

SUMMARY ANNUAL BUSINESS PLAN & BUDGET

Welcome to the Annual Business Plan and Budget for Southern Mallee District Council for the 2022-2023 financial year. This is the fourth annual business plan and budget developed by the group of elected members who took office in November 2018. The next four year term of Council will commence in November 2022 after the local government elections.

This document is critical to delivering our vision of a prosperous and welcoming community where we share a sustainable and safe environment and a diverse economy.

The annual business plan and budget seeks to deliver on the Southern Mallee District Council Strategic Plan 2021-2025 as adopted by Council in January 2021. The strategic plan focuses Council on five goals:

- An engaged community
- Diverse and prosperous economy
- Sustainable infrastructure and services
- Governance and organisational culture, and
- Advocacy and working with others.

This annual business plan and budget demonstrates further significant investment into key assets in our communities and planning for the future.

Council has decided on a rate increase of 5.2% plus growth. This is in line with Council's Long Term Financial Plan which provides for annual rate rises equal to the consumer price index plus 0.5%. This rate increase will avoid undue financial pressure on our community whilst ensuring Council can continue to maintain and renew existing assets.

Council will invest substantially less, compared to recent years, as it seeks to reduce its overall annual capital expenditure. Council's operational costs will remain relatively low, but grow, to ensure we can maintain a broad range of services and support ongoing maintenance of a high standard in our commercial centres.

An important focus for Council this year will be the continued delivery of the Pinnaroo Village Green Masterplan and Lameroo Town Centre Plan through the Commercial Centres Revitalisation Project. Council will also provide another program of rubble road re-sheeting projects and further progress the upgrade of Kulkami Road.

This years Annual Business Plan and Budget builds on the success of the 2021-2022 financial year. In 2021-2022 Council successfully delivered key projects including complete renewal of the Pinnaroo Swimming Pool, completion of Stage 1 and 2 of the Pinnaroo CWMS project, significant upgrading works to Kulkami Road and a number of priority road re-sheeting projects.

Council has continued to successfully attract Commonwealth and State Government funding to support local priority projects. Council has then successfully delivered these projects on the ground.

This document demonstrates our ongoing commitment to delivering quality services, maintaining financial accountability, working with our communities, and most importantly, securing a prosperous future for Southern Mallee.

I look forward to working with staff, elected members and the community to deliver the 2022-2023 Annual Business Plan and Budget.



Cr Jeff Nickolls
Mayor

COUNCIL VISION

"A prosperous and welcoming community where we share a sustainable and safe environment and a diverse economy"

The Southern Mallee District Council's Annual Business Plan and Budget 2022-2023 outlines the services, programs and activities we plan to provide over the next 12 months.

The objectives and key initiatives outlined in the plan are guided by our vision and goals set out in the Strategic Management Plan 2021-2025 and Long Term Financial Plan.

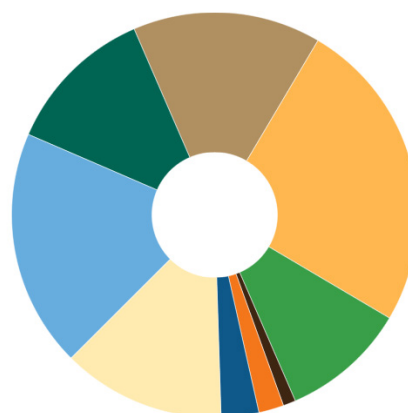
A full version of the Plans are available on the Council website:
www.southernmallee.sa.gov.au



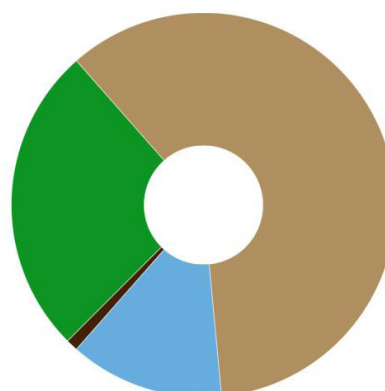
SERVICES

Council plans to maintain the provision of all current services to the community.

Details of ongoing services provided to the community and activities of Council are shown in the graph below.



The graph below shows where Council is proposing to allocate its capital spend for the 2022-2023 financial year.



FINANCIAL SUMMARY

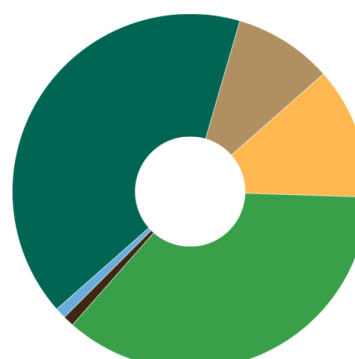
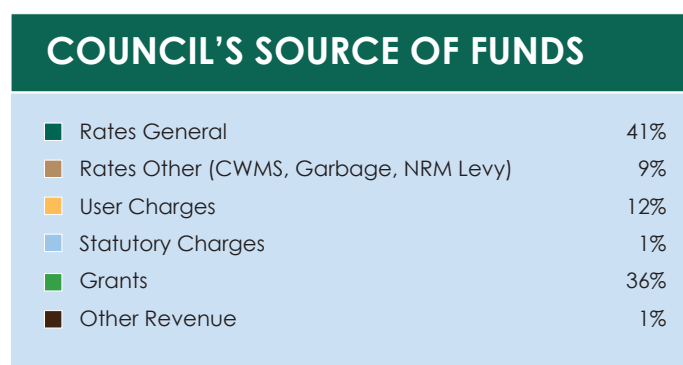
In delivering services and programs contained within this annual business plan, Council is targeting an operating deficit of \$218,000 in 2022-2023 as a result of

