Council’s Budget Summary and Revenue Plan

Revenue Policy

Introduction

The objective of Council’s Revenue Policy is to ensure fair and equitable levying of rates and charges in order to provide sufficient funding to carry out services for the benefit of all ratepayers of the Hilltops Local Government Area.

The progressive review of the Revenue Policy together with the Long Term Financial Plan will allow Council to develop robust financial strategies and priorities aimed at ensuring the sustainability of Hilltops Council; including:

- An increased focus on asset maintenance in accordance with Council’s Asset Management Plans;
- To ensure delivery of current and future grant funded capital programs;
- To ensure efficient and cost-effective service in accordance with Councils Delivery Program and Operational Plan;
- To develop clear, meaningful and transparent financial reporting and other performance management solutions.

Sources of Revenue

Council’s forecast sources of revenue for the 2026-27 year are as follows.

Interest and Overdue Charges

Interest on overdue rates and charges shall be set in accordance with section 566(3) of the *Local Government Act 1993*, applying the maximum rate of interest payable as determined by the Minister of Local Government.

Interest on overdue rates and charges during the 2026-27 has been determined to be 9.5% per annum.

The historic practice for Council is to charge the maximum interest on amounts that are overdue.

The overdue interest charge relates to rates, water charges and sundry debtors.

Rates and Charges

Council has four categories of ordinary rate being residential, farmland, business and mining. The rating levy for each category is raised on a mix of ad valorem and minimum rates.

Rate pegging limits apply to all general rates in NSW. The Independent Pricing and Regulatory Tribunal (IPART) conducts an annual review of rating limits. IPART had set the maximum increase to general income for Hilltops Council in 2026-27 at 3.2% and the maximum minimum at $655.00.

Rate Category	Minimum Amount ($)	Ad Valorem Rate (cents in $)	Yield ($)
RESIDENTIAL			
Ordinary	655.00	0.2384590	2,182,632.90
Town	655.00	0.5227750	4,804,695.64
FARMLAND			
Ordinary	655.00	0.1259429	8,611,078.97
BUSINESS			
Ordinary	655.00	0.3108460	206,420.55
CBD	655.00	1.4138620	928,317.10
Town	655.00	1.1983880	468,890.77
MINING			
Young	655.00	8.6078100	24,962.65
			TOTAL $17,226,998.58

Pensioner Rebates

Council is required to provide a pensioner rebate under the Local Government Act and has also continued to provide a voluntary rebate to eligible pensioners who were receiving a Council rebate prior to 1994. The rebate is funded 55% by the State Government and 45% by Council.

Eligible pensioners are entitled to a maximum rebate of $425 per annum. This covers $250 ordinary rates and domestic waste management charges, $87.50 water availability charges and $87.50 sewage charges where they apply.

Pensioner rebates are deducted from rates revenue for reporting purposes. The Government subsidy is applied to the rates, Levies and Charges income in the budget.

Investments

Council's Investment Policy objective is to maximise returns from the investment of Council funds, whilst having due consideration of risk and security for that investment type and ensuring that Council's liquidity requirements are being met. A report is prepared each month and submitted to the Ordinary Meeting of Council detailing cash and investments held.

Annual Charges

Council proposes to levy annual charges for the following services provided:

1. Sewer Access Charges (section 501)
2. Water Access Charges (section 501)
3. Water Usage Charges (section 502)
4. Stormwater Management Charges (*Local Government (General) Regulation 2021*)
5. Waste Management Charges (section 496)

Sewer Access Charges

The following sewerage access charge will be levied on each property that is either connected or has access to the Council sewer system. The charge will be levied on the size of the connection to the property, or an unconnected charge will apply to properties that are not built upon but are within 75 metres of a Council controlled sewer main.

