Charge	\$1.70	\$612,000
<b>Total</b>		<b>\$11,462,651</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 2017/18 (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 2017/18 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 usage components.

Revenue for residential and non-residential access and usage 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	\$124,254
Residential-connected to system	\$713.25	\$15,742,341
Non-Residential-not connected to system	\$180.00	\$39,060
Service Size: 20mm-connected to system	\$280.95	\$305,455
Service Size: 25mm-connected to system	\$438.90	\$120,606
Service Size: 32mm-connected to system	\$719.10	\$70,370
Service Size: 40mm-connected to system	\$1,123.50	\$140,828
Service Size: 50mm-connected to system	\$1,755.45	\$212,167
Service Size: 65mm-connected to system	\$2,966.70	\$10,363
Service Size: 80mm-connected to system	\$4,494.00	\$117,850
Service Size: 100mm-connected to system	\$7,021.65	\$123,846
Service Size: 150mm-connected to system	\$15,798.45	\$39,830
<b>Total</b>		<b>\$17,046,970</b>

<b>Sewerage Treatment Charge (Section 502)</b>	<b>Per kilolitre</b>	<b>Estimated Yield</b>
Sewerage Treatment Charge	\$2.92	\$2,843,880
<b>Total</b>		<b>\$2,843,880</b>

AlburyCity's Schedule of Fees and Charges 2017/18 (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 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 2017/18 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 usage 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	\$93.10	\$1,397
First TW facility-Annual Administration Charge	\$85.70	\$30,852
Additional TW facility-Annual Administration Charge	\$53.50	\$4,708
TW facility-Annual Administration Charge (C)	\$369.80	\$2,958
<b>Total</b>		<b>\$39,915</b>

Trade Waste Treatment Charge (Section 502)	Per kilolitre	Estimated Yield
TW-R1	\$1.89	\$388,611
TW-R2	\$5.00	11,500
TW-R3	\$17.33	Nil
<b>Total</b>		<b>\$400,111</b>

Excess mass charges apply which are subject to volume variations. For more information refer to the AlburyCity's Schedule of Fees and Charges 2017/18 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.

## D. Council Annual Fees & Pricing Policy

The Council approves with this Revenue Policy a Schedule of Fees and Charges for its activities and services to apply in 2017/18. This schedule is extensive to cover the broad range of Council services and facilities. AlburyCity's Schedule of Fees and Charges 2017/18 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.

## E. 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:

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"><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.

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:

- compliance with relevant legislation;
- compliance with any applicable Council policy or procedure;
- fairness, consistency and equity; and



- (d) transparency.

## F. 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.

## G. Sale of Assets

Proceeds forecast from the disposal of Council plant and equipment and sales of real estate are as per Table 8.

Table 8

Sale of asset proceeds	2017/18
Real estate	\$1,471,800
Plant and equipment	\$3,000
Total	\$1,474,800

## H. 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.

## I. 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 the current and projected debt service ratio. A conservative position against industry benchmarks is maintained. Table 9 provides further details of proposed loans for the 2017/18 financial year in accordance with the *Local Government (General) Regulation 2005: Regulation 201(1)(f)*.

Table 9

Budgeted 2017/18 Loan Requirements	
SVR s508 Tranche 6 – 2018	\$3,000,000
Cfw Works SVR s508 Tranche 4	\$2,000,000
<b>Total</b>	<b>\$5,000,000</b>

These projects are contained within the Operational Plan and the related loans schedule, with further borrowings scheduled to occur in the remaining three years of the delivery program. These are also projected in the budget loan schedules. Council has indicated that it may consider further borrowings in the future as part of the annual review of with its Long Term Financial Plan.

## AUTHORISATION

<b>Status</b>	<b>Committee</b>	
	<b>Manex</b>	
	<b>Council</b>	Council Meeting 13 <sup>th</sup> June 2017
<b>Owner</b>	Executive Services	
<b>History</b>	This Policy is updated annually.	
<b>Other</b>	This policy forms part of the 2017/18 Operational Plan. See attachments to this Policy. Included in the AlburyCity Public Policy Register.	
<b>Last issued: June 2016</b>		<b>Review:</b> Reviewed each year in conjunction with the Four Year Delivery and Operational Plan.
<b>TRIM REFERENCE</b> DOC17/38398		

- **Attachments**

- i. [Income Statement Statutory Format \(incorporating 1.g.\)](#)
- ii. [Your Rates at Work.](#)
- iii. [General Rates Category Maps 2017/18](#)
- iv. [Albury CBD Special Rates Map 2017/18](#)
- v. [Albury CBD Parking Rate Zone Map](#)
- vi. [Fees and Charges 2017/18](#)
- vii. [Water and Sewer Pricing 2017/18](#)
- viii. [2016 Land Valuation Analysis](#)