

# **Southern Mallee District Council**



Under Section 123 of the Local Government Act 1999 your Council is required to have a budget for each financial year. The budget must be considered as part of the Council's Annual Business Plan.

This document presents the Annual Business Plan and Budget for the Southern Mallee District Council for the 2018/19 Financial Year

# Annual Business Plan and Budget 2018/19

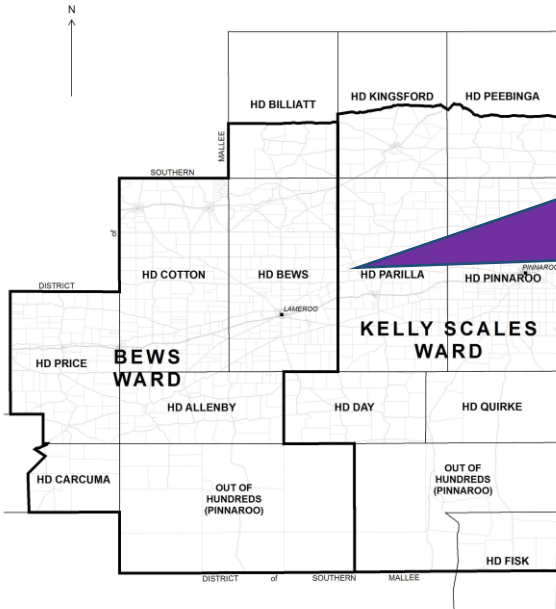
## Your town

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# 1 the region

## WARDS

Southern Mallee District Council

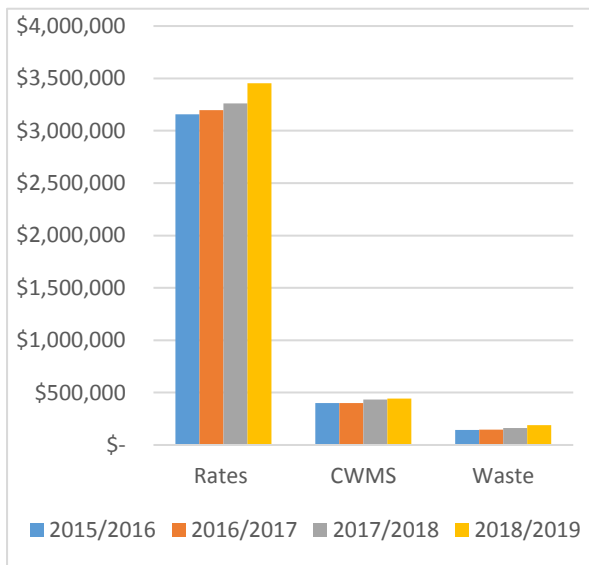


Land Area 6,000 sq km  
Total Roads 1342 km  
Sealed Roads 130 km  
Unsealed Roads 1212 km  
Two Wards

## Operating




Dog Registrations 596



Library Services in Lameroo, Pinnaroo and Geranium

1 the region



| District                |              |
|-------------------------|--------------|
| Pinnaroo                | 741          |
| Lameroo                 | 854          |
| Parilla                 | 212          |
| Geranium/Parrakie       | 220          |
| <b>Total Population</b> | <b>2027*</b> |

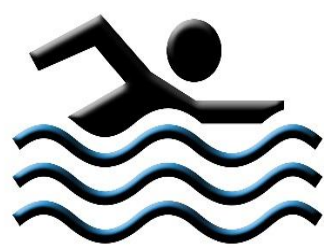
\*as per the 2016 Census data



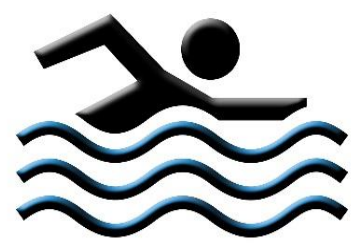
| Dwellings         |             |
|-------------------|-------------|
| Lameroo           | 439         |
| Pinnaroo          | 588         |
| Parilla           | 195         |
| Geranium/Parrakie | 142         |
| <b>Total</b>      | <b>1364</b> |



Development Applications 60  
[ Forecasted ]



Swimming Centre in Pinnaroo  
Attendances 3,665  
Ticket Holders 178  
Ticket Sales \$8,520



Swimming Centre in Lameroo  
Attendances 3,933  
Ticket Holders 191  
Ticket Sales \$9,600



## 2 from the mayor

This Annual Business Plan and Budget sets out the Southern Mallee District Council's proposed services, functions and projects for the 2018/19 financial year.

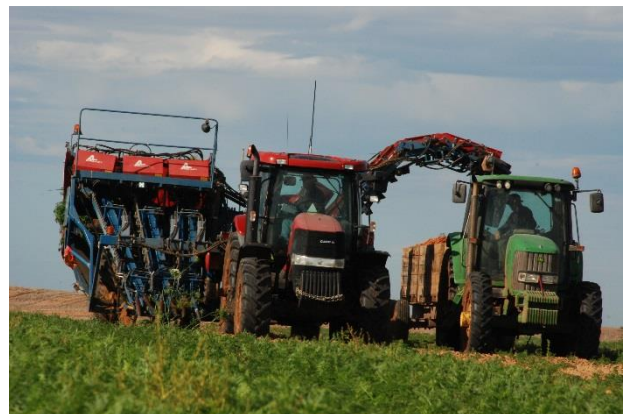


It has been developed in the context of the community's priorities established in the development of the Strategic Management Plan 2017/2021 and related long term financial plan. The key objective of this long term plan is to ensure financial sustainability in the medium to long-term while still achieving the vision in Council's Service Delivery. The conclusion from the 2016 Community Survey saw four themes identified as important by the community. These were subsequently included from the Strategic Management Plan 2017/2021 and were considered in the planning of this Annual Business Plan and Budget:

They were:

- Community – Actively contributing communities
- Economy – Diversity across our economy
- Infrastructure – Investing in long term infrastructure
- Organisational – Effective governance and organisational efficiencies.

Within the 2018-19 financial year Council has committed to the provision of new, renewed and upgraded footpaths, play and open spaces, kerbs, drainage and roads across the Council area.



As Mayor I look forward to working with my fellow Elected Members, Council Employees and the Community to improve the facilities and lifestyle for all to enjoy.

Andrew Grieger  
Mayor

### **3 from the chief executive officer**

Welcome to the 2018/2019 Annual Business Plan and Budget.

In the preparation of this budget our focus remains on continuing to provide effective and efficient services and programs on behalf of our community while maintaining a strong focus on innovative strategic planning, prudent financial management and strong levels of engagement with our community.

Residents can be assured that essential services will continue to be provided within the framework established as part of Council's rolling 10-year Long Term Financial Plan. Council maintains its key focus on long-term financial sustainability - ensuring a reasonable degree of stability and predictability in the overall rate structure.

Whilst this will impact each property differently it is proposed that any increases will be consistent with the overall increases in capital values across the district.

I am often asked why Council must have rate increases. The rates increase reflects the increasing costs Council incurs to deliver both the service and infrastructure expectations of our community as well as the ever-increasing legislative requirements imposed on local government by other levels of government.

Rates increases in the Long Term Financial Plan have been calculated to match projected expenditure increases in infrastructure, construction material costs, salaries and contractors including waste management. The Council seeks to achieve a reasonable degree of rate stability over time while ensuring that the service, project and infrastructure needs of the community are met.