Category	Unit	Charge $	Yield $	# of Services
Non-Residential Sewerage User Charge				
Harden	pa/WC	638.47	88,108	138
Young (CC)	pa/WC	950.65	332,727	350
WC's Hotels Motels Units Flats - Young (EE)	pa/WC	474.68	135,283	285
Urinals - Schools, Churches and associated residences - Young (ED)	pa/WC	474.68	10,917	23
Water Closets - Schools, Churches, and associated residences - Young (EA)	pa/WC	237.99	56,403	237
Water Closets - Other - Young (EB)	pa/WC	474.68	165,663	349
Urinals - Other - Young(EC)	pa/WC	474.68	12,816	27
Sewerage Access Charge (20mm)				
Boorowa	pa	1,041.50	810,287	778
Young (CA)	pa	904.52	2,973,157	3287
Residential - Harden	pa	1,032.09	893,789	866
Non-Residential - Harden	pa	393.60	42,115	107
Community Service Obligations - Harden	pa	196.82	1,968	10
Sewerage Access Charge (25mm)				
Non-Residential - Harden	pa	604.36	8,461	14
Community Service Obligations - Harden	pa	302.20	-	-
Sewerage Access Charge (32mm)				
Non-Residential - Harden	pa	990.26	1,980	2
Community Service Obligations - Harden	pa	495.13	-	-
Sewerage Access Charge (40mm)				
Large Connections - Harden	pa	1,547.59	7,737	5
Community Service Obligations - Harden	pa	773.79	-	-
Sewerage Access Charge (50mm)				
Large Connections - Harden	pa	2,419.04	21,771	9
Community Service Obligations - Harden	pa	1,209.51	-	-
Sewerage Access Charge (65mm)				
Large Connections - Harden	pa	6,194.04	6,194	1
Community Service Obligations - Harden	pa	3,097.02	-	-
Sewerage Access Charge (100mm)				
Large Connections - Harden	pa	9,674.61	-	-
Community Service Obligations - Harden	pa	4,837.31	-	-
Unconnected Vacant Land				

Category	Unit	Charge $	Yield $	# of Services
Harden	pa	393.60	25,190	64
Residential – Young (CB)	pa	712.66	112,600	158
Non-Residential – Young (CD)	pa	712.66	19,954	28
Boorowa Unconnected Vacant land	pa	1,041.50		
		TOTAL	**5,727,120**	

Water Access Charges

The following water availability charge will be levied on all residential and business rateable and non-rateable properties for which the service is available. Multiple charges will be applicable for properties with more than one water meter.

Category	Sub-Category	Charge $	Yield $	# of Services
Water Access - 20mm				
Boorowa	Access Charge (20mm)	918.47	755,900	823
Young	Access Charge (20mm)	383.66	1,677,361	4,372
Residential - Harden	Access Charge (20mm)	563.09	730,890	1,298
Harden Community Service Obligations	Access Charge (20 mm) CSO	281.55	4,786	17
Non-Residential - Harden	Access Charge (20 mm)	563.09	159,917	284
Water Access - 25mm				
Residential - Harden	Access Charge (25mm)	880.78	53,727	61
Residential - Young (BE25)	Access Charge (25mm)	597.91	25,710	43
Harden Community Service Obligations	Access Charge (25 mm) CSO	440.40	-	-
Non-Residential - Harden	Access Charge (25 mm)	880.78	162,063	184
Non-Residential - Young (BF25)	Access Charge (25mm)	597.91	35,276	59
Water Access - 32mm				
Residential - Harden	Access Charge (32mm)	1,443.98	1,443	1
Young	Access Charge (32mm)	980.33	22,547	23

Harden Community Service Obligations	Access Charge (32 mm) CSO	721.87	-	-

Category	Sub-Category	Charge $	Yield $	# of Services
Non-Residential - Harden	Access Charge (32 mm)	1,443.98	10,107	7
Water Access - 40mm				
Young	Access Charge (40mm)	1,532.15	44,432	29
Harden Community Service Obligations	Access Charge (40 mm) CSO	1,127.61	-	-
Large Connections - Harden	Access Charge (40 mm)	2,255.22	22,552	10
Water Access - 50mm				
Residential - Harden	Access Charge (50mm)	3,523.61	52,854	15
Young	Access Charge (50 mm)	2,394.14	74,218	31
Harden Community Service Obligations	Access Charge (50 mm) CSO	1,761.80	-	-
Large Connections - Harden	Access Charge (50 mm)	3,523.61	7,047	2
Water Access - 65mm				
Harden Community Service Obligations	Access Charge (65 mm) CSO	4,508.99		-
Large Connections - Harden	Access Charge (65mm)	9,017.99	27,053	3
Water Access - 80mm				
Non-Residential - Young (BF80)	Access Charge (80 mm)	6,129.85	36,779	6
Water Access - 100mm				
Harden Community Service Obligations	Access Charge (100 mm) CSO	6,832.97	-	-
Large Connections - Harden	Access Charge (100 mm)	14,088.63	28,177	2
Non-Residential - Young (BF100)	Access Charge (100 mm)	9,577.81	67,044	7
Water Access - Vacant Land/Unconnected				
Unconnected - Harden	Vacant Land Water Charge	562.42	77,613	138
Unconnected - Young (BE)	Access Charge	383.66	84,788	221
Residential Units				

