

2024 / 2025

Annual
BUSINESS PLAN
& BUDGET

DRAFT

SOUTHERN MALLEE DISTRICT COUNCIL



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INTRODUCTION





WELCOME TO THE

Annual Business Plan & Budget

The 2024/2025 Annual Business Plan and Budget (the “Annual Business Plan & Budget”) outlines our planned programs, activities and goals for the upcoming financial year.

The report demonstrates how we will allocate our resources to achieve our goals. It provides an overview of our Council district, our strategic framework and valuable information on the ongoing services we provide our community. The report details our financial position and outlines the key activities Council has included in its capital and operational programs for 2024/2025. This report also provides details on our rating strategy and implementation.

The Annual Business Plan & Budget meets the requirements of the *Local Government Act 1999*, and provides information to our community and stakeholders on Council’s goals for the 2024/2025 financial year. Our goals are derived from our key strategic documents and aim to be delivered whilst ensuring Council’s long term financial sustainability.

The report has been divided into the following sections:

- About Southern Mallee District Council (pages 6-11)
- Our Strategic Framework (pages 12-15)
- Our Services (pages 16-18)
- Financial Overview (pages 19-22)
- 2024/2025 Planned Programs (pages 23-28)
- Rating Overview (pages 29-39)

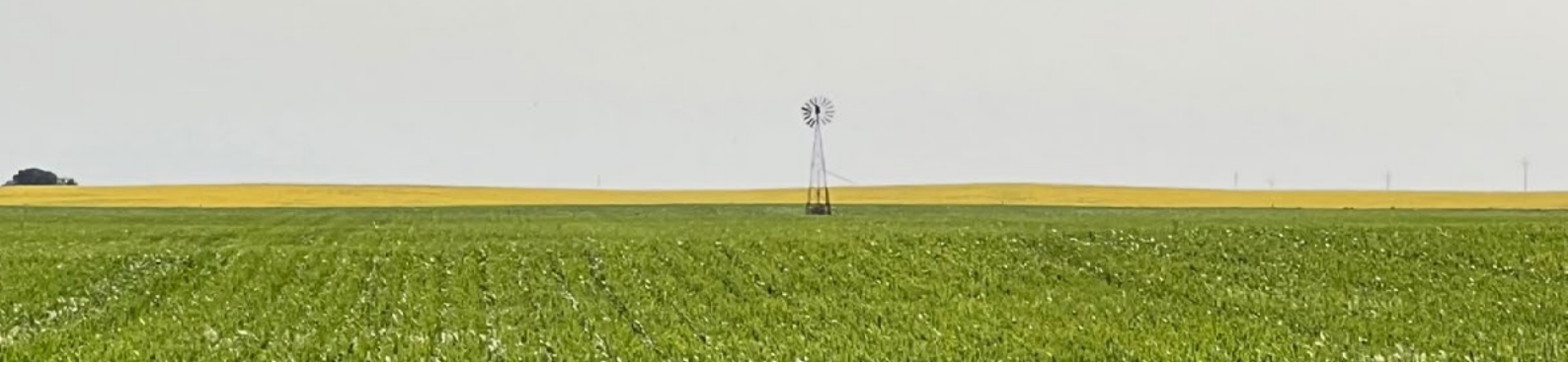
Our appendices follow these sections providing detailed financial statements and explaining the key financial indicators that Local Government endorses to demonstrate the financial position of Council in 2024/2025.

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This Annual Business Plan & Budget can be accessed in hardcopy from our principal office in Pinnaroo or online from our website.



MAYOR'S *Message*

Welcome to the Southern Mallee District Council Annual Business Plan & Budget for the 2024/2025 financial year. This Annual Business Plan & Budget, like its predecessor, has been developed in economic circumstances not experienced in a generation.

While inflation appears to have reached its peak, the cost of living continues to place pressure on households and businesses to make ends meet. The cost of delivering council services has likewise increased markedly, most noticeably in construction, professional services, energy, fuel and materials where costs have risen significantly in excess of CPI. At the same time grants from government are becoming increasingly scarce and frequently require a co-contribution from Council while core (untied) local government funding grows slower than our cost base.

