

Statement of Revenue Policy 2026-27

Final

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Executive Summary

For the 2026/27 financial year, AlburyCity will levy ordinary and special rates in accordance with the *Local Government Act 1993*, with total rate revenue regulated under the State Government's rate-pegging framework. IPART has set AlburyCity's rate peg at 3.6%, which determines the maximum increase in general rate income. Ordinary rates will continue to be applied across the established land categories, Residential, Business and Farmland, with several subcategories used to reflect differing land uses. The transition of former village properties into urban rating structures, initiated in 2023/24, will conclude with the adoption of the 2026/27 rates in the dollar.

Total ordinary rate revenue for 2026/27 is projected at \$57.9 million, with special rates contributing an additional \$198,552, bringing total rate income to \$58.1 million. Special rates apply only to business properties within defined zones of the Albury CBD to fund promotional activities delivered by Albury Business Connect. Base amounts and ad valorem rates have been set to ensure compliance with Section 500 of the *Local Government Act 1993*, while proportional adjustments continue to apply to transitioning subcategories such as Residential Village, Rural Residential and Business Village properties.

In addition to land rates, Council will levy a range of annual charges for domestic and non-residential waste services, water supply, sewerage services and trade waste. Domestic waste charges will rise to \$388 for the standard service, generating an estimated \$10.4 million. Water access and consumption charges are expected to yield \$22.8 million, while sewerage charges will produce approximately \$21.5 million in access fees and \$6.8 million in treatment charges. These charges have been set in line with state pricing guidelines and reflect the costs of service delivery, maintenance, and future capital requirements.

Looking ahead, AlburyCity's financial position is improving but remains challenged by increasing debt levels and the substantial investment needed for future water and sewer infrastructure. The management of operating income and/or expenditure will be required over the next two years to ensure long-term financial sustainability. This is particularly important as reliance on borrowings to fund major infrastructure will eventually reach practical and legislated limits, making financial performance improvement a key priority.

Ordinary Rates and Special Rates Summary

Revenue from land rates remains capped by the State Government, with IPART setting the maximum allowable increase through its rate peg methodology, which factors in cost changes, productivity, population growth and other approved adjustments.

IPART set AlburyCity's rate peg for the 2026/27 financial year resulting in an overall rate revenue increase of 3.6% for 2026/27.

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 2026/27.

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:

- a. Farmland
- b. Residential

c. Business

The applicable subcategories are as follows:

- a. Residential Village
- b. Residential Transition
- c. Rural Residential
- d. Business Village
- e. Business Transition

At its meeting on 12 December 2023, Council adopted changes to the 2023/24 rating structure, transitioning certain village subcategorised properties into the residential or business rating categories. To manage this change, a temporary subcategory was created, with rates phased in over four years to gradually align with standard rates and reduce annual impacts. The transition will be completed with the adoption of the 2026/27 rates.

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

- a. Albury CBD Promotional Levy Zone A
- b. Albury CBD Promotional Levy Zone B
- c. 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.

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.

Category	Subcategory	Base amount 2026/27
Residential	Residential	\$304
	Residential Village	\$304
	Residential Transition	\$304
	Rural Residential	\$304
Farmland	Farmland	\$304
Business	Business	\$798
	Business Village	\$436
	Business Transition	\$798

Table 1 - Ordinary Rate base amounts as will apply for 2026/27.

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 2026/27 contain a 3.6% increase in yield and a notional income carry forward adjustment of \$81,533.

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 2022 unimproved land values were used by AlburyCity to set the rates for the 2025/26 financial year, noting that the 2026/27 rates have been set after a revision of the unimproved land values dated 1 July 2025.

2026/27 Rate Revenue	Ad Valorem ¢ in \$	Base Amount of Rate	Yield from Base Amount	Total Estimated Yield
Ordinary Rates				
Residential	0.00542614	\$304	18%	\$38,709,952
Residential Village	0.00461222	\$304	11%	\$988,259
Residential Transition	0.00542614	\$304	15%	\$974,535
Rural Residential	0.00379830	\$304	10%	\$1,335,078
Farmland	0.00217045	\$304	6%	\$830,853
Business	0.00910834	\$798	10%	\$14,974,875
Business Village	0.00455417	\$436	32%	\$84,795
Business Transition	0.00910834	\$798	11%	\$7,320
Total ordinary rates				\$57,905,667
Special Rates				
CBD Promotional-Zone A	0.00092293			\$66,830
CBD Promotional-Zone B	0.00042028			\$86,077
CBD Promotional-Zone C	0.00027888			\$45,645
Total special rates				\$198,552
Total ordinary and special rates revenue				\$58,104,219

Table 2 - proposed ordinary and special rates for the 2026/27 financial year.