This Annual Business Plan and Budget continues our commitment to responsible governance and sound stewardship of the community's assets while providing value to all ratepayers.

Peter Bond  
Acting Chief Executive Officer

## 4 your council



Cr Andrew Grieger  
Mayor



Cr Neville Pfeiffer  
Deputy Mayor



Cr Mark White  
Councillor



Cr Allan Dunsford  
Councillor



Cr Stacey Milde  
Councillor



Cr Bruce Summerton  
Councillor



Cr Dennis Hyde  
Councillor



Cr Kevin O'Driscoll  
Councillor



Cr Brian Toogood  
Councillor

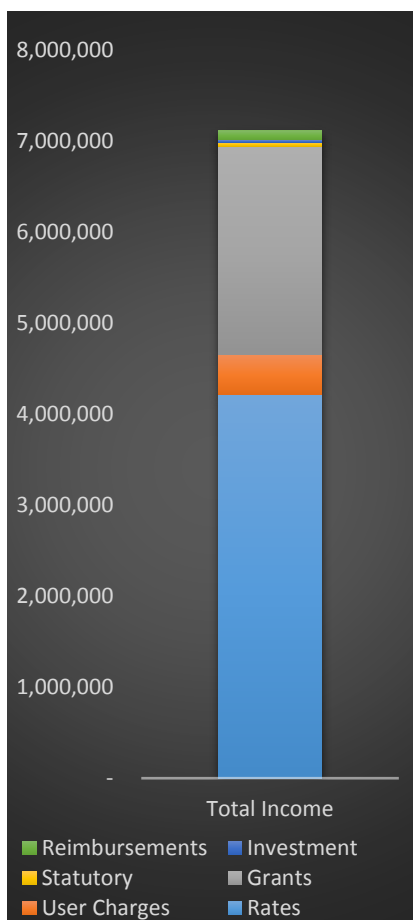


## 5 budget snapshot

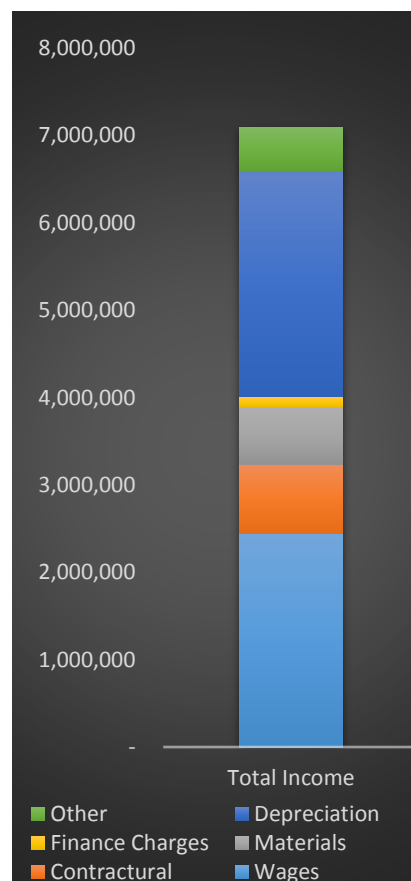
The Annual Business Plan and Budget 2018/19 has been prepared in accordance with the priorities of our Strategic Management Plan and our Long Term Financial Plan.

| Budget<br>2018 /2019             |                     |
|----------------------------------|---------------------|
| Operating Surplus                | <b>\$102,907</b>    |
| Less Loan Repayments             | <b>\$ 279,928</b>   |
| Add Proceeds from Sale of Assets | <b>\$240,000</b>    |
| Add Repayments of Comm. Loans    | <b>\$0</b>          |
| Less Capital Expenditure         | <b>\$ 2,160,750</b> |
| Add Depreciation                 | <b>\$ 2,591,150</b> |
| Cash Surplus/ (Deficit)          | <b>\$493,379</b>    |

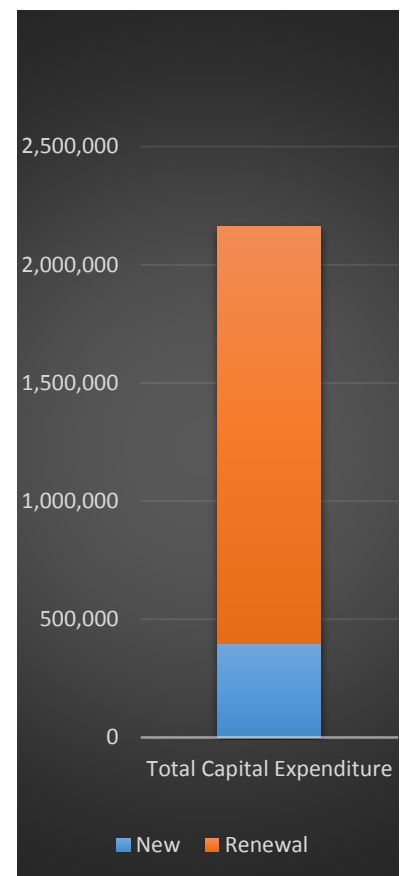
Operating Income



Operating Expense



Capital Spend



## 2018-2019 Proposed Capital Works Program

*Disclaimer: The following proposed capital works listings are yet to be confirmed and are only an indicative program – they are subject to final approval of Council; alterations and additions to this list may occur*

### SOUTHERN MALLEE DISTRICT COUNCIL 2018/2019 BUDGET Proposed Capital Projects Budget Figures



| JOB NAME/DESCRIPTION  | BUDGET  | TOTALS         |
|---|---------|----------------|
| Pinnaroo Dental Clinic - Relocation of service                  | 60,000  |                |
| Pinnaroo Institute - Salt Damp Repairs                          | 30,000  |                |
| Council House - Lehmans Road Upgrade & Repairs                  | 50,000  |                |
| Lameroo Historical Society - Replace fence                      | 5,000   |                |
| Lameroo Hall - Further underpinning required - Engineers Report | 15,000  |                |
| Pinnaroo Retirement Village - Preventative Maintenance          | 20,000  |                |
| Parilla Accommodation - Replace/Repair Shower/Laundry Block     | 40,000  |                |
| I.T. - Replacement Server, out of warranty                      | 20,000  |                |
| Lameroo & Pinnaroo office Kitchen Flooring Upgrade              | 5,000   |                |
| Landscape Design Consultant                                     | 10,000  |                |
| <b>PROPOSED CAPITAL PROJECTS</b>                                |         | <b>255,000</b> |
| Karte Road 3.0 km   | 140,000 |                |
| Mallee Hills 2.4 km (Five Elements Polymer)                     | 38,000  |                |
| Orwell Road 4.1 km  | 172,000 |                |
| Claypan West Road 5.0 km  | 246,000 |                |
| Lovers Lane (327,500) 1.0 km (1/2 SLRP)                         | 163,750 |                |
| Oaks Road 2.5 km  | 115,000 |                |
| Schiller Road 2.0 km  | 95,000  |                |
| <b>PROPOSED ROAD CONSTRUCTION</b>                               |         | <b>969,750</b> |

