CM13.3. AlburyCity Draft Four Year Delivery Program, Operational Plan and Long Term Financial Plan

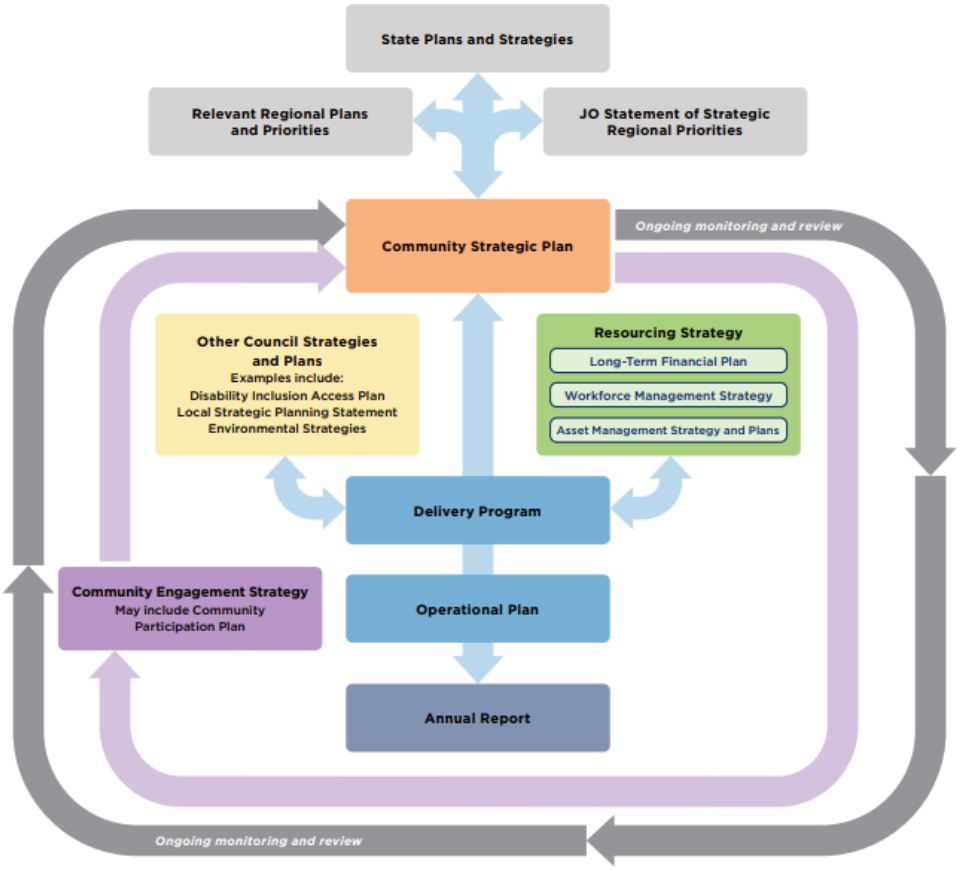
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Purpose of Report

This report presents AlburyCity's Draft Four Year Delivery Program 2025-2029, Draft 2025/26 Operational Plan and Draft Long-Term Financial Plan for consideration.

Background

AlburyCity develops plans in accordance with the Local Government Integrated Planning and Reporting Framework, as required by the *Local Government Act 1993*.



A key focus for AlburyCity is delivering quality services, maintaining and improving infrastructure, and delivering on the Community Strategic Plan *Towards Albury 2050* vision; *A nationally significant regional city that is vibrant, diverse, innovative, connected and inspired by its culture, environment and location on the Murray River,* which is underpinned by the following themes:

- A Growing Sustainable Economy,
- An Enhanced Natural Environment,
- A Caring Community, and
- A Leading Community.

AlburyCity's draft budget has been prepared with the following principles in mind:

- Focus on strategic priorities including *Towards Albury 2050*;
- Working towards achieving at least break-even operating results;
- Continue to identify efficiencies and savings;
- Optimise grant funding opportunities;
- Continue to plan for the renewal of assets;
- Capital works program to be part funded by borrowings; and
- Plan to deliver projects on time and within budget.