Over the last few years Council has undertaken some significant capital works projects these include the renewal of the Lameroo and Pinnaroo Swimming Pools, the Mainstreet upgrades in Lameroo and Pinnaroo, the renewal of the Pinnaroo Community Wastewater Management Scheme (the oldest in South Australia) and roads projects such as the Kulkami Road shoulder widening. These projects have all increased the livability and vitality of our District but with this comes an ongoing additional cost stream to maintain and renew these assets.

With our major infrastructure projects now complete we must return our eyes to renewing and maintaining our current infrastructure and road network and providing good quality and efficient core local government services.

In this regard, the bulk of spending in this budget is focused on waste water and refuse management, cemeteries and parks maintenance, animal management, libraries, building and development control and governance. We will also continue to support much appreciated community services such as childcare, the swimming pools and the Pinnaroo Retirement Village.

We are also committed to maintaining and renewing our roads and building infrastructure in a judicious and responsible manner to support our businesses and community. To this end, we are investing in some projects this year that will provide crucial data to enable our financial sustainability to be managed into the future. As a Council we are also exploring options to increase the efficiency of service provision while maintaining the quality of service delivery.

Even with this modest but prudent agenda, Council is proposing a draft budget with a 9.8% increase (plus growth in new properties) in rate revenue to meet its costs. We understand that this is a considerable margin above CPI however with only a small rate base and limited other income sources, there is little option if Council is to continue to provide the core suite of services and asset renewal. Even with this increase in rate revenue, we expect a slight operating deficit.

In conjunction with the community, we will be reviewing our Strategic Plan and Asset Management Plans which in turn informs our Long-Term Financial Plan and ultimately our Annual Business Plans & Budgets into the future. We are working diligently to find the balance needed to improve sustainability whilst supporting productivity and livability, not an easy task, but we are up for the challenge.

As a Council, we will continue to advocate anywhere and everywhere we can for the betterment of our community. This activity has certainly increased this past year, and I expect, will increase again this year.

I look forward to working with staff, elected members and the community to deliver the 2024/2025 Annual Business Plan & Budget.

Cr Ron Valentine
Mayor

KEY Summary

Council's focus for the 2024/2025 Annual Business Plan & Budget is to continue to strengthen and support the Southern Mallee community, economy and environment.

Some of the key projects and activities planned include:

- Development of a new strategic plan which sets Council's goals and objectives over the next 4 years
- Major investment in our community buildings including renewal of the Lameroo Memorial Hall kitchen and supper room and; renewal of the Pinnaroo Institute kitchen, grain room and show office
- Major investment into our roads including re-sheeting approximately 35kms
- Continuing the building asset condition assessment and;
- Organising a stormwater condition assessment and revaluation.

The key elements are outlined alongside and explained in more detail throughout this report:

PLANNED ACTIVITIES

- In addition to our regular service delivery, our strategic initiatives contribute towards achieving our long-term goals. These include:
 - 31 capital initiatives: \$3,480,501
 - 22 operating initiatives: \$242,562

CAPITAL BUDGET

- \$3,297,501 for capital expenditure on renewal of existing assets.
- \$183,000 for capital expenditure on new or upgraded assets.

OPERATING BUDGET

- Council is proposing a slight operating deficit of \$69,000 which is a result of operational expenditure for stormwater revaluations and building condition assessments which are integral to Councils operations.

BORROWING

- Council's direct borrowings will decrease by \$313,000, resulting in forecast total borrowings at 30 June 2025 of \$3,151,000.

RATES

- Increase in general rate revenue of 9.8% (CPI 4.8% plus 5%) plus growth in new properties after rebates and concessions. This increase will allow for continued financial sustainability, maintain our much-needed services and fund new initiatives.

FINANCIAL SUSTAINABILITY

- Operating surplus (deficit) ratio of (0.67%) which is outside of Council's target of 0% to 10%.
- Net financial liabilities ratio 31.09% in line with Council's target of 0% to 100%.
- Asset sustainability ratio 156.28% which is above Council's target of 90% to 110%.