AlburyCity has applied the following method when making the ad valorem for 2026/27 which incorporated the required adjustments for specific transitioning associated with Village properties.

- Residential Village sub-category is 85% of Residential category ad valorem ¢ in \$.
- Residential Transition sub-category is 100% of Residential category ad valorem ¢ in \$.
- Rural Residential sub-category is 70% of Residential category ad valorem ¢ in \$.
- Farmland category is 40% of Residential category ad valorem ¢ in \$.
- Business Village sub-category is 50% of Business category ad valorem ¢ in \$.
- Business Transition sub-category is 100% 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 and the special rates average is an increase of 3.6%.

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.

2026/27 Average Rate Assessment	Assessments	Rate Revenue	Category Revenue Change	Average Assessment
Residential	23,337	\$38,709,952	3.3%	\$1,659
Residential Transition	480	\$974,535	10.5%	\$2,030
Residential Village	355	\$988,259	3.0%	\$2,784

Rural Residential	459	\$1,335,078	4.2%	\$2,909
Farmland	173	\$830,853	23.6%	\$4,803
Business	1,873	\$14,974,875	2.9%	\$7,995
Business Transition	1	\$7,320	7.4%	\$7,320
Business Village	63	\$84,795	2.9%	\$1,346
Total ordinary rates	26,741	\$57,905,667	3.6%	
Special Rates				
CBD Promotional-Zone A	42	\$66,830	3.6%	\$1,591
CBD Promotional-Zone B	238	\$86,077	3.6%	\$362
CBD Promotional-Zone C	164	\$45,645	3.6%	\$278
Total special rates	444	\$198,552	3.6%	
Total rate revenue		\$58,104,219	3.6%	

Table 3 – Budgeted average assessment for ordinary and special rates.

Council Annual and User Charges

Domestic Waste and Non-Domestic Waste Management Services

AlburyCity intends to make the following charges for levying in 2026/27 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:

- i. Domestic Waste Management
- ii. Non-Residential Waste Management

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

The Domestic Waste Collection budgeted charges for 2026/27 financial year is shown in Table 4.

Domestic Waste Management (Section 496)	Standard Service Charge	Estimated Yield
Default Service Option	\$388.00	\$9,013,240
Large Recycling Option	\$395.00	\$94,010
Large Refuse Service Option	\$487.00	\$1,013,934
Small Service Option	\$344.00	\$185,416
Weekly Refuse Option	\$461.00	\$16,596
Monthly Refuse Option	\$300.00	\$0
Full Size Service Option	\$494.00	\$46,436
Vacant Land	\$32.00	\$28,032
Total		\$10,397,664

Non-Residential Waste Management (Section 501)	Standard Service Charge	Estimated Yield
Default Service Option	\$388.00	\$269,660
Large Recycling Option	\$395.00	\$1,580
Large Refuse Service Option	\$487.00	\$23,376
Small Service Option	\$344.00	\$60,888
Total		\$355,504

Table 4 - Domestic Waste Collection budgeted charges for 2026/27 financial year.

Domestic Waste Management Charges are proposed to increase to \$388 per annum for 2026/27 for the Default Service Option.

The Domestic Waste Management Charge is a charge apportioned to every household, and in some cases small businesses, which are serviced by AlburyCity's kerbside collection contractor. Charges are apportioned to cover the costs for refuse, recycling, and organics services and voucher program. The charges reflect the change in contract collection and processing costs and have been apportioned to the various services offered. Council is unable to use fees and charges collected for Domestic Waste Management for any other purpose, as such any surplus in funding is restricted within a Domestic Waste Management Reserve.

Water Charges

AlburyCity intends to make the following water charges for levying in 2026/27 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.

Water Access Charges (Section 501)	Annual Access Charge	Estimated Yield
Not connected to system	\$173.10	\$47,949
Service Size: 20mm-connected to system	\$173.10	\$4,322,480
Service Size: 25mm-connected to system	\$271.50	\$140,094
Service Size: 32mm-connected to system	\$446.10	\$70,930
Service Size: 40mm-connected to system	\$694.50	\$111,815
Service Size: 50mm-connected to system	\$1,083.00	\$174,363
Service Size: 65mm-connected to system	\$1,839.30 -	\$9,196
Service Size: 80mm-connected to system	\$2,784.00 _	\$133,632
Service Size: 100mm-connected to system	\$4,341.00	\$238,755
Service Size: 150mm-connected to system	\$9,762.00	\$78,080
Total		\$5,327,294

Water Consumption Charges (Section 502)	Per kilolitre	Estimated Yield
Residential Usage First 225kL	\$1.76	\$10,125,032
Residential Usage 226kL to 19,999kL	\$2.91	\$1,422,818
Residential Usage 20,000kL plus	\$2.37	Nil
Non-Residential Usage	\$2.38	\$4,951,828
Greater Hume Shire Council LWU Supply Scheme Usage Charge	\$2.05	\$959,677
Total		\$17,459,355

Table 5 - Budgeted Residential and non-residential access and usage revenue

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.