Budget briefings for the Councillor Group have included the following:

11 November 2024 Pre-Meeting Briefing Session

- Budget preparation process
- Councillor strategic priorities

17 February 2025 Pre-Meeting Briefing Session

- Alignment of Councillor Strategic Priorities and Four Year Delivery Program
- Financial Sustainability Update and Initiatives

17 March 2025 Pre-Meeting Briefing Session

- Integrated Planning & Reporting Delivery Program
- Draft Initiatives 2025-2029
- Statement of Revenue Policy
- Draft Fees and Charges
- Financial Assistance requests

7 April 2025 Pre-Meeting Briefing Session

- Financial Assistance presentation
- Responses to Councillor questions and feedback
- Operational Plan
- AlburyCity Service Catalogue
- Operating Budget
- Payroll Budget
- Long Term Financial Plan
- Stakeholder Engagement Plan

Issues

Draft Four Year Delivery Program 2025-2029 and Draft 2025/26 Operational Plan

This year we present the combined Four Year Delivery Program and Operational Plan (refer Attachment 1) as one document rather than publishing two separate documents with significant duplicate information.

The AlburyCity Four Year Delivery Program details the principal activities that will be undertaken by AlburyCity covering the full range of Council functions and operations (including implementing the strategies set out in the Community Strategic Plan *Towards Albury 2050*).

The AlburyCity draft 2025/26 Operational Plan details new projects (Initiatives) and other actions utilising internal resources for the 2025/26 financial year that will help progress Four Year Delivery Program actions and work towards the community's aspirations as outlined in the Community Strategic Plan *Towards Albury 2050*. An enhancement on previous years includes providing budget allocation for the 2025/26 projects.

The draft Delivery Program 2025-2029 also includes reference to our Service Excellence Program. The Service Excellence Program assists in delivering the aspirations of the AlburyCity Community Strategic Plan - Towards Albury 2050 by undertaking a review of service delivery and providing recommendations for improvements so that services delivered:

- Align with the needs and expectations of the community;
- Improve resource use so that savings can be used to fund new or improved services; and
- Enhance the quality of our services.

In accordance with AlburyCity's adopted Financial Sustainability Improvement Plan, during 2025/26, the Service Excellence Program will engage an external service provider to undertake a whole of organisation accelerated Service Level Planning project. This project will:

- Assess AlburyCity's approach to service planning and seek to identify opportunities to improve the financial sustainability of service delivery.
- Conduct a detailed analysis of the methodology that AlburyCity applies to evaluating service delivery through consideration of community satisfaction survey results and other community feedback as to the importance of services and the perception of current service delivery.
- Inform and enhance the framework through which services are prioritised for detailed review in future years to progress achievement of financial sustainability goals and provide recommendations for reviews.

In addition to the accelerated service level planning project, detailed Service Excellence Projects will be conducted for the following services in 2025/26:

- Children's Services
- City Works/Asset Management

Draft AlburyCity Service Catalogue 2025/26

In accordance with AlburyCity's adopted Financial Sustainability Improvement Plan 2024-2028, an AlburyCity Service Catalogue has been developed to describe the services and service levels provided by all AlburyCity teams (refer Attachment 2).

The AlburyCity Service Catalogue serves the following purposes:

- It will inform our community about services and service levels that they can expect from us and provide context for them when considering budget information.
- It will enhance internal relationships by assisting Our People to understand who they should go to internally for support, serving as a guide for new people or for those undertaking a new task and seeking assistance.
- Through the annual review of the Service Catalogue, AlburyCity will refine information available about service levels and achievement of these, enabling a better data-driven approach to enhancing our service delivery.

The AlburyCity Service Catalogue also provides:

- The context of our Service Model, which describes structures for delivering our broad range of services.
- The high-level overview of our Service Summary, outlining key services applicable to each area.
- A detailed summary of service delivery for each area, including:
    - What services the area provides.
    - How they deliver these services.
    - The resources planned for delivery of services.
    - A description of service levels that customers can expect from the area.
    - Key measurables that help us to understand whether we are on track with service delivery, and
    - Indication of the current volume of service.

Development of the Service Catalogue commenced in 2024, aiming to:

- Identify and describe services and how we deliver them.
- Capture and describe service levels.
- Describe how we monitor and enhance service delivery.
- Identify the resourcing and high-level costs of service delivery.
- Inform formal Service Excellence Reviews.

The Service Catalogue will be updated annually through Team Service Planning processes.

Proposed AlburyCity Initiatives

The Four Year Delivery Program and Operational Plan incorporate proposed AlburyCity Initiatives for the four-year period 2025-2029 (refer Attachment 3).