ABOUT SOUTHERN MALLEE DISTRICT COUNCIL



GENERAL *Information*



POPULATION
1,979



RATEABLE PROPERTIES
1,743



TOTAL DISTRICT AREA
5,700km²



UNSEALED ROAD LENGTH
1,210 km



SEALED ROAD LENGTH
132 km



COMMERCIAL CENTRES
Pinnaroo & Lameroo



SCHOOL COMMUNITY LIBRARIES
Lameroo & Pinnaroo



SCHOOLS
Lameroo & Pinnaroo



SPORT & RECREATION FACILITIES
Geranium, Lameroo, Parilla, Parrakie, Pinnaroo & Wilkawatt



CEMETERIES
Lameroo, Parrakie & Pinnaroo



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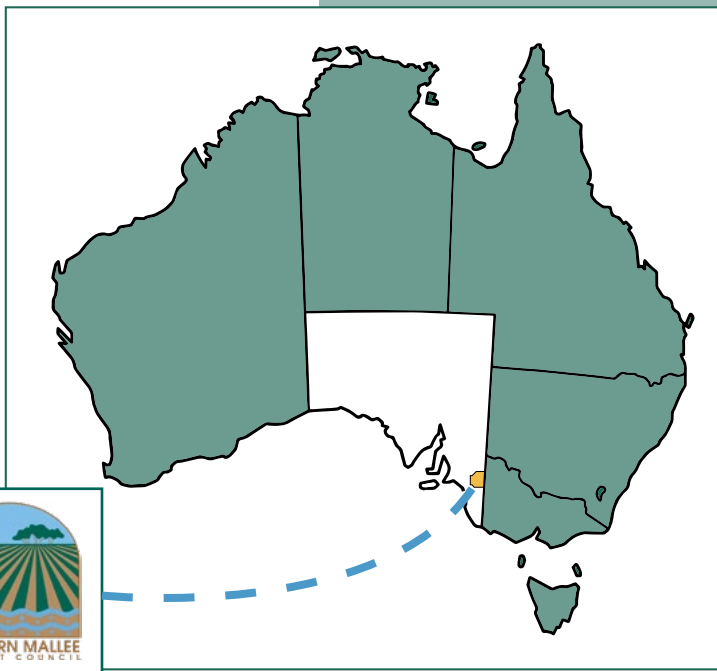
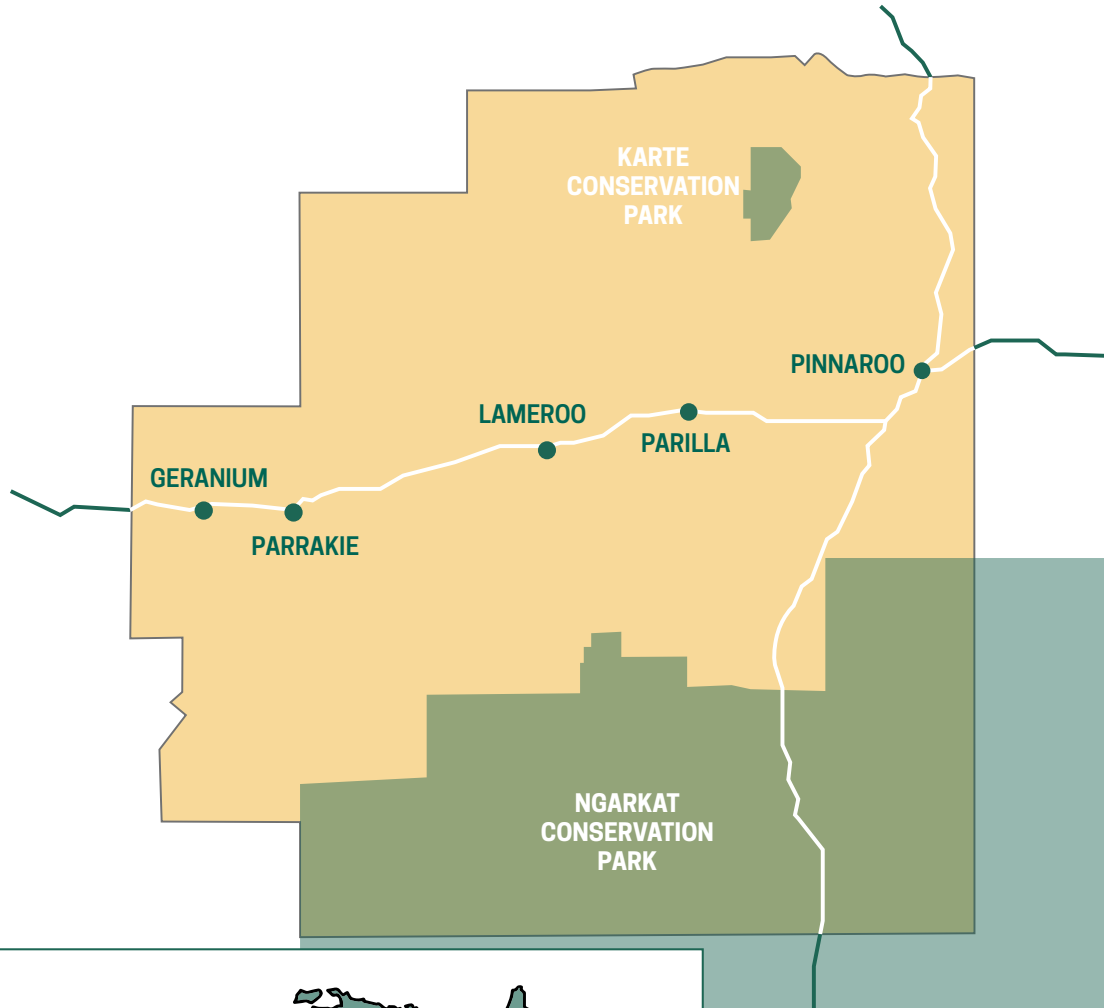
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www.instagram.com/southernmalleedistrictcouncil