One of the requirements of the NSW Best Practice Management of Water Supply and Sewerage Guidelines is that water usage revenue is to make up 75% of the total water revenue, the 2026/27 water usage revenue budget is 77%. This weighting towards consumption pricing increases the variability of water income resulting from changes in consumption.

AlburyCity's Schedule of Fees and Charges 2026/27 (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.

Sewerage Charges

AlburyCity intends to make the following charges for levying in 2026/27 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.

Sewerage Charges (Section 501)	Annual Access Charge	Estimated Yield
Residential-not connected to system	\$168.00	\$144,144
Residential-connected to system	\$855.00	\$19,755,630
Non-Residential-not connected to system	\$216.00	\$ 64,368
Service Size: 20mm-connected to system	\$336.00	\$376,320
Service Size: 25mm-connected to system	\$525.00	\$192,150
Service Size: 32mm-connected to system	\$861.00	\$118,818
Service Size: 40mm-connected to system	\$1,347.00	\$183,192
Service Size: 50mm-connected to system	\$2,106.00	\$ 263,250
Service Size: 65mm-connected to system	\$3,561.00	\$14,244
Service Size: 80mm-connected to system	\$5,391.00	\$156,339
Service Size: 100mm-connected to system	\$8,424.00	\$185,328
Service Size: 150mm-connected to system	\$18,948.00	\$56,844
Total		\$21,510,627

Sewerage Treatment Charge (Section 502)	Per kilolitre	Estimated Yield
Sewerage Treatment Charge	\$3.45	\$6,819,167
Total		\$6,819,167

Table 6 - residential and non-residential access and treatment revenue

AlburyCity's Schedule of Fees and Charges 2026/27 (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.

Trade Waste Charges

AlburyCity intends to make the following Trade Waste charges for levying in 2026/27 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.

Trade Waste Charges (TW) (Section 501)	Annual Charge	Estimated Yield
TW - Agreement Charge	\$248.00	\$2,480
Annual Administration Fee Discharge Category 1	\$126.00	\$1,736
Annual Administration Fee Discharge Category 2	\$372.00	\$111,600
Annual Administration Fee Discharge Category 3	\$996.00	\$3,984
Annual Administration Fee Discharge Category 4	\$1,488.00	\$2,976
Annual Administration Fee Discharge Category 5	\$246.00	\$1,230
Total		\$124,006

Trade Waste Treatment Charge (Section 502)	Per kilolitre	Estimated Yield
Liquid Waste Treatment Charge	\$2.45	\$867,276.48
Liquid Waste Treatment Charge – without treatment	\$6.35	\$28,479.75
Liquid Trade Waste (Cat 3 and 4)		Nil
Total		\$895,756.23

Table 7 - Trade Waste charges for levying in 2026/27

Excess mass charges apply which are subject to volume variations. For more information refer to the AlburyCity's Schedule of Fees and Charges 2026/27 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.

Rates and 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, which is 9.5% (10.5% for 2025/26).

Council Annual Fees & Pricing Policy

Fees and Charges

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:

- a. Applying the 'user contributes' principle
- b. Asset/community utilisation
- c. Market competitiveness

The Council approves with this Revenue Policy, a Schedule of Fees and Charges for its activities and services to apply in 2026/27. This schedule is extensive to cover the broad range of Council services and facilities. AlburyCity's Schedule of Fees and Charges 2026/27 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

Waiver or Reduction of Fees

Section 610E of the *Local Government Act 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: • 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.

Table 8 – Circumstances for activity fee waiver or reduction

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.

Scale of Fees for Private Works

AlburyCity provides a range of private works services, where required, which include but are not limited to:

- a. horticultural;
- b. civil construction;
- c. building maintenance; and
- d. 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.

Sale of Assets

Budgeted proceeds from the sale of real estate assets for the 2026/27 financial year total \$1,600,000.

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.

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 Council's debt service cover ratio. A conservative position against industry benchmarks is to be maintained. AlburyCity has applied for \$25 million of borrowings during 2025/26 financial year to support capital new initiatives. Further borrowings are projected to occur in future years of the delivery program.