The top major projects provided for in the 2025-2029 Four Year Delivery Program include:

- Waterview – Stage Two Wastewater Treatment Plant $61 million
- Main Sewage Pump Station and new Rising Main (Wodonga Place Depot) $39.5 million
- Thurgoona Link Road $40 million, including capital grant income of $11 million and infrastructure contributions $8 million
- Albury Entertainment Centre Convention Wing Expansion $39.5 million, including capital grant income $25 million
- Lavington Swim Centre – Replacement Project $36 million, conditional on securing additional project funding of $20 million
- Road and Drain Rehabilitation $12 million, including Roads to Recovery grant income of $6.6 million
- Albury Airport – Runway Overlay $10 million, including capital grant income $5 million
- Lauren Jackson Sports Centre – Major Upgrade completion $8 million, including capital grant income of $2.5 million ($5 million in total)

The proposed net spend on operating initiatives for the Four Year Delivery Program is $8.2 million, including $493,334 of grants and income.

Table 1

Operating Initiatives	2025/26 Gross Budget ($)	2025-29 Gross Budget ($)	2025-29 Grants & Income ($)	2025-29 Net Budget ($)
General Fund	2,457,530	7,715,530	493,334	7,222,196
Water Fund	128,000	578,000	-	578,000
Wastewater Fund	400,000	400,000	-	400,000
Total	**2,985,530**	**8,693,530**	**493,334**	**8,200,196**

The proposed net spend on capital initiatives for the Four Year Delivery Program is $373 million, including capital income of $94 million. Of this AlburyCity has been successful in securing $67 million in grants and income, with the remainder relating to $20 million additional funding required to progress the Lavington Swim Centre – Replacement Project and $8 million in developer contributions towards the Thurgoona Link Road Project.

Table 2

Capital Initiatives	2025/26 Gross Budget ($)	2025-29 Gross Budget ($)	2025-29 Grants & Income ($)	2025-29 Net Budget ($)
General Fund	54,757,678	223,718,772	94,044,390	129,674,382
Water Fund	11,386,000	44,506,000	-	44,506,000
Wastewater Fund	15,171,000	198,931,001	300,000	198,631,001
Total	**81,314,678**	**467,155,773**	**94,344,390**	**372,811,383**

Further details regarding proposed operating and capital initiatives are provided below.

General Fund

Proposed General Fund 2025/26 Operating Initiatives total $2.5 million including:

Table 3

General Fund Operating Initiatives 2025/26	Gross Budget ($)	Grants ($)	Net Cost ($)
Service Excellence Program	250,000	-	250,000
Glenmorus Implementation of Audit action plan	200,000	-	200,000
Thurgoona Wirlinga Precinct Structure Plan Review	140,000	140,000	-
Budget Review and Analysis Independent Audit	120,000	-	120,000
Implementation of the Albury Local Housing Strategy	120,000	120,000	-
New AlburyCity Corporate Website	120,000	-	120,000
Albury Airport - Aviation Strategy	100,000	-	100,000
AlburyCity - Land Management Incentive Program	100,000	-	100,000
Flood - 8 mile Creek Flood Study	100,000	100,000	-
Corporate Information Roadmap FY26	90,000	-	90,000
Infrastructure Contributions Plan Review	90,000	-	90,000
Biodiversity Certification - Albury Regional Jobs Precincts (RJP)	80,000	-	80,000
Economic Development Strategy Implementation	80,000	-	80,000
AlburyCity Engineering Guidelines Review	70,000	-	70,000
East Albury Precinct Plan	56,000	-	56,000
AWMC Review Waste Management Strategy and develop Masterplans	50,000	-	50,000
Building - All Buildings Asbestos, Fire & Other Audits	50,000	-	50,000
Bungambrawatha Creek Assessment and	50,000	-	50,000

General Fund Operating Initiatives 2025/26	Gross Budget ($)	Grants ($)	Net Cost ($)
Feasibility Report Implementation			
Community Safety Plan Development	50,000	-	50,000
Event Strategy	50,000	-	50,000
Implementation of the Reconciliation Action Plan	50,000	-	50,000
MOVE: Develop a Walking & Cycling Network Improvement Plan	50,000	-	50,000
Review of Local Strategic Planning Statement (LSPS) and Land Use Strategy (LUS)	50,000	-	50,000
Visit Albury Wodonga Destination Marketing Activation Program	50,000	-	50,000
Other projects	291,530	-	291,530
Total	**2,457,530**	**360,000**	**2,097,530**

Proposed 2025/26 General Fund Capital Initiatives of $55 million, which include $23 million in secured grant funding, are outlined by the table below.