MAP OF THE *Council Area*

| SOUTHERN MALLEE DISTRICT COUNCIL



ELECTED *Members*



Cr Ron Valentine
Mayor
Audit and Risk Committee
CEO Performance Review Panel



Cr Christopher Mead
Deputy Mayor
CEO Performance Review Panel



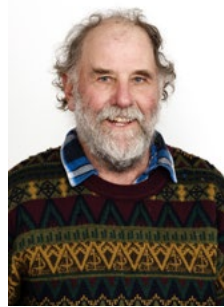
Cr Luke Kennedy
Elected Member



Cr Campbell Michell
Elected Member
Council Assessment Panel
CEO Performance Review Panel



Cr Neville Pfeiffer
Elected Member



Cr Trevor Pocock
Elected Member



Cr David Smith
Elected Member





OUR *Structure*

| COUNCIL AND COMMUNITIES

The Elected Council's role is to provide for the governance and stewardship of the Council. It does this through representing the interests of the community, providing a range of services and facilities for the community; and exercising its functions under legislation and its strategic plans.

The Audit and Risk Committee, Council Assessment Panel and CEO Performance Review Panel have been established in accordance with legislation to assist the Council and the Administration to discharge their responsibilities in specific areas.

| REGIONAL SUBSIDIARIES

Regional subsidiaries are formed to assist in the strategic planning and service delivery activities across regions.