## 2018-2019 Proposed Capital Works Program

# SOUTHERN MALLEE DISTRICT COUNCIL

## 2018/2019 BUDGET

### Proposed Capital Projects

### Budget Figures



| JOB NAME/DESCRIPTION  | BUDGET           | TOTALS           |
|---|------------------|------------------|
| Reseal - Billiat Road, Kulkami Road                         | 200,000          |                  |
| Footpaths Various (R2R 29K)                                 | 56,000           |                  |
| Viterra Driveway Lamerook - Concrete                        | 55,000           |                  |
| Bin Covers Lamerook & Pinnaroo townships                    | 20,000           |                  |
| CWMS Pipework renewal Pinnaroo                              | 100,000          |                  |
| Stormwater Ponds Lamerook - repair seepage                  | 30,000           |                  |
| Lamerook Skate Park - Contingency for alterations           | 25,000           |                  |
| <b>PROPOSED OTHER WORKS PROJECTS</b>                        |                  | <b>486,000</b>   |
| 8 Tonne Tipper - Changeover                                 | 100,000          |                  |
| Small Truck - Changeover                                    | 75,000           |                  |
| Vehicle Manager Corporate Services - Changeover             | 45,000           |                  |
| Vehicle Manager Building & Regulatory Services - Chnageover | 45,000           |                  |
| Vehicle - Dual Cab Ute, Works Department - Changeover       | 35,000           |                  |
| Prime Mover - Replacement                                   | 150,000          |                  |
| <b>PROPOSED PLANT REPLACEMENT</b>                           |                  | <b>450,000</b>   |
| <b>Sub Total</b>  | <b>2,160,750</b> | <b>2,160,750</b> |

## 6 strategic context

The Southern Mallee District Council has developed a rolling 10-year financial plan, which we call our Long Term Financial Plan, to ensure that we deliver the desired outcomes of the Strategic Management Plan. Our corporate integrated planning framework aligns our operations with our corporate and strategic plans to achieve sustainable improvements for the region and its people. This framework includes long, medium and short term plans that set the direction for everything that we do. This Business Plan and Budget has been prepared in the context of our Long Term Financial Plan and flows directly from priorities identified in our Strategic Management Plan. Our Departmental Programs and budgets complete our planning framework and ensure the timely and appropriate allocation of resources to meet our long term goals in a staged and responsible fashion. We will monitor our progress against the Strategic Management Plan and report on our progress annually. The decisions that Council makes, and the activities and services it initiates, are driven by a variety of factors.



There are significant influences in the environment in which we operate that affect decision-making and the actions taken. A number of significant factors have influenced the preparation of the Council's 2018/19 Annual Business Plan and Budget.

These include:

- requirements to maintain and improve standards as well as meeting the community expectations for open space, roads, footpaths and Council community buildings.
- continued increases in the cost of waste levies, water charges, bitumen and concrete and other building materials.
- the reduction of funding from State and Federal Government sources.
- feedback from the community on many other community engagements.
- the increasing costs of environmental issues and infrastructure costs such as Buildings, Roads, stormwater management, bush fire zones and water supply for open spaces.

Further impacting the region are planning reforms, legislative changes, population decline, global and domestic economic conditions and our changing demographics. The current economic climate continues to be unpredictable and we continue to monitor and identify its impacts on our financial performance and budgeting. We have developed financial planning strategies to take this economic climate into account while ensuring we continue to deliver services to our community. Our Annual Business Plan and Budget guides Council's activities so that we can make the best possible progress towards our community's vision for the future of the Southern Mallee.

## 7 strategic direction

Southern Mallee District Council's Strategic Management Plan 2017-2021 was adopted by Council on 15 March 2017. The Strategic Management Plan is an aspirational document and cornerstone for future investment. It will guide future decision making over the next 4 years through the delivery of highlighted strategies and targets. The Strategic Management Plan shows commitment to the values of Community, Economy, Infrastructure and Organisational and will drive performance through objectives within the priority. The Annual Business Plan and Budget outlines the annual program that delivers upon the Strategic Management Plan and its strategies as outlined in the following tables.

**ROLES FOR SMDC**   ■ Leader   ● Seeking funding / resources   ◆ Advocate

**CEO** = Chief Executive Officer

**MCS** = Manager Corporate Services

**WM** = Works Manager

| C O M M U N I T Y   |                |   |      |          |           |
|---|----------------|---|------|----------|-----------|
| Strategies  | Priority Areas |   | Role | Internal | Timing    |
| <b>1.1 Work with State Government to continuously improve health services in the region</b> | 1.1.1          | Continue to lobby State Government for better health Services   | ◆ ●  | CEO      | Ongoing   |
|   | 1.1.2          | Continue to attract outreach programs including dental, medical and other specialists                                 | ◆ ●  | CEO      | Ongoing   |
| <b>1.2 Create opportunity for community involvement and input into community planning</b>   | 1.2.1          | Actively use the Public Consultation policy to engage the community (update in 2018)                                  | ■    | CEO      | Ongoing   |
|   | 1.2.2          | Position SMDC to prepare for the changing fiscal arrangements re: COGS child care on the go service                   | ■ ●  | MCS      | 2018 / 19 |
|   | 1.2.3          | Continue to support our three school community based libraries as places of learning and meeting across the community | ■ ●  | MCS      | Ongoing   |



## 7 strategic direction

| C O M M U N I T Y  |                |  |          |        |           |
|--|----------------|--|----------|--------|-----------|
| Strategies   | Priority Areas | Role   | Internal | Timing |           |
| <b>1.3 Enhance shared platforms to provide community resources</b>   | 1.3.1          | Continue support for outreach services such as Dental clinics and more GPs                               | ● ◆      | CEO    | Ongoing   |
|  | 1.3.2          | Continue working closely with State Government to strengthen health services and accessibility           | ● ◆      | CEO    | Ongoing   |
|  | 1.3.3          | Continue support for child care services and accessibility   | ■ ● ◆    | MCS    | Ongoing   |
|  | 1.3.4          | Continue working with State Government to strengthen aged care services and accessibility                | ● ◆      | CEO    | Ongoing   |
| <b>1.4 Develop a program of events that builds involvement throughout the year</b>   | 1.4.1          | Continue to support Section 41 Committees to create and implement community events                       | ■ ◆      | CEO    | Ongoing   |
|  | 1.4.2          | Enable events particularly relating to multiculturalism, community meeting places and healthy lifestyles | ■ ◆      | MCS    | Ongoing   |
| <b>1.5 Continue to invest in sports, recreation and lifestyle infrastructure working to partner with businesses when appropriate</b>                   | 1.5.1          | Seek funding opportunities through State Government programs and grants                                  | ■ ●      | CEO    | Ongoing   |
|  | 1.5.2          | Ensure a consistent approach to all lessees of Council sporting assets                                   | ■        | MCS    | 2018 / 19 |
|  | 1.5.3          | Continue to support formal and informal recreation small grants (\$5,000 - \$10,000)                     | ■ ◆      | MCS    | Ongoing   |
| <b>1.6 Provide non-structured recreational facilities, locally and regionally to promote participation, well-being and aesthetic landscape quality</b> | 1.6.1          | Continue to promote the Pinnaroo wetlands  | ■ ◆      | MCS    | Ongoing   |
|  | 1.6.2          | Retain the upkeep of the public parks and public toilets   | ■ ●      | WM     | Ongoing   |