Table 4

General Fund Capital Initiatives 2025/26	Gross Budget ($)	Capital grants ($)	Net Cost ($)
Albury Entertainment Centre - Convention Wing Expansion	7,750,000	5,750,000	2,000,000
Thurgoona Link Road (Stages 1-5)	4,000,000	4,000,000	-
Albury Airport - Extension of Taxiway Alpha	3,000,000	3,000,000	-
Lauren Jackson Sports Centre - Major Upgrade (Stage 1)	8,000,000	2,500,000	5,500,000
Get NSW Active – Albury CBD Bike Loop	2,300,000	1,800,000	500,000
NEXUS Industrial Precinct Utilities Augmentation	2,950,000	1,500,000	1,450,000
Road - Road and Drain Rehabilitation	3,000,000	1,412,923	1,587,077
Flood - South Albury Levee - Construction Phase	2,435,000	1,271,157	1,163,843
World War II Memorial Bowl Upgrade (Construction)	2,500,000	740,000	1,760,000
Albury Airport - Runway Overlay	1,000,000	500,000	500,000
Education Hub and Emergency Pens (Animal Care Centre)	625,000	264,000	361,000
Albury Airport - Aeromedical and Emergency Services Aerial Support Apron	250,000	250,000	-

General Fund Capital Initiatives 2025/26	Gross Budget ($)	Capital grants ($)	Net Cost ($)
Oddies Creek Park Play Space Stage 3 - Splash Park	175,000	125,000	50,000
Lavington 5 Ways Philanthropic Public Art Commission	70,000	50,000	20,000
Albury Animal Care Centre	3,000,000	-	3,000,000
Fleet - Replacement Program	2,178,750	-	2,178,750
Australia Park Car Park, Pedestrian Bridge and Levee Bank Reconstruction Works	2,016,148	-	2,016,148
Drainage – Lavington Drain East Branch 25/26 (Boronia Street to Railway Line)	2,000,000	-	2,000,000
Lavington Swim Centre – Replacement	1,000,000	-	1,000,000
Botanic Gardens - Elm Avenue Redevelopment	950,000	-	950,000
Ross Circuit Preschool	700,000	-	700,000
Road - Burrows Road Reconstruction (Logan Road to Union Road)	600,000	-	600,000
Albury Waste Management Centre - Northern Valley Cell 3 Construction (& Cells 3, 4 & 5 Amended Design)	500,000	-	500,000
Drainage - Dean Street/Macauley Street/David Street	450,000	-	
Road - Table Top Road (Kywanna to Williams Road)	425,000	-	
Building - Administration Building Address Water Infiltration Issues in Basement	400,000	-	
Building - Volt Lane Carpark Lift Door Replacement and Security Measures	350,000	-	
Bunton Park Refurbishment Works	350,000	-	
Other projects	1,782,780	-	1,782,780
Total	**54,757,678**	**23,163,080**	**31,594,598**

To reduce the required borrowings for capital projects in support of our financial sustainability focus, AlburyCity has reduced the previously endorsed net General Fund capital works budget for 2025/26 from $73 million to $32 million. A comparison of the proposed Four Year Delivery Program and the previously endorsed Program is provided within Attachment 3 as well as a list of identified unfunded projects for future consideration.

Special Variation to Rates (SVR) Income 2011-2014

In 2011 the Independent Pricing and Regulatory Tribunal (IPART) determined that AlburyCity may increase its general income for the period 2011/12 to 2013/14 through a Special Variation to Rates (SVR) which was 6.3% above the rate peg as determined by IPART. The approval was subject to AlburyCity using the additional income for the purposes of funding the projects consistent with the Council's application. Of the $47 million of projects included within our approved application, it is proposed that SVR funding for the following remaining projects unable to be delivered as originally planned be reallocated as part of the exhibition of AlburyCity's draft Four Year Delivery Program 2025-2029 as follows:

- $5 million Emergency Management Centre Stage 2 to Albury Airport - Runway Overlay;
- $1.2 million CBD Wilson Street car park new deck to Australia Park Car Park, Pedestrian Bridge and Levee Bank Reconstruction Works.

Water Fund

Proposed 2025/26 Operating Initiatives total $128,000 including:

Table 5

Water Fund Operating Initiatives 2025/26	**Gross Budget ($)**
Albury WFP Complete Control Philosophy Design	40,000
Water Mains Cleaning Program	88,000
Total	**128,000**

Proposed 2025/26 Capital Initiatives of $11.4 million include:

Table 6

Water Fund Capital Initiatives 2025/26	**Gross Budget ($)**
Upgrade of AlburyCity Water Treatment Plant	4,200,000
Kerr Rd - Water Trunk Main – Thurgoona Drive to Woolshed Creek	3,000,000
Annual Water Main Replacement/Renewal Program	1,500,000
WR03 Embankment Failure Assessment	700,000
Other projects less than $500,000	1,986,000
Total	**11,386,000**

Wastewater Fund

Proposed 2025/26 Operating Initiatives total $400,000 including:

Table 7

Wastewater Fund Operating Initiatives 2025/26	Gross Budget ($)
Aeration Zones & Diffuser Cleaning at Waterview Wastewater Plant	400,000

Proposed 2025/26 Capital Initiatives of $15.2 million including:

Table 8

Wastewater Fund Capital Initiatives 2025/26	Gross Budget ($)
Kerr Rd Connection - Thurgoona North Sewerage Infrastructure	4,100,000
Murray River Experience - Wonga Wetlands Visitor Education and Experience Centre	4,000,000
Main Sewage Pump Station and New Rising Main (Wodonga Place Depot)	2,000,000
Annual Sewer Rehabilitation Program	1,500,000
Water Supply and Feed Pipelines for Thurgoona Main Project	888,000
Albury Sewer Pump Station SPS01 Cross Connection Upgrade	850,000
Other projects less than $500,000	1,833,000
Total	**15,171,000**

Ordinary and Special Rates

The proposed ordinary rate revenue for the 2025/26 financial year includes an overall 4.1% increase, which is in line with the AlburyCity rate peg, set by the Independent Pricing and Regulatory Tribunal (IPART).

The average residential rate for the 2025/26 financial year will be $1,606, being an increase of $59 or 3.8%. When all rates, water, wastewater and waste management charges are combined, the average residential property impact is an increase of $153.31 or $2.95 per week, representing an overall average increase of 5%.

The Statement of Revenue Policy (Attachment 5) provides an overview of Council's income from continuing operations, including rates, fees and charges, borrowings and proceeds from the sale of assets.

Waste Management Charges

The Domestic Waste Management Charge is proposed to be maintained at $345 per annum, due to sufficient funds being held in reserve for this purpose.

The Domestic Waste Management Charge is apportioned to every household and in some cases small businesses that are serviced by AlburyCity's kerbside collection contractor. Charges are apportioned to cover the costs for refuse, recycling, and organics services.

Water and Wastewater Pricing

Water and wastewater charges for 2025/26 are proposed to increase by 8% to support the infrastructure investment required for this essential service. The average residential impact is a water charge increase of $35.59 (8%) or $0.68 per week and a wastewater charge increase of $58.72 (8%) or $1.13 per week.

The draft 2025/26 Water and Wastewater Pricing structure (refer Attachment 6) has been prepared in accordance with the NSW Government's best practice guidelines.

AlburyCity has a relatively low level of water and Wastewater pricing compared to other NSW water/ wastewater authorities. For example, in the most recent NSW Water Supply and Sewerage Performance Monitoring Report AlburyCity was ranked as the 4th lowest typical residential water and wastewater bill in NSW.

Fees and Charges

Each year AlburyCity undertakes a detailed review of our fees and charges. Analysis of proposed new fees and fees proposed to increase by 10% or more can be accessed in Attachment 7, which reflects a focus on increased user contributions/previously foregone revenue opportunities. A listing of all proposed fees and charges for the 2025/26 financial year are detailed in Attachment 8.

A number of statutory fees and charges for the 2025/26 financial year are yet to be announced by the relevant authority. Estimates of increases, based on inflation, have been incorporated into the draft Fees and Charges Schedule. When these announcements are made, the Fees and Charges will be updated to the legislated amount.

Draft 2025/26 Operating Result

AlburyCity's ability to finance new programs is determined by available cash generated from operations and borrowing capacity.

Overall, the draft 2025/26 budget result is a surplus of $4.6 million, being a $4.8 million improvement on the 2024/25 December Quarter Budget Review forecast, which is mainly due to improved Wastewater Fund and General Fund operating results.

Table 9

(Surplus)/Deficit by Fund	Prior Year Actual 2023/24 $'000	Adopted Budget 2024/25 $'000	December Quarter Budget Review Forecast $'000	Draft 2025/26 Operating Budget $'000	Variance to Forecast $'000
General	(19,856)	(12,748)	(12,748)	(10,731)	2,017
Water	2,263	4,820	4,671	4,675	4
Wastewater	6,097	8,978	7,900	10,649	2,749
Total	(11,496)	1,051	(177)	4,593	4,770

Note: Variance - Favourable/(Unfavourable)

Further details regarding the draft 2025/26 operating budget variances within each Fund compared to the 2024/25 current budget are provided below.