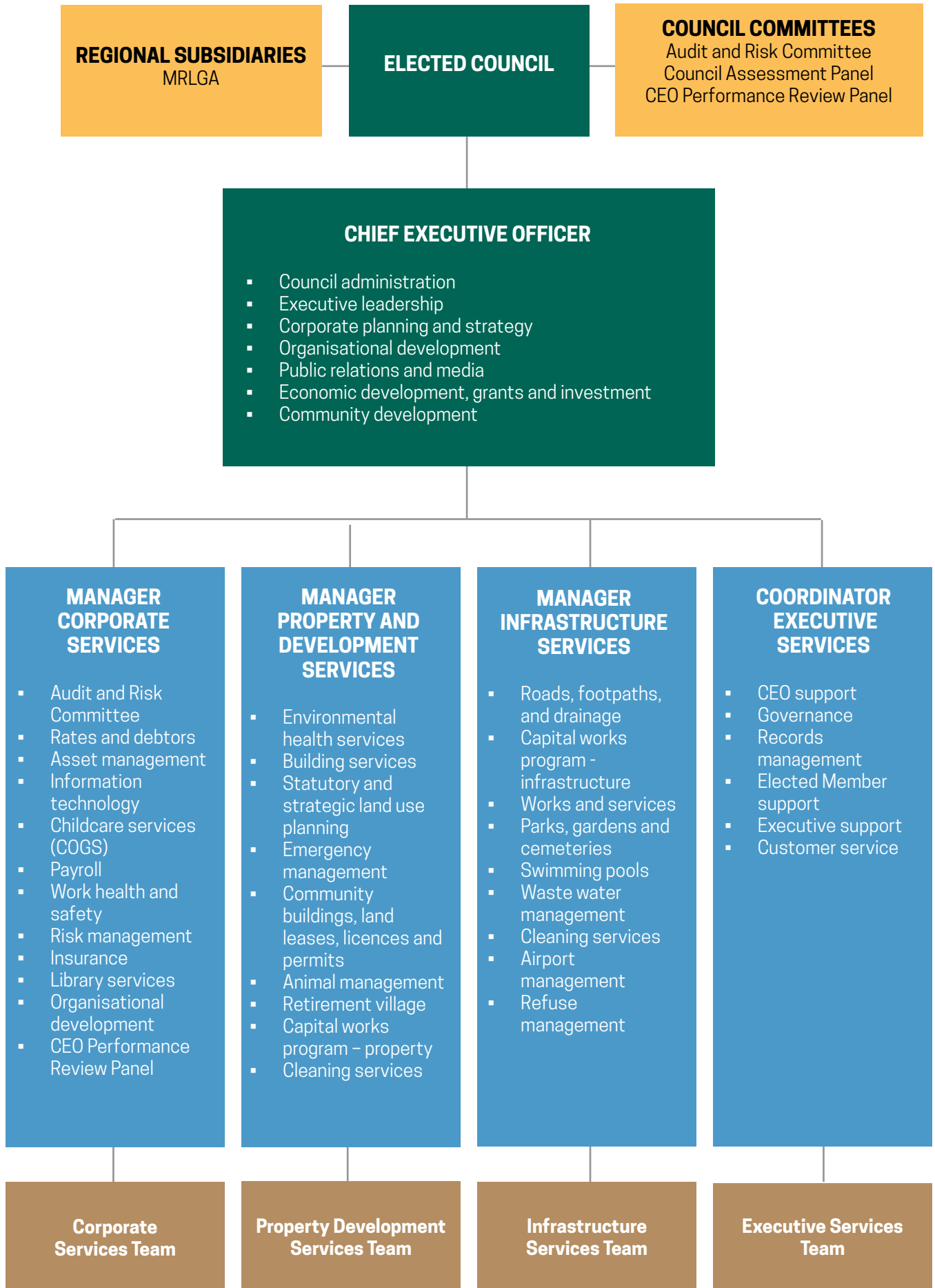
Council is a member of one regional subsidiary, the Murraylands and Riverland Local Government Association (MRLGA), which represents a group of councils from the Murraylands and Riverland. The MRLGA facilitates, co-ordinates, advocates and undertakes projects for the councils it represents in the areas of the environment, economic and social development with the objective of achieving continuing improvements for the benefit of the communities and its constituency councils.

| ADMINISTRATION

Council's Administration is led by a Chief Executive Officer (CEO) appointed by the Council.

The CEO is responsible for the overall administration of Council and for ensuring policies, programs and services are delivered and implemented by staff.

Senior staff are responsible for the organisation portfolios of Corporate Services, Infrastructure Services; Property and Development Services; Executive Services; and Organisational Development.



OUR STRATEGIC FRAMEWORK



COUNCIL'S SUITE OF *Strategic Management Plans*

Council develops and adopts a suite of plans which align to the Strategic Plan and complement each other. These plans are used to inform Council's decision making and actions.

| LONG TERM FINANCIAL PLAN

Council is committed to ensuring its long-term financial sustainability and is keen to ensure that objectives, goals and targets set in its various strategic planning documents are adhered to and met.