Residential Units - Young (BEU)	Access Charge	383.66	65,222	170
Unconnected - Boorowa	Access Charge	918.47		
		TOTAL	**4,227,506**	

Water Usage Charges

The following usage charge will be levied on all properties using Council's reticulated water supply system for all water consumed.

Category	Sub-Category	Charge $	Yield $
Residential Water Usage			
Harden	User Charge (>0kl) - $ per kl	3.36	655,200
Boorowa	User Charge (0<67kl) - $ per kl	3.29	279,650
Boorowa	User Charge (>68kl) - $ per kl	6.61	99,150
Young	User Charge (>0 kl) - $ per kl	3.93	2,008,266
Non-Residential Water Usage			
Harden	Charge (> 0 kl) - $ per kl	3.26	1,517,686
Boorowa	Charge (> 0 kl) - $ per kl	3.29	65,631
Young	User Charge (>0 kl) - $ per kl	3.93	1,179,000
Young water intensive	User Charge (>0 kl) - $ per kl	2.94	660,623
		TOTAL	**6,465,206**

Stormwater Management Charges

The Stormwater Management Program is funded by a Stormwater Management Service Charge. The charge was available to be levied from 1 July 2007 under the addition of Section 496A to the *Local Government Act 1993* and Section 125A and 125AA of the *Local Government (General) Regulations 2021.*

A Stormwater Management Services Charge funds additional investigations and activities towards improving stormwater quality, managing stormwater flows, flooding, and harvesting and reusing of stormwater.

Council levies a Stormwater Management Charge on all parcels of rateable land, other than those exempted under the Local Government Act 1993 (NSW). The pricing from the Stormwater Management charge is fixed by legislation and remains unchanged from the charge raised in 2025-2026. The applicable charges are:

Category	# of Services	Charge $	Yield $
Storm Water Management Service Charge			
Vacant Land	-	-	
Residential Young	3,474	25	86,850
Residential Harden	854	25	21,350
Residential Strata Yng	205	12.50	2,562
Non-residential Yng	348	25	8,700
Non-residential Hdn	124	25	3,100

Non Residential Strata	37	5		185
			TOTAL	**122,747**

The Former Young Council introduced a Stormwater levy in the 2014-2015 financial year to undertake water quality work and stormwater infrastructure work in the capital works program. During the 2025-2026 year a major stormwater drainage project was constructed to rectify stormwater issues. The project was funded through grants and loan funding. The levy collected will be allocated to the loan repayments.

The Hilltops Council introduced a stormwater levy in Harden- Murrumburrah in the 2019-2020 financial year for stormwater construction works across the township. The remaining projects include:

1. Whitton Street
2. Bathurst Street and Albury Street Intersection
3. Drain from the Public School to Coddington Park
4. Caravan Park on Albury Street
5. North and Clarke Street Drainage

The 2026-2027 Budget does not have any programmed drainage work in Harden, however future work will be required in the remaining identified program. The levy collected will be transferred to reserve to cover the future program.

Waste Management Charges

Under the Local Government Act, the council must not apply income from an ordinary rate towards the cost of providing Domestic Waste Management services. Income obtained from charges for Domestic Waste Management must be calculated so as to not exceed the reasonable cost to the council of providing those services.

The charge calculated for 2026-27 Budget is based on the waste strategy and consultations held across the Hilltops Council area. The 2026-2027 Budget and Long-Term Financial Plan is based on model 2A.