General Fund

The draft 2025/26 General Fund operating deficit is projected to decrease by $2 million, which is mainly due to the reduction in planned operating projects. The main net variances to the 2024/25 December Quarter Budget Review forecast include the following items:

Favourable variances:
- $2 million Operating initiatives projects budget reduction
- $1.3 million City Landscapes maintenance
- $1.3 million Governance and internal charge allocation to Water Wastewater
- $810,000 Professional development/conferences/travel budget reduction
- $580,000 Resource Recovery operating result
- $500,000 Consultancy budget reduction
- $320,000 Financial Assistance Grants income
- $280,000 Cultural Activation budget reduction
- $280,000 Contract labour hire budget reduction (excluding Resource Recovery)
- $270,000 Governance income
- $220,000 Albury Airport net income improvement
- $130,000 Events budget reduction
- $100,000 Financial Assistance Community Energy Rebate Program

Unfavourable variances:
- $3.5 million Remaining budgeted savings target to be achieved 2024/25 (removed from the draft 2025/26 budget)
- $1.8 million Interest expense on loans
- $460,000 Depreciation expense increase
- $200,000 Interest income decrease
- $106,000 Other net operating budget variances

It is important to note that the draft 2025/26 budgeted operating result does not include a budgeted savings target, whereas the December Quarter Budget Review includes a remaining budgeted savings target of $3.5 million for the 2024/25 financial year.

A summary of the Draft 2025/26 Operating net result by Team is provided in Attachment 12.

Further analysis of the draft operating budget can be found in Attachment 11.

Australian Government Financial Assistance Grants

Financial Assistance Grants from the Australian Government are a vital part of AlburyCity's revenue base as they represent $8.3 million or 80% of the operating grants received by AlburyCity from other levels of government. Council continues to highlight the importance and the positive impact of Financial Assistance Grants to AlburyCity. Noting that Financial Assistance Grants have declined to 0.51% of Commonwealth Taxation Revenue, which has reduced from 1% over the past three decades.

Financial Assistance provided by AlburyCity

As considered earlier in this Council Meeting agenda, financial assistance of $3.9 million is proposed to be provided by AlburyCity during the 2025/26 financial year as detailed in Attachment 4 in support of Council's objectives and the objectives of the Community Strategic Plan *Towards Albury 2050*.

In addition, it is proposed that AlburyCity allocate funding of $762,000 as part of the AlburyCity Community Infrastructure Fund in 2025/26 in response to requests from organisations to further develop community facilities. If supported by Council, these will be included in the exhibited draft Operational Plan and associated Initiatives budget.

Long-Term Financial Plan – Base Scenario

A council's long-term financial performance is sustainable where planned long-term service and infrastructure levels are met, without unplanned increases in rates or disruptive cuts to services. Like many NSW councils, AlburyCity faces several challenges in achieving long-term financial sustainability.

Analysis of the Draft Operating Budget and Long Term Financial Plan Projections are provided within Attachment 13. The Long Term Financial Plan projections cover each of the General Fund, Water Fund and Sewer Fund separately (refer Attachment 15).

Under the General Fund base scenario, which uses the draft 2025/26 operating budget as the base for future projections and demonstrates what business as usual would look like in the longer term:

- Operating deficits continuing due to interest expense and depreciation expense;
- Works program reliant on loan funding;
- Debt levels continuing to increase year on year.

New General Fund loans of up to $25 million are required for the 2025/26 financial year, to support the proposed capital works program and to meet liquidity benchmarks. This loan will incur additional

loan repayments of $2.1 million per annum from 2026/27. The use of borrowings carries part of the cost to the future users of the asset. Borrowings are long-term loans repayable by instalments and secured against Council revenue. No new loans are proposed for the Water Fund or Wastewater Fund.

A General Fund alternative improvement scenario #1 has been prepared which demonstrates the benefit of achieving break even operating results from 2027/28. This recommended improvement scenario models improved cashflow from operations of $7 million in 2026/27 and $7 million in 2027/28 to achieve an operating surplus. The achievement of this recommended scenario is dependent upon further increases to fees and charges, reduction in service levels, additional revenue streams, potentially increased rate income and maintaining net capital expenditure in the order of $32 million per annum in line with the proposed base scenario capital works program. Benefits include decreasing debt levels as the planned capital works program would not be reliant on loan funding, however additional project spending not budgeted for would require additional funding before proceeding, otherwise the General Fund operating result would begin to deteriorate below break-even again.

The alternative improvement scenario #1 also models alternative water charge increases of 5% for years 1, 2 and 3 in comparison to the proposed base scenario increase of 8% in 2025/26. This represents a lower residential average water bill in comparison to the base scenario of $13.27 (3%) or $0.25 per week.