Council's Long Term Financial Plan 2022/2023 – 2031/2032 (the 'Long Term Financial Plan') was last formally reviewed and adopted in June 2023.

| ASSET MANAGEMENT PLAN

Council adopts asset management plans for the various classes:

- The Asset Management Plan, Southern Mallee District Council, Buildings and Structures 2020
- The Asset Management Plan, Southern Mallee District Council, Plant and Equipment 2023
- The Asset Management Plan, Southern Mallee District Council, Infrastructure 2023

Council's suite of asset management plans outline the management of the major assets of Council. The asset management plans are used in conjunction with the Long Term Financial Plan to assist in the long term and annual decision making of Council. Together these plans support the sustainable management of finances and Council infrastructure. Estimated costs of infrastructure and asset custodianship have been reflected in the Long Term Financial Plan.

| ANNUAL BUSINESS PLAN

Each year the Council develops an Annual Business Plan. The purpose of the Annual Business Plan is to highlight those activities that will be undertaken in the financial year in support of the strategic goals of Council. The Annual Business Plan strives to achieve the long term strategy targets of Council.

| ANNUAL BUDGET

The Annual Budget forms part of the Council's annual planning documents and is critical to the delivery of services and the management of Council's financial sustainability and operations. The Annual Budget details the expected costs and revenues that Council will need to achieve the goals of the Annual Business Plan.

STRATEGIC *Plan*

The Southern Mallee District Council Strategic Plan 2021/2025 (the “Strategic Plan”) was adopted by Council in January 2021. The Strategic Plan guides Council’s direction and actions. Council has identified five goals within the Strategic Plan.



GOAL 1. AN ENGAGED COMMUNITY

The health and prosperity of our community is paramount. We will work together to build strong and engaged communities where diversity, participation and healthy lifestyles are celebrated. Our community will be well planned, safe and inclusive and have access to the necessary facilities and services. We will seek to inspire, engage and connect with our community knowing that working collaboratively together can achieve more and deliver better outcomes.



GOAL 2. DIVERSE & PROSPEROUS ECONOMY

Our future is reliant on growing a diverse and viable economic base that attracts investment and jobs, and creates exports in sustainable industries. We will embrace and develop new ideas and approaches to create a vibrant community with opportunities for all whilst building on our strengths in agriculture and horticulture. We will strive to grow tourism and maintain our population. Increasing employment and housing opportunities will be a priority.



GOAL 3. SUSTAINABLE INFRASTRUCTURE & SERVICES

We will deliver the services and facilities to meet community needs. Our services to the community will be responsive, reliable and of high quality. We will invest in building and maintaining high-quality assets for our community. Our focus will be on functional and attractive commercial centres, high amenity public open spaces and sporting facilities, and delivering sustainable improvements to the road and footpath network. We will be responsible financial managers and environmental custodians.



GOAL 4. GOVERNANCE & ORGANISATIONAL CULTURE

Southern Mallee District Council will be seen as an employer of choice. An organisation that has progressive leadership, high ethical standards, accountable governance, sustainable financial management and a constructive culture. This will enable high performing teams that provide quality services and facilities for the community. The organisation will invest in organisational culture and performance and staff learning and development.



GOAL 5. ADVOCACY & WORKING WITH OTHERS

We will work with others to make Southern Mallee a better place. Partnering with all levels of government, peak bodies, community organisations and business we will seek to leverage opportunities. We will advocate for improved or enhanced services for our community including educational opportunities and improved health, transport and community services. We will promote regional approaches and seek to increase the resources available for services and infrastructure in Southern Mallee for the benefit of our community.

STRATEGIC PLAN STRATEGIES ADDRESSED IN THIS ANNUAL BUSINESS PLAN & BUDGET

Each goal in the Strategic Plan has several strategies that contribute to the achievement of that goal over the life of the Strategic Plan. Given the breadth of the Strategic Plan, this means that some strategies and the priorities and actions underneath them have more focus in particular years rather than others.