## 7 strategic direction

| C O M M U N I T Y   |   |      |          |           |
|---|---|------|----------|-----------|
| Strategies  | Priority Areas  | Role | Internal | Timing    |
| 1.7 Look for new relatively low cost community development opportunities to enhance civic participation and pride | 1.7.1 Build the Recreational Vehicle (RV) friendly destination strategy across the Council – including locations in Parilla, Lameroo and Pinnaroo | ● ◆  | WM       | Completed |
| 1.8 Support Volunteers across our region  | 1.8.1 Develop a whole of Council Volunteer Policy   | ■    | MCS      | Completed |

| E C O N O M Y   |  |          |          |           |
|---|--|----------|----------|-----------|
| Strategies  | Priority Areas   | Role     | Internal | Timing    |
| 2.1 Building on our strengths to develop new business including tourism opportunities | 2.1.1 Work with others to create a Destination offering eg: food / agriculture trail combined with history and RV destination                    | ● ◆<br>■ | CEO      | Ongoing   |
|   | 2.1.2 Support micro businesses that build on the regions' strengths eg fruit and vegetables, grain crops production, dry land farming, livestock | ◆ ●<br>■ | CEO      | Ongoing   |
|   | 2.1.3 Explore the potential to make the Council a base for agricultural machinery companies  | ◆ ●      | CEO      | 2019 / 20 |
| 2.2 Enhance the range and supply of affordable housing                                | 2.2.1 Advocate to develop housing to support active ageing in the community  | ◆ ●      | CEO      | Ongoing   |
| 2.4 Strengthen environmental practices  | 2.4.1 Continue to position ourselves as leaders of water and waste water use and reuse   | ■ ◆      | CEO / WM | Ongoing   |
|   | 2.4.2 Explore alternative energy supplies to reduce cost and emissions   | ■ ●      | WM       | Ongoing   |

## 7 strategic direction

| E C O N O M Y  |                |  |      |          |           |
|--|----------------|--|------|----------|-----------|
| Strategies   | Priority Areas |  | Role | Internal | Timing    |
| <b>2.5 Promote and invest in education, R&amp;D, and training</b>  | 2.5.1          | Continue to work with local business and state / local government and the LGA to offer apprenticeships / and or employment opportunities | ■ ◆  | ALL      | Ongoing   |
|  | 2.5.2          | Support Lameroo Regional Community School to create an agricultural training program   | ■ ●  | MCS      | Ongoing   |
| <b>2.6 Design out waste</b><br><i>(Cross reference with 3.5)</i>   | 2.6.1          | Continue to upgrade and promote practices of recycling of waste; looking for business opportunities where possible                       | ■ ●  | WM       | Ongoing   |
| <b>2.7 Facilitate development through appropriate zoning and amend where require (while protecting natural assets of the region)</b> | 2.7.1          | Promote Council's industrial zones as investment attraction locations for targeted industry sectors                                      | ◆    | CEO      | Ongoing   |
|  | 2.7.2          | Seek to understand the likely demand for industrial land trends over the coming ten years  | ◆ ■  | CEO      | Ongoing   |
|  | 2.7.3          | Protect natural assets through zoning  | ■    | CEO      | Ongoing   |
| <b>2.8 Increase visitor numbers to the District</b>  | 2.8.1          | Continue to promote the District as an RV friendly destination   | ■    | CEO      | Ongoing   |
|  | 2.8.2          | Develop a Tourism Strategy   | ■    | CEO      | 2018 / 19 |

| I N F R A S T R U C T U R E  |                |   |      |          |         |
|--|----------------|---|------|----------|---------|
| Strategies   | Priority Areas |   | Role | Internal | Timing  |
| <b>3.1 Continue to make the region an attractive place to stop and visit</b> | 3.1.1          | Maintain community assets (including parks, lawns, benches and public toilets) to a high standard | ■ ●  | WM       | Ongoing |
|  | 3.1.2          | Ensure streetscaping is abundant, hardy, attractive and well maintained                           | ■ ●  | WM       | Ongoing |

## 7 strategic direction

| I N F R A S T R U C T U R E  |   |        |          |           |  |
|--|---|--------|----------|-----------|--|
| Strategies   | Priority Areas  | Role   | Internal | Timing    |  |
| <b>3.2 Invest in hard infrastructure for community benefit</b>                   | 3.2.1 Maintain airport to ensure safety for medical emergencies and recreational pilots                           | ■<br>● | WM       | Ongoing   |  |
|  | 3.2.2 Work with Federal and State Government and the RDA to build a strong and safe road network                  | ◆<br>● | CEO      | Ongoing   |  |
|  | 3.2.3 Working with Murraylands and Riverland LGA to lobby State Government to continuously improve state highways | ◆<br>● | WM       | Ongoing   |  |
|  | 3.2.4. Within townships construct and maintain paths that are wheelchair, pram and gofer friendly                 | ■<br>● | WM       | Ongoing   |  |
|  | 3.2.5 Improve disability access   | ◆      | WM       | Ongoing   |  |
| <b>3.3 Ensure that infrastructure / assets are being used to their potential</b> | 3.3.1 Undertake an assets / infrastructure review and rationalisation process                                     | ■<br>● | WM       | 2018 / 19 |  |
| <b>3.4 Ongoing management of our natural assets</b>                              | 3.4.1 Work with State Government to promote and retain the region's national parks                                | ◆●     | CEO      | Ongoing   |  |
|  | 3.4.2 Work with CFS and DEWNR to ensure good bush fire practices are in place                                     | ◆●     | CEO      | Ongoing   |  |
|  | 3.4.3 Continue to work with State and Federal Government to protect and retain our groundwater supplies           | ◆●     | CEO      | Ongoing   |  |
| <b>3.5 Design out waste</b><br><i>(Cross reference with 2.6)</i>                 | 3.5.1 Improve waste management – hard waste and recycling collections   | ■<br>● | WM       | Ongoing   |  |
|  | 3.5.2 Explore potential to create businesses from waste streams   | ●<br>◆ | WM       | Ongoing   |  |
| <b>3.6 Enhance the reach of communication technology</b>                         | 3.6.1 Continue to promote the NBN rollout   | ◆      | CEO      | Ongoing   |  |
|  | 3.6.2 Continue to lobby State Government for better mobile phone access   | ◆●     | CEO      | Ongoing   |  |

## 7 strategic direction

| O R G A N I S A T I O N A L   |                |   |      |          |          |
|---|----------------|---|------|----------|----------|
| Strategies  | Priority Areas |   | Role | Internal | Timing   |
| <b>4.1 Build strong and influential relationships with the, State and Local Governments</b> | 4.1.1          | Enhance resource sharing with other councils (exploration of enhanced service provision through regional collaboration, public private partnerships and sector-wide approaches) | ■ ◆  | CEO      | Ongoing  |
|   | 4.2.1          | Ensure the Elected Members are skilled, knowledgeable, motivated and committed. Upskill and attract new members where necessary   | ■ ●  | CEO      | Ongoing  |
| <b>4.2 Ensure a strong, knowledgeable and functioning Elected Member body</b>               | 4.2.2          | Undertake an annual Elected Members self-assessment – contributions to Council / highlights   | ■ ●  | CEO      | Annually |
|   | 4.3.1          | Ensure clear distinction between role of SMDC Elected Members and role of CEO   | ■    | CEO      | Ongoing  |
| <b>4.3 Employ best practices governance and performance methods</b>                         | 4.3.2          | Develop clear, achievable and agreed to KPIs / targets for the CEO  | ■    | CEO      | Annually |
|   | 4.3.3          | Ensure a clear and transparent performance review / appraisal process for the CEO   | ■    | CEO      | Annually |
| <b>4.4 Employ good governance practices across Council</b>                                  | 4.4.1          | Ensure organisation has necessary policies and procedures in place  | ■    | CEO      | Ongoing  |
|   | 4.4.2          | Recruitment of all staff to include annual performance review to include staff satisfaction rating, training plan, workplace health and safety                                  | ■    | CS       | Ongoing  |
|   | 4.4.3          | Embed strategic procurement practices   | ■    | MCS      | Ongoing  |
|   | 4.4.4          | Ensure consistency of best compliance practices and processes and procedures throughout the Council   |      | MCS      | Ongoing  |