The anticipated charges and revenue (rounded) for Domestic Waste Management are shown below:

Category	Unit	Charge	Yield	# of Services
Domestic Collection Charge - Urban				
Harden/Murrumburrah	pa	705.30	715,174	1,014
Harden/Murrumburrah – upgrade red 240l	pa	350.72	701	2
Boorowa	pa	725.71	477,517	658
Boorowa Waste Access Availability Charge	pa	265.57*	296,907	1,118
Galong	pa	577.93	42,766	74
Young (GA)	pa	646.60	2,217,838	3,430
Koorawatha	pa	646.60	132,553	205
Domestic Collection Charge - Non-Urban				
Young (GV)	pa	115.81*	313,497	2,707
Harden Waste Access	Note 1	100.45	132,794	1,322
Vacant Land Collection Charge				

Harden/Murrumburrah	pa	100.45	6,830	68
Boorowa	pa	265.57	19,917	75
Young - Urban (GB)	pa	199.30	38,265	192
Koorawatha	pa	199.30	14,150	71

Recycling Collection Charge				
Organic Collection - Harden/Murrumburrah	now	Included in	Domestic	charge
Boorowa	now	Included in	Domestic	charge
Young - Urban (GR)	now	Included in	Domestic	charge
Green Waste Collection Charge				
Young - (GW)	now	Included in	Domestic	charge
Commercial Collection Charge				
Boorowa (per Bin)	pa	725.71	60,233	83
Boorowa Recycling	pa	87.16	3,573	41
Harden/Murrumburrah	per pickup	18.80*		
Additional Services				
Young Red Bin 140l	pa	231.40	56,924	246
Young Green Bin 240l	pa	260.00	60,060	231
Young Recycling Bin 240l	pa	260.00	780	3
Boorowa Red Bin 140l	pa	231.40	9,487	41
Boorowa Green Bin 240l	pa	260.00	-	-
Boorowa Recycling Bin 240l	pa	260.00	-	-
Harden Red Bin 140l	pa	350.63	10,869	31
Harden Green Bin 240l	pa	350.63	-	-
Harden Recycling Bin 240l	pa	350.63	-	-
Galong Red Bin 140l	pa	350.63	-	-
Galong Green Bin 240l	pa	350.63	-	-
Galong Recycling Bin 240l	pa	350.63	-	-
Koorawatha Red Bin 140l	pa	231.40	-	-
Koorawatha Green Bin 240l	pa	260.00	-	-
Koorawatha Recycling Bin 240l	pa	260.00	-	-
Note 1. raised on all properties not subject to Domestic Waste Management Charge				
• Fee includes G.S.T.				

Category	Unit	Charge	Yield	# of Services
Liquid Trade Waste				
Young – (Class 1)	per service	121.00	6,897	57
Young – (Class 2)	per service	530.40	36,067	68
Young – (Class S)	per service	121.00	-	-
Young – (Class 3)	per service	935.00	1,870	2
Harden – Class 2	per service	530.40	7,956	15
Harden - Class S	per service	121.00	1,815	15
Boorowa - Class 2	per service	530.40	6,895	13
Boorowa - Class S	per service	121.00	1,573	13
		TOTAL	**4,673,908**	

Pricing Policy Principles

Council aims to ensure that fees and charges for goods and services are equitable. Fees are substantially based on a user pays principal; however, there is recognition of people's ability to pay where community service obligations are identified. These services are cross subsidised for the common good of the community.

The income received from fees reduces the amount of rates and other untied income required for these services. Other charges are generally not for service and include penalty income, leasing, recoveries, sponsorship etc. Fees for services are set having due consideration to the following factors:

- The cost of providing the service.
- The importance of the service to the community.
- The price fixed by a relevant industry body.
- Any factors specified in the Local Government Act.
- Market rates or pricing.

Council assesses its pricing for services under the following categories which are identified against individual fees in the Revenue Policy, Fees & Charges document.

Code	Name	Description
1	Full Operating Cost	The fee is calculated to recover direct costs per unit of output plus a mark-up to cover overhead costs, and including, in some cases, making provision for future capital expenditure. The guiding principle underlying the National Competition Policy (NCP) is that a government business should not enjoy any net competitive advantage (or disadvantage) in respect of its private sector counterparts simply because of its public sector ownership. That is, the policy aims to achieve competitive neutrality between public and private sector businesses.
2	Minimal Cost Recovery	The price under this category is set to meet a substantial contribution toward the cost. This category will apply where Council considers that full cost recovery would deprive the community of supply, or where the community as a whole should bear a substantial portion of the cost of supply.
3	Market Based	Council prices its goods and services at the same level as they are offered in the general market place. Council will not use subsidies to aggressively price others out of the market or compete unfairly.
4	Statutory Charges	Statutory Pricing occurs if relevant acts and regulations enable Council to set a fee or charge, or the relevant acts and regulations prescribe a maximum fee for a particular activity. These charges are legislated by the NSW Government across a range of activities and services provided by local government. Council may recover its full costs but has no discretion to do so.
5	Full Operating Cost + Partial Capital Cost Recovery	The price for this service is set to make a contribution towards the cost of replacing the infrastructure assets utilised in the provision of the service.
6	Nil cost recovery	Service provides a broad community benefit. Inconceivable or impractical to charge for service on a user basis or where the service is a minor part of the overall operation of Council, or the potential for revenue collection is so minor as to be outweighed by the costs of collection.
7	Full Operating Cost + Profit 25%	The price charged for this product/service generates cost recovery and an appropriate return.