Operating Revenues	\$9,531,000
Less: Operating Expenditure	\$9,749,000
Net Operating Defecit	\$218,000

Council's annual operating revenue is not considered sufficient to meet expected operating expenditure for the 2022-2023 year. Council is

comfortable with this result as the deficit is the result of a one off expenditure item relating to the undergrounding of powerlines.

Council is granted the power to acquire funds under Section 133 of the Local Government Act 1999. Sources of funds include property rates, service charges, statutory and user charges, income from investments, commercial activities together with grants and subsidies. An indication of the proportion each of these makes up the total revenue of Council is depicted in the diagram below.



RATES

How rates are determined

In setting the rates for the financial year, Council considers the current economic climate, specific issues faced by the community, the impact of rates on the community and it's Community Plan, which determines:

- what services will be provided;
- what works will be undertaken; and
- how community assets will be managed.

The cost of providing services, undertaking works, projects and managing community assets is then determined and the amount of income that is to be received from grants and subsidies is estimated.

The amount of income from grants and subsidies is subtracted from the estimated cost of providing the determined services, works, projects and management of the community assets. The balance is the amount that will need to be collected through rates.

Council has budgeted to receive Operating Income of \$9.531 Million in 2022-2023, this income is derived from a number of different sources including; Rates and Charges, Statutory and User Charges, Grants, Subsidies and Contributions, Investment Income and Other Income.

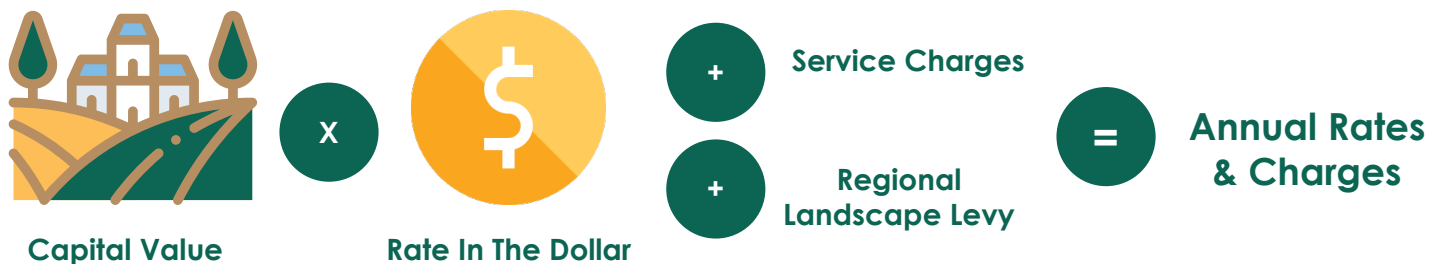
On an annual basis Council's main income is derived from rates and charges. For 2022-2023 Council will raise a total

of \$3.873M, of its total operating income from rates and charges, a 5.2% plus growth increase on 2021-2022 rate revenue.

Over the past four years council has raised rate revenue by 2.9% in 2019/2020, 0% in 2020-2021, 2.25% in 2021-2022, and proposes an increase of 5.2% in 2022-2023. This equates to an average increase of 2.59% for the term of this council.

Based on the current proposed increase in rate revenue of 5.2%, plus growth, and the valuations as at June 2022, 56% of properties are proposed to receive either a decrease or up to a 5% increase in their rates. However, the actual increase payable for any individual property may be more or less, depending on the value and movement in the capital valuation of each property.

For the majority, individual property rates are calculated by multiplying the property's capital valuation (as determined by the South Australian Valuer-General), by a rate in the dollar. Council considers that rates based on the capital value of the property and a differential rate, provide the fairest method of distributing the rate burden across all ratepayers.



Disclaimer: Rates are also impacted by the level of rebates and the minimum rate.



OVERALL CAPITAL VALUE FOR THE REGION

↑ 26.10% OR \$186M

1743 PROPERTIES PAY RATES



\$656.00
MINIMUM
RATE



Minimum rate
makes up **31%**
of Council's
general rate
revenue



17% of rates collected from
Townships



83% of rates collected
from Rural properties



\$295.00 kerbside waste
collection and recycling
charge, additional
collections **\$212.00**



\$635.00 Community
Wastewater Management
Scheme

\$315.00 Community
Wastewater Management
Scheme, vacant allotment



\$154,012 to be collected for
Regional Landscape Levy

Payment Of Rates

The Council has resolved that the payment of all rates will be in four equal or approximately equal instalments due on:-

SEPT 2022

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DEC 2022

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

MAR 2023

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUN 2023

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

More Information

A copy of the full Annual Business Plan and Budget can be downloaded from Council's website www.southernmallee.sa.gov.au or can be viewed at either the Pinnaroo or Lameroo Council office.



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