## 7 strategic direction

| O R G A N I S A T I O N A L  |   |      |          |         |
|--|---|------|----------|---------|
| Strategies   | Priority Areas  | Role | Internal | Timing  |
| <b>4.5 Provide avenues for employee advancement and professional development</b> | 4.5.1 Develop succession planning pathways and / or modest training opportunities within the organization | ■ ●  | MCS      | Ongoing |
|  | 4.5.2 Create meaningful training and education opportunities  | ■ ●  | MCS      | Ongoing |



## 8 strategic financial process

Our financial planning processes ensure our long term financial sustainability can be maintained while meeting the needs and expectations of our community. Our strategic financial processes integrate our long-term planning and forecasting with the annual business planning and budgeting. It incorporates:

- the Long Term Financial Plan
- Annual Operating Budget
- Operating Projects
- Capital Works
- Asset Management
- Financial Sustainability.

This integrated approach assists in meeting the priorities of both our community and the organisation, while also ensuring our long term sustainability and intergenerational equity (ensuring a fair sharing of the distribution of resources and financial burden between current and future users of our services and infrastructure).

### 8.1 The Long Term Financial Plan

Each year the Southern Mallee District Council reviews and updates its Long Term Financial Plan (LTFP) as part of its financial planning process. In developing the LTFP, we establish financial parameters and forecast our financial performance and position over a 10-year time frame. It is developed using a range of forecast economic indicators and financial assumptions. This provides the basis for allocating funds between ongoing services and project and capital works.

The LTFP informs the 2018/19 Annual Business Plan and Budget and enables Council to effectively and equitably manage service levels, asset management, Funding and revenue rating decisions while achieving its Financial strategy and key financial performance targets.

### 8.2 Annual Operating Budget and Projects

Council aims to balance the provision of services and facilities with the ability of our community to pay. We aim to adopt a balanced budget where total income equals total expenditure. In meeting this objective we constantly face new pressures from increasing costs, reduced levels of grant funding and increasing community expectations. It is therefore important to ensure that our services meet the needs of our residents and are delivered in the most cost-effective way possible. To achieve cost-effectiveness Council delivers our services and programs through a variety of service delivery models such as the appointment and management of contractors, the development and maintenance of partnering relationships and the involvement of a large network of volunteers. This forms part of our overall approach of providing a sustainable budget for 2018/19. A full list of Council programs and services as part of our Operating Budget is included in the appendices.

## 8 strategic financial process

### 8.3 Asset Management

The Southern Mallee District Council is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for our community. Asset Management Plans have been developed for major asset categories such as transport, drainage, recreation and buildings to ensure that available resources are allocated to the required maintenance and renewal programs as well as to provide new infrastructure. The development of these Asset Management Plans indicate Council's ongoing commitment to operate and maintain its asset portfolio efficiently, to meet strategic and legislative requirements and deliver the required levels of service for the community.

### 8.4 Financial Sustainability

To assist Council in meeting its objectives of financial sustainability we are guided by a suite of Key Financial Indicators.

These indicators and our performance in relation to them are detailed in the table below. We will ensure that we continue to:

- achieve and maintain an Operating Surplus over the long-term.
- aim to fully fund the cost of our services, including depreciation of our assets and infrastructure.
- manage our debt prudently.
- employ sound asset management practices - aim to maintain our structure and assets to the required standard to ensure continued delivery of services to agreed standards.

Intergenerational Equity – ensuring a fair sharing of the distribution of resources and financial burden between current and future users of our services and infrastructure

| Ratio Description                                     | Target Amount | Audited Actuals<br>2015/2016 | Audited Actuals<br>2016/2017 | Forecast Actuals<br>2017/2018 | Draft Budget<br>2018/2019 |
|---|---------------|------------------------------|------------------------------|-------------------------------|---------------------------|
| Operating Surplus / (Deficit) Ratio                   | 5 – 10%       | (3.9)%                       | 19.6%                        | 9%                            | 2%                        |
| Adjusted Operating Surplus / (Deficit) Ratio [ FAGS ] |               | 8%                           | 10.4%                        | (12%)                         | 2%                        |
| Net Financial Liabilities                             | 33%           | 30%                          | 3%                           | (7%)                          | (17%)                     |
| Asset Sustainability Ratio                            | 100%          | 133%                         | 116%                         | 100%                          | 100%                      |

The above ratios include an advance payment \$819,338 in 17/18 being half 2018/19 Grants Commission Payment in the 17/18 financial year and \$777,763 being half 2017/18 Grants Commission Payment in the 16/17 financial year.

The result of this advance payment was that income for 17/18 and 16/17 was overstated to the value of \$819,338 in 17/18 and \$777,763 in 16/17. Council has assumed that the Grants Commission will advance pay half of the 19/20 financial year as it has done for a number of years.

## 9 measuring performance

The Council measures its achievements and financial performance through the following processes:

- regular financial reporting to Executive and Council
- annual review of the Long Term Financial Plan
- production of the Annual Report with audited financial statements
- budget reviews in accordance with legislation
- Annual Departmental Program reports to Managers
- individual staff performance plans
- customer request and complaint systems.



Monitoring performance is critical in ensuring that Council is contributing to the achievement of Southern Mallee District Council's Strategic Management Plan. Council's Strategic Planning Framework supports Council in measuring the achievements of Council's Vision as well as monitoring the delivery of services and projects.

## 10 rating strategy and policy

Within the Local Government Act 1999, Section 123 sets out the Council's obligations to prepare Annual Business Plan and Budget.

Section 123 [2d] provides for the annual plan to include a Rating Policy and Structure for the current period and that a summary of the Annual Plan be included with the first rates notice.

### 10.1 Strategic Focus

In developing the rating policy the Council has been very mindful of current internal and external influencers along with likely future outcomes.

These influencers include;

1. Long Term Finance, Asset and Infrastructure Plans that provide for the maintenance, renewal and development of appropriate and necessary services, infrastructure and community support.
2. Local, Regional, State, National and as appropriate International Economic Influencers.
3. Specific issues faced by the Southern Mallee community.
4. The immediate and longer term financial sustainability for the Council including the capacity to attract other income to diminish the burden on its customers [Ratepayers], employment costs and the costs associated with supporting the Council's infrastructure [depreciation].
5. Contributing to the liveability of the Southern Mallee community and society in ways that means the Southern Mallee is a good, safe and

harmonious society in which to live, to work and to socialise in sport, recreation and other activities.