Increases to fees and other Revenue are generally in line with the estimated increase in cost for services of 10.5%. Some prices vary from the index based on specific issues impacting the operations, costs or pricing parameters of the particular service.

Council Borrowings

The use of borrowings to fund infrastructure renewal is considered the best means of distributing costs between current and future users of that infrastructure. It is important that the loan term does not exceed the life of the asset that is being funded and the debt servicing level can be met from existing and future recurrent revenue streams.

Council is not proposing to borrow funds in the 2026-2027 Budget.

The loans outstanding over the Long Term Financial Plan will be as follows:

LOAN PURPOSE	LENDER	INTEREST RATE	AMOUNT	26-27	26-27	FUTURE PRINCIPAL	FUTURE INTEREST	YEAR	TERM	FINAL REPAYMENT DATE
				PRINCIPAL	INTEREST					
BOOROWA MAIN ST PROJECT	Commonwealth Bank	3.63%	$ 1,264,169.00	$77,502.26	$1,406.67	Nil	Nil	2007	10 + 10 YEARS	15/11/2026
STP CONVEYANCE MAIN 242-3.1	Commonwealth Bank	5.21%	$ 3,482,045.56	$186,620.77	$165,559.11	$2,180,209.64	$989,409.23	2025	5 YEARS To be renewed	6/03/2030
STP CONVEYANCE MAIN/ REUSE SCHEME 245-1	National Australia Bank	5.07%	$ 2,495,798.84	$248,805.2	$77,350.60	$1,368,836.05	$180,404.02	2016	15 YEARS	30/01/2032
YOUNG STORMWATER	TCORP	6.34%	$ 2,000,000.00	$52,697.92	$124,498.36	$654,483.45	$940,283.07	2026	20 YEARS	27/03/2046
HILLTOPS REGIONAL LIBRARY	TCORP	1.52%	$ 1,500,000.00	$153,301.02	$8,955.86	$474,080.54	$12690.10	2020	10 YEARS	19/06/2030
HARDEN RACECOURSE POWER	TCORP	1.52%	$ 184,000.00	$18,804.92	$1,098.59	$58,153.88	$1,556.65	2020	10 YEARS	19/06/2030
YOUNG SEWER	TCORP	1.52%	$ 3,200,000.00	$327,042.17	$19,105.84	$1,011,371.81	$27,072.22	2020	10 YEARS	19/06/2030
HARDEN SEWER	TCORP	1.52%	$201,000.00	$20,542.34	$1,200.09	$63,526.79	$1,700.47	2020	10 YEARS	19/06/2030
YOUNG WATER	TCORP	1.52%	$3,000,000.00	$306,602.03	$17,911.72	$948,161.07	$25,380.21	2020	10 YEARS	19/06/2030
HARDEN WATER	TCORP	1.52%	$559,000.00	$57,130.18	$3,337.55	$176,674.01	$4,729.18	2020	10 YEARS	19/06/2030
				$1,449,048.81	$420,424.39	$6,935,497.24	$2,183,225.15			

The following loan amount of $2,004,236 is included in the Operational Plan for 2026/2027, however will not be drawn down until June 2026. As a result, the final interest rate is an estimate only and the schedule will be amended once the funds are drawn down and the interest rate is known.

LOAN PURPOSE	LENDER	INTEREST RATE	AMOUNT	26-27	26-27	FUTURE PRINCIPAL	FUTURE INTEREST	YEAR	TERM	FINAL REPAYMENT DATE
				PRINCIPAL	INTEREST					
YOUNG STORM WATER PROPOSED	TCORP	6.56%	$2,004,236.00	$50,386.11	$130,255.17	$636,738.89	$989,036.30	2026	20 YEARS	06/2046