An additional alternate improvement scenario #2 has also been modelled to demonstrate the financial benefit of limiting new borrowings in 2025/26 and 2026/27 to $10 million each year compared to the loan funding provided for under the break-even by 2027/28 improvement scenario #1. This would speed up debt reduction and reduce the additional cashflow required to be found from operations by $1.3 million per annum from 2026/27 and an additional $850,000 from 2027/28, enabling the General Fund to get back to break even quicker. However, on balance this alternative scenario #2 is not recommended due to the operational and community impacts of deferring projects remaining within the draft General Fund Four Year Delivery Program.

Financial Sustainability Improvement Plan 2024-2028

AlburyCity's Long Term Financial Plan is to be read in conjunction with AlburyCity's Financial Sustainability Improvement Plan, which will be reviewed and updated annually as required.

AlburyCity's Financial Sustainability Improvement Plan 2024-2028 (refer Attachment 9) outlines the criteria that AlburyCity needs to meet to achieve and maintain a financially sustainable position and the actions necessary to achieving them. A progress update on the implementation of the Financial Sustainability Improvement Plan is provided as Attachment 10 to this report.

In addition to ongoing actions identified within the adopted Financial Sustainability Improvement Plan, the following actions are scheduled for 2025/26.

- Accelerated service planning project for AlburyCity internal and external service delivery functions
- Develop an overarching Infrastructure Strategy
- Community engagement on the cost-of-service delivery models and their willingness to pay

An independent and comprehensive review of the adopted 2025/26 budget, Four Year Delivery Program and Long Term Financial Plan is also planned for 2025/26 in line with Council's resolution of 10 March 2025, where Council resolved that the CEO appoint an independent auditor to conduct a comprehensive review of the current and future budgets to assess alignment with strategic goals, evaluate revenue assumptions, and analyse expenditure trends, with the objective of ensuring financial sustainability, identifying inefficiencies, and improving fiscal management.

Risk

- **Business Risk** – While AlburyCity has sufficient liquidity to meet its obligations when they fall due, the draft 2025/26 Budget and Long Term Financial Plan projections demonstrate that further improvement is required for the General Fund to achieve an operating result sufficient to sustain service levels. If a break even operating result is not achieved by 2028 it will only make the challenge harder due to increasing debt levels and funding required to be redirected to the repayment of loans.
- **Corporate Risk** – It is critical that AlburyCity actively and progressively implements improvements to sustainably fund the delivery of services and infrastructure to its community as outlined in our adopted Financial Sustainability Improvement Plan 2024-2028. The service delivery funding gap is to be improved through the continued review, and prioritisation of the levels of service and infrastructure provided, balanced with generating the required revenue to sustain services.
- **WHS and Public Risk** – No risks identified.
- **Environmental Risk** – Environmental actions are a key consideration when developing AlburyCity's Delivery Program including initiatives that align with the community strategic plan theme – an enhanced environment.
- **Delivery Program Risk** – Operating budgets should generate sufficient positive cash flows which can be invested in infrastructure and fund the repayment of loans. Sufficient earnings from operations are required to repay loans and sustain AlburyCity's forward delivery program, including the renewal and upgrade of infrastructure. An unfavourable variance in the cash flow generated by the operating result or additional project expenditure could impact upon the funds available for capital projects.

Community Engagement

A Stakeholder Engagement Plan (refer Attachment 16) has been prepared for Council's consideration in support of the public exhibition of the draft operational plan, four year delivery program and long term financial plan.

Public notice will be given in the Border Mail, on Saturday 3 May 2025, of the Council's decision to adopt the Draft Four Year Delivery Program, Operational Plan, and Long-Term Financial Plan.

The Draft Four Year Delivery Program, Operational Plan, and Long-Term Financial Plan will be on public exhibition for 28 days.

Methods used to promote the public exhibition period to the community will include:

- A paid half-page advertisement and formal public notice was included in the Border Mail.
- CEO presentations of the draft budget to business and community groups, community information sessions and to AlburyCity employees.
- AlburyCity website Have Your Say platform.
- Instant, day one email notification to all Have Your Say subscribers.
- Notification by teams to identified key stakeholders of deferred projects.
- Calls to action throughout the public exhibition period on social media channels.
- Calls to action on social media channels to become a Have Your Say subscriber.
- Hard copies will be placed in AlburyCity offices and libraries.
- All About Albury newsletter. ·
- Opportunities to speak with an officer in person, or responses via info@alburycity.nsw.gov.au.

Submissions received by Friday 30 May 2025, will be considered at a meeting of Council to be held on Monday 23 June 2025.