### 10.2 Method Used to Value Land

The Council may adopt one of three valuation methodologies to value land and improvements in the community and include;

1. Capital Value being the value of the land and all the improvements on the land.
2. Site Value being the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
3. Annual Value being a valuation of the rental potential of the property.
4. The Council has determined to continue to use Capital Values as the basis for valuing land within the Council area as the Council believes this method provides the fairest method of distributing the rate burden across all ratepayers on the following basis;
5. The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
6. Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.
7. The distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average level of rates payable per property.



## 10 rating strategy And policy

### 10.3 Adoption of Valuations

A Council may employ or engage a valuer to value the land in the area or it may use the valuations provided by the Valuer-General, or it may use a combination of both subject to certain restrictions.

The Valuer-General is a statutory officer appointed by the Governor.

The Council will adopt the most recent valuations made by the Valuer-General.

If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within sixty days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

1. Previously received a notice of this valuation under the Local Government Act, in which case the objection period is sixty days from the receipt of the first notice; or
2. Previously had an objection to the valuation considered by the Valuer-General.

It is to be noted, however that regardless of the sixty day limitation period before lodging an objection to the valuation the Valuer-General may, for good reason, determine to accept an objection lodged outside this time period.

### 10.4 Objection to Valuation

A person may object to a valuation of the Valuer-General by notice in writing, setting out the reasons for the objections, and the Valuer-General must consider the objection.

If the person then remains dissatisfied with the valuation the person has a right to a review.

Applications must be made within twenty one days of receipt of the notice of the decision (in relation to the objection) from the Valuer-General.

A payment of the prescribed fee for the review to be undertaken together with the review application must be lodged in the State Valuation Office, who will then refer the matter to an independent Valuer.

If the person remains dissatisfied with the valuation then they have a right of appeal to the Land and Valuation Court [Section 24, 25A, 25B & 25C of the Valuation of Land Act 1971].

The address of the State Valuation Office is 101 Grenfell Street, Adelaide SA 5000 [GPO Box 1354, Adelaide SA 5001] and the telephone number is 1300 653 346 [general enquiries] 1300 653 345 [objections enquiries].

#### Special Note

The Council has no role in the process of considering an objection to a valuation. Also, it is important to note the lodgement of an objection does not change the due date for the payment of rates.

## 10 rating strategy and policy

### 10.5 Notional Values

Certain properties may be eligible for a notional value, where the property is the principal place of residence of a ratepayer, under the Valuation of Land Act 1971.

This relates to some primary production land or where there is State heritage recognition.

Any owner that believes that they are entitled to a 'notional value' must apply in writing to the State Valuation Office.

### 10.6 Business Impact Statement

The Council has considered the impact of rates on businesses in the Council area, including primary production.

In considering the impact, Council assessed the following matters:

1. Those elements of the Council's strategic plans relating to business development.
2. Local, Regional, State, National and as appropriate International Economic Influencers.
3. Specific issues faced by the Southern Mallee community.
4. Immediate, short and medium term projects and initiatives that will principally benefit industry and business development.
5. Movement in the Consumer Price Index [ CPI ] and other relevant indices.

6. Valuation changes in commercial and industrial properties compared with valuation changes in residential properties in the region.
7. Council through elected member's consultation with ratepayers.
8. The equitable distribution of the rate burden between classes of ratepayers who receive broadly comparable services and are generally similarly impacted upon by prevailing economic conditions.
9. Council's policy on facilitating local economic development preference for local suppliers where price, quality and service provision are comparable to suppliers outside the Council area.



## 10 rating strategy and policy

### 10.7 Council's Revenue Raising Powers

All land within a Council area, except for land specifically exempt (e.g. Crown land, Council occupied land and other land prescribed in the Local Government Act – refer Section 147 of the Act), is rateable.

The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties.

In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services.

The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues.

The list of applicable fees and charges is available at the Southern Mallee District Council Day Street Pinnaroo or on our website: [www.southernmallee.sa.gov.au](http://www.southernmallee.sa.gov.au).

A Goods and Services Tax at a rate determined under the Goods and Services Tax Act 1999 will be charged on those fees not given exemption under the Act.

### 10.8 Differential General Rates

The 2018/2019 Annual Plan proposes to raise General rate revenue of \$3.45m in a total operating revenue budget of \$7.20m.

The increase in rates collected will have no impact on Council's rate in the dollar

The Council has assessed the need for a differential rate based on the varying levels of service delivery and degrees of access to town services, such as waste management, footpaths, street lighting, recreation facilities and playgrounds.

Pursuant to Section 166(1)(i)(ii) of the Local Government Act 1999 the Council will grant a discretionary rebate of rates to primary production properties for the purpose of providing relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to rapid changes in valuations where the general rates would have increased by more than 12% from the previous year.

Land Use is a factor to levy differential rates.

If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then the ratepayer may object to that land use [to the Council] within sixty days of being notified.

The objection must set out the basis for the objection and details of the land use that, in the opinion of the ratepayer, should be attributed to that property.

The Council may then decide the objection as it sees fit and notify the ratepayer.

A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court.

### Special Note

It is important to note the lodgement of an objection does not change the due date for the payment of rates.

## 10 rating strategy and policy

### 10.9 Minimum Rate

A Council may impose a minimum rate, if it has not imposed a fixed charge, to ensure all Ratepayers contribute equitably towards the provision of basic services at a reasonable level.

Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area. The Council has decided to impose a minimum rate of \$560.

### 10.10 Natural Resources Management [NRM] Levy

The Southern Mallee District Council is within the area covered by the South Australian Murray Darling Basin Natural Resources Management Board and is required under the Natural Resources Management Act 2004 to fund the operations of the Board.

The Council satisfies this obligation by imposing a separate rate against rateable properties within its area based on the Capital Value of rateable land.

Within this Annual Business Plan, the revenue to be collected is \$109,140.

The Southern Mallee District Council is operating as a revenue collector for the South Australian Murray Darling Basin Natural Resources Management Board in this regard and has no input into the charges that are imposed.

Revenue from this levy is not retained by the Council, nor does the Council determine how the revenue is to be invested and acquitted.

### 10.11 Service Charge - CWMS

As set out in Section 155 [2] of the Local Government Act 1999, the Council imposes an annual service charge on properties in Lameroo and Pinnaroo for the Community Wastewater Management Schemes to meet the operational and capital costs of the schemes.

The Council will recover this cost through an annual service charge of \$595 per unit occupied land and \$297 per unit vacant land per rateable assessment.

Where the service is provided to non-rateable land, a service charge is levied against the land.

### 10.12 Service Charge – Mobile Garbage Collection

In 2018/2019 Council intends to apply a service charge for its Mobile Garbage Collection.

For the purpose of meeting the costs associated with the collection and disposal of domestic and other garbage Council intends on charging \$230 per bin collection service per year and \$170 for any additional bin.

## 10 rating strategy and policy

### 10.13 Postponement of rates – seniors

Ratepayers who hold a State seniors card or who are eligible to hold a State Seniors card and have applied for one are able to apply to Council to postpone payment of rates on their principal place of residence.

Postponed rates remain as a charge on the land and are not required to be repaid until the property is sold or disposed of.

Interest, at the rate prescribed in the Local Government Act 1999, will be charged and compounded monthly on the total amount postponed, until the debt is paid.

### 10.14 Other Concessions

Department for Families and Communities administers Council Rate concessions available to a range of eligible ratepayers receiving State and Commonwealth allowances.

If you are a low income earner who meets the Departments threshold apply through the DFC Hotline 1800 307 758.

For more information visit [www.sa.gov.au/concessions](http://www.sa.gov.au/concessions)

### 10.15 Rebate of Rates

The Local Government Act requires Councils to rebate the rates payable on some land.

Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries and educational institutions.

Upon written application, discretionary rebates may be applied by the Council under Section 166 of the Act.

The Council has adopted the following policy in relation to the rebate of rates:

The Council also provides a Rate Rebate for the 2018/2019 year pursuant to Division 5 of the Local Government Act 1999 to achieve the following;

- That a maximum rate of \$420 be applied to any vacant unused land.

As mentioned above Council will also provide a rebate in 2018/19 for any primary production property where rates have increased by more than 12% to ensure that the most the property will pay is 12% more than 17/18.

### 10.16 Sale of Land for Non-payment of Rates

The Local Government Act 1999 [Section 184] provides that Council may sell any property where the rates have been in arrears for three years or more.

The Council is required to provide the principal ratepayer and the owner [if not the same person] with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

### 10.17 Payment of Rates

Council rates are billed quarterly in accordance with the Local Government Act 1999. The instalment due dates are proposed to be 3 September 2018, 3 December 2018, 4 March 2019 and 3 June 2019.

Council Rates may be paid by telephone, internet using the Bpay through participating banks, by mail to PO Box 49, Pinnaroo SA 5304 and or in person or by EFTPOS using a savings or cheque account and or a credit card.



## 10 rating strategy and policy

The due dates for payments are shown on the front of the rate notice. Ratepayers unable to pay their rates by the quarterly billing due dates may apply to the Council to arrange an alternative payment option in accordance with Chapter 10 of the Local Government Act 1999.

### 10.18 Discount for Early Payment of Rates

The Council will provide a discount of 2.5% only on their general rate to any ratepayer who pays their rates in full by 3 September 2018.

### 10.19 Late Payment of Rates

The Local Government Act provides that Councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late.

The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may meet because it has not received the rates on time.

### 10.20 Late Payment of Rates

The Council imposes late payment penalties strictly in accordance with the Local Government Act.

The Council has adopted the following policies in respect of due dates and unpaid rates:

1. Payments received in the mail on the day after the last day nominated by the Council to pay any debt to the Council will be treated as being received on the last day nominated to pay any debt provided that the requirements of the Interpretation Act are also considered where the last day to pay falls on a Saturday, Sunday, Public Holiday or Grace Day granted to employees by the Council, resulting from the Council's offices being closed.
2. That Council do not remit fines raised on outstanding rates, unless for exceptional circumstances that may include circumstances as death, medical and health conditions.
3. When the Council receives a payment in respect of overdue rates the Council applies the money received as follows:
  - a) First, to satisfy any costs awarded in connection with court proceedings, and
  - b) Second, to satisfy any interest costs, and
  - c) Third, in payment of any fines imposed, and
  - d) Fourth, in payment of rates, in date order of their imposition, starting with the oldest account first.

## 11 appendix

### 11.1 Financial Statements

The 2018/2019 Annual Budget Financial Statements include:

- Statement of Comprehensive Income
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Uniform Presentation of Finances

**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2018/2019**

**STATEMENT OF COMPREHENSIVE INCOME**

| <b>2017/2018<br/>FORECAST<br/>BUDGET</b> |   | <b>2018/2019<br/>BUDGET</b> |
|--|---|-----------------------------|
| <b>\$'000</b>                            | <b>INCOME</b>   | <b>\$'000</b>               |
| 3,910                                    | Rates   | 4,219                       |
| 43                                       | Statutory Charges   | 44                          |
| 413                                      | User Charges  | 436                         |
| 2,924                                    | Grants Subsidies and Contributions                            | 2,289                       |
| 15                                       | Investment Income   | 25                          |
| 85                                       | Reimbursement   | 100                         |
| 109                                      | Other   | 85                          |
| <hr/>                                    |   |                             |
| 7,499                                    | <b>TOTAL REVENUES</b>   | 7,198                       |
| <br><b>EXPENSES</b>                      |   |                             |
| 2,416                                    | Wages and Salaries  | 2,448                       |
| 2,211                                    | Materials, Contracts and Other Expenses                       | 1,934                       |
| 144                                      | Finance Costs   | 123                         |
| 2,396                                    | Depreciation, amortisation & impairment                       | 2,591                       |
| <hr/>                                    |   |                             |
| 7,167                                    | <b>Total Expenses</b>   | 7,096                       |
| 332                                      | <b>OPERATING SURPLUS/(DEFICIT)<br/>BEFORE CAPITAL AMOUNTS</b> | 102                         |
| -  | Net gain (loss) on disposal or revaluation of assets          | -                           |
| 734                                      | Amounts specifically for new or upgraded assets               | -                           |
| -  | Physical resources received free of charge                    | -                           |
| 1,066                                    | <b>TOTAL COMPREHENSIVE INCOME</b>                             | 102                         |
| <hr/>                                    |   |                             |

**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2018/2019**

**CASH FLOW STATEMENT**

| <b>2017/2018<br/>FORECAST<br/>BUDGET</b> |   | <b>2018/2019<br/>BUDGET</b> |
|--|---|-----------------------------|
| <b>\$'000</b>                            |   | <b>\$'000</b>               |
| Inflows                                  |   | Inflows                     |
| (Outflows)                               |   | (Outflows)                  |
|  | <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                    |                             |
|  | <b>RECEIPTS</b>   |                             |
| 7,484                                    | Operating Receipts  | 7,173                       |
| 15                                       | Investment Receipts   | 25                          |
|  | <b>PAYMENTS</b>   |                             |
| (4,627)                                  | Operating payments to suppliers & employees                   | (4,382)                     |
| (144)                                    | Finance Payments  | (123)                       |
| <u>2,728</u>                             | <b>Net Cash provided by (or used in) Operating Activities</b> | <u>2,693</u>                |
|  | <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                             |
|  | <b>RECEIPTS</b>   |                             |
| 734                                      | Grants specifically for new or upgraded assets                | -                           |
| 12                                       | Repayments of Loans by Community Groups                       | 0                           |
| 160                                      | Sale of Assets  | 240                         |
|  | <b>PAYMENTS</b>   |                             |
| (1,747)                                  | Capital Expenditure on renewal/replacement of assets          | (1,765)                     |
| (1,155)                                  | Capital Expenditure on new/upgraded assets                    | (396)                       |
| <u>(1,996)</u>                           | <b>Net Cash provided by (or used in) Investing Activities</b> | <u>(1,921)</u>              |
|  | <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                             |
|  | <b>RECEIPTS</b>   |                             |
| -  | Proceeds from Borrowings                                      | -                           |
|  | <b>PAYMENTS</b>   |                             |
| (298)                                    | Repayment of Borrowings                                       | (280)                       |
| <u>(298)</u>                             | <b>NET CASH USED IN FINANCING ACTIVITIES</b>                  | <u>(280)</u>                |
|  | <b>NET INCREASE (DECREASE) IN CASH HELD</b>                   | <u>492</u>                  |
| 434                                      | <b>CASH AT BEGINNING OF YEAR</b>                              | <u>2,699</u>                |
| <u>2,265</u>                             | <b>CASH AT END OF YEAR</b>                                    | <u>3,191</u>                |
| <u>2,699</u>                             |   |                             |