Options

1. Adopt the Draft Four Year Delivery Program, Draft Operational Plan and Draft Long-Term Financial Plan, as presented in this report for public exhibition in accordance with the draft Budget Stakeholder Engagement Plan; **Recommended.**

2. Adopt the Draft Four Year Delivery Program, Operational Plan, and Draft Long-Term Financial Plan, with nominated changes prior to public exhibition. **Not Recommended.**

3. Notes the engagement of an external service provider required to commence the planned Accelerated Service Planning Project in July 2025. **Recommended.**

The *Local Government Act 1993* requires that Council adopt the final version of these plans by 30 June each year.

Conclusion

The Draft Four Year Delivery Program, 2025/26 Operational Plan and Long-Term Financial Plan have been prepared for consideration.

A key focus for AlburyCity is on delivering quality services, maintaining and improving infrastructure, and delivering on the Community Strategic Plan *Towards Albury 2050* community vision; *A nationally significant regional city that is vibrant, diverse, innovative, connected, and inspired by its culture, environment and location on the Murray River.*

The average residential rate for the 2025/26 financial year will be $1,606, being an increase of $59 (3.8%) or $1.13 per week. When all rates, water, wastewater and waste management charges are combined, the average residential property impact is an increase of $153.31 or $2.95 per week, representing an overall average increase of 5%.

Water and wastewater charges for 2025/26 are proposed to increase by 8% to support the infrastructure investment required for this essential service. The average residential impact is a water charge increase of $35.59 (8%) or $0.68 per week and a wastewater charge increase of $58.72 (8%) or $1.13 per week.

Overall, the draft 2025/26 budget result is a surplus of $4.6 million, being a $4.8 million improvement on the 2024/25 December Quarter Budget Review forecast, which is mainly due to improved Wastewater Fund and General Fund operating results. The 2025/26 General Fund operating deficit is budgeted to decrease by $2 million to $10.7 million, which is mainly due to the reduction in planned operating projects. Ongoing work is required to achieve and maintain a sustainable surplus result within the General Fund to deliver required services and infrastructure improvements, as outlined in AlburyCity's Financial Sustainability Improvement Plan 2024-2028.

The proposed Capital New Initiatives of $81 million for the 2025/26 financial year, part funded by secured capital grant funding of $23 million, will ensure the continuation of essential services and infrastructure for the community. It focuses on improving roads, footpaths, water quality and wastewater networks, as well as continuing Council's future planning agenda to grow the city and provide quality services and facilities.

Submissions received during the public exhibition period regarding the Draft Four Year Delivery Program, Operational Plan and Long-Term Financial Plan will be presented for consideration to a meeting of Council to be held on Monday 23 June 2025.

Recommendation

That Council:

a. Adopts the Draft Four Year Delivery Program 2025-2029, the Draft 2025/26 Operational Plan, and the Draft Long-Term Financial Plan;

b. Endorses the Draft Budget Stakeholder Engagement Plan;

c. Places the draft plans on public exhibition for 28 days concluding on Friday 30 May 2025;

d. Considers any submissions received at a meeting of Council to be held on Monday 23 June 2025, prior to final adoption of the plans; and

e. Notes the engagement of an external service provider required to commence the planned Accelerated Service Planning Project in July 2025.

Attachments

Draft Four Year Delivery Program and Operational Plan

1. Draft Four Year Delivery Program 2025-2029 and Operational Plan 2025/26 (DOC24/90772).
2. AlburyCity Service Catalogue 2025/26 (DOC25/97315).
3. Draft AlburyCity Initiatives 2025-2029 (DOC25/94107).

4. Draft Financial Assistance Schedule (DOC25/47434).

Draft Statement of Revenue Policy

5. Statement of Revenue Policy (DOC25/62362).
6. Water and Wastewater Pricing Model (DOC25/49456).
7. Draft Fees and Charges Summary Analysis (DOC25/95161).
8. Draft Fees and Charges Schedule (DOC25/93952).

Draft Budget/Long-Term Financial Plan

9. Financial Sustainability Improvement Plan 2024-2028 (DOC24/154392).
10. Financial Sustainability Improvement Plan implementation update (DOC25/95162).
11. Draft 2025/26 Operating Budget and Long Term Financial Plan Analysis (DOC25/95173).
12. Draft Operating Budget Summary by Team (DOC25/96220).
13. Long Term Financial Plan – Base Scenario (DOC25/95277).
14. Long Term Financial Plan – Recommended Improvement Scenario #1(DOC25/95278).
15. Long Term Financial Plan – Alternative Improvement Scenario #2 (DOC25/95279).

Draft Budget Stakeholder Engagement Plan

16. Draft Budget Stakeholder Engagement Plan (DOC25/95304)