# **SOUTHERN MALLEE DISTRICT COUNCIL** **BUDGET 2018/2019**

## **BALANCE SHEET**

| <b>2017/2018<br/>FORECAST<br/>BUDGET</b> |   | <b>2018/2019<br/>BUDGET</b> |
|--|---|-----------------------------|
|  | <b>ASSETS</b>                               |                             |
| <b>\$'000</b>                            | <b>CURRENT ASSETS</b>                       | <b>\$'000</b>               |
| 2,699                                    | Cash and cash equivalents                   | 3,191                       |
| 474                                      | Trade & other receivables                   | 474                         |
| 89                                       | Inventories                                 | 89                          |
| <u>3,262</u>                             | <b>TOTAL CURRENT ASSETS</b>                 | <u>3,754</u>                |
|  | <b>NON-CURRENT ASSETS</b>                   |                             |
| 47                                       | Financial Assets                            | 47                          |
| <u>62,800</u>                            | Infrastructure, Property, Plant & Equipment | <u>62,130</u>               |
| <u>62,847</u>                            | <b>TOTAL NON-CURRENT ASSETS</b>             | <u>62,177</u>               |
| <u>66,109</u>                            | <b>TOTAL ASSETS</b>                         | <u>65,931</u>               |
|  | <b>LIABILITIES</b>                          |                             |
|  | <b>CURRENT LIABILITIES</b>                  |                             |
| 420                                      | Trade & Other Payables                      | 420                         |
| 298                                      | Borrowings                                  | 298                         |
| 643                                      | Short-term Provisions                       | 643                         |
| -  | Other Current Liabilities                   | -                           |
| <u>1,361</u>                             | <b>TOTAL CURRENT LIABILITIES</b>            | <u>1,361</u>                |
|  | <b>NON-CURRENT LIABILITIES</b>              |                             |
| 1,385                                    | Long-term Borrowings                        | 1,105                       |
| 15                                       | Long-term Provisions                        | 15                          |
| -  | Other Non-current Liabilities               | -                           |
| <u>1,400</u>                             | <b>TOTAL NON-CURRENT LIABILITIES</b>        | <u>1,120</u>                |
| <u>2,761</u>                             | <b>TOTAL LIABILITIES</b>                    | <u>2,481</u>                |
| <u>63,348</u>                            | <b>NET ASSETS</b>                           | <u>63,450</u>               |
|  | <b>EQUITY</b>                               |                             |
| 12,828                                   | Accumulated Surplus                         | 12,930                      |
| 50,135                                   | Asset Revaluation                           | 50,135                      |
| 385                                      | Other Reserves                              | 385                         |
| <u>63,348</u>                            | <b>TOTAL EQUITY</b>                         | <u>63,450</u>               |

**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2018/2019**

**STATEMENT OF CHANGES IN EQUITY**

| <b>2017/2018<br/>FORECAST<br/>BUDGET</b> |  | <b>2018/2019<br/>BUDGET</b> |
|--|--|-----------------------------|
| <b>\$'000</b>                            |  | <b>\$'000</b>               |
|  | <b>ACCUMULATED SURPLUS</b>   |                             |
| 11,762                                   | Balance at end of previous reporting period  | 12,828                      |
| 1,066                                    | Net Result for Year  | 102                         |
| 0  | Transfer From Reserves   | 0                           |
| 0  | Transfer To Reserves   | 0                           |
|  |  |                             |
| 12,828                                   | <b>BALANCE AT END OF PERIOD</b>  | 12,930                      |
|  | <b>ASSET REVALUATION RESERVE</b>   |                             |
| 50,135                                   | Balance at end of previous reporting period  | 50,135                      |
| 0.00                                     | Gain on revaluation of infrastructure, property, plant & equipment                     | 0.00                        |
| 0.00                                     | Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment | 0.00                        |
| 50,135                                   | <b>BALANCE AT END OF PERIOD</b>  | 50,135                      |
|  | <b>Other Reserves</b>  |                             |
| 385                                      | Balance at Beginning of Period   | 385                         |
| -  | Transfer to reserve from accumulated surplus   | -                           |
| 0  | Transfer from reserve to accumulated surplus   | 0                           |
| 385                                      | <b>BALANCE AT END OF PERIOD</b>  | 385                         |
|  |  |                             |
| <b>63,348</b>                            | <b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>   | <b>63,450</b>               |



**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2018/2019**

**UNIFORM PRESENTATION OF FINANCES**

| <b>2017/2018<br/>FORECAST<br/>BUDGET</b> |   | <b>2018/2019<br/>BUDGET</b> |
|--|---|-----------------------------|
| <b>\$'000</b>                            |   | <b>\$'000</b>               |
| 7,499                                    | Operating Revenues  | 7,198                       |
| (7,167)                                  | less Operating Expenses   | (7,096)                     |
| <u>332</u>                               | <b>Operating Surplus / (Deficit) before Capital Amounts</b>       | <u>102</u>                  |
|  | <b>Less Net Outlays in Existing Assets</b>                        |                             |
| 1,747                                    | Capital Expenditure on renewal and replacement of Existing Assets | 1,765                       |
| (2,396)                                  | less Depreciation, Amortisation and Impairment                    | (2,591)                     |
| (160)                                    | less Proceeds from Sale of Replaced Assets                        | (240)                       |
| <u>(809)</u>                             |   | <u>(1,066)</u>              |
|  | <b>Less Net Outlays on New and Upgraded Assets</b>                |                             |
| 1,155                                    | Capital Expenditure on New and Upgraded Assets                    | 396                         |
| (734)                                    | less Amounts received specifically for New and Upgraded Assets    | -                           |
| -  | less Proceeds from Sale of Surplus Assets                         | -                           |
| <u>421</u>                               |   | <u>396</u>                  |
| 720                                      | <b>Net Lending / (Borrowing) for Financial Year</b>               | <b>772</b>                  |

**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2018/2019**

**FINANCIAL INDICATORS**

|                    |   | -                   |
|--------------------|---|---------------------|
| FORECAST<br>BUDGET |   | 2018/2019<br>BUDGET |
| \$'000             |   | \$'000              |
| 332                | <b>Operating Surplus</b><br><i>Being the Operating Surplus (Deficit) before Capital Amounts</i>   | 102                 |
| 9%                 | <b>Operating Surplus Ratio</b><br><u>Operating Surplus</u><br>Rates - general & other less NRM levy<br><i>This ratio expresses the Operating Surplus as a percentage of<br/>general and other rates, net of NRM Levy</i>  | 2%                  |
| (500)              | <b>Net Financial Liabilities</b><br><i>Net Financial Liabilities are defined as Total Liabilities less<br/>financial assets (excluding equity accounted investments in<br/>Council Businesses</i>   | (1,231)             |
| -7%                | <b>Net Financial Liabilities Ratio</b><br><u>Net Financial Liabilities</u><br>Total Operating Revenue less NRM levy   | -17%                |
| 100%               | <b>Asset Sustainability Ratio</b><br><u>Net Asset Renewals</u><br>Depreciation Expense<br><i>Net Asset Renewals Expenditure is defined as Net Capital<br/>Expenditure on the renewal and replacement of existing<br/>assets, and excludes new Capital Expenditure on the a<br/>acquisition of additional assets</i> | 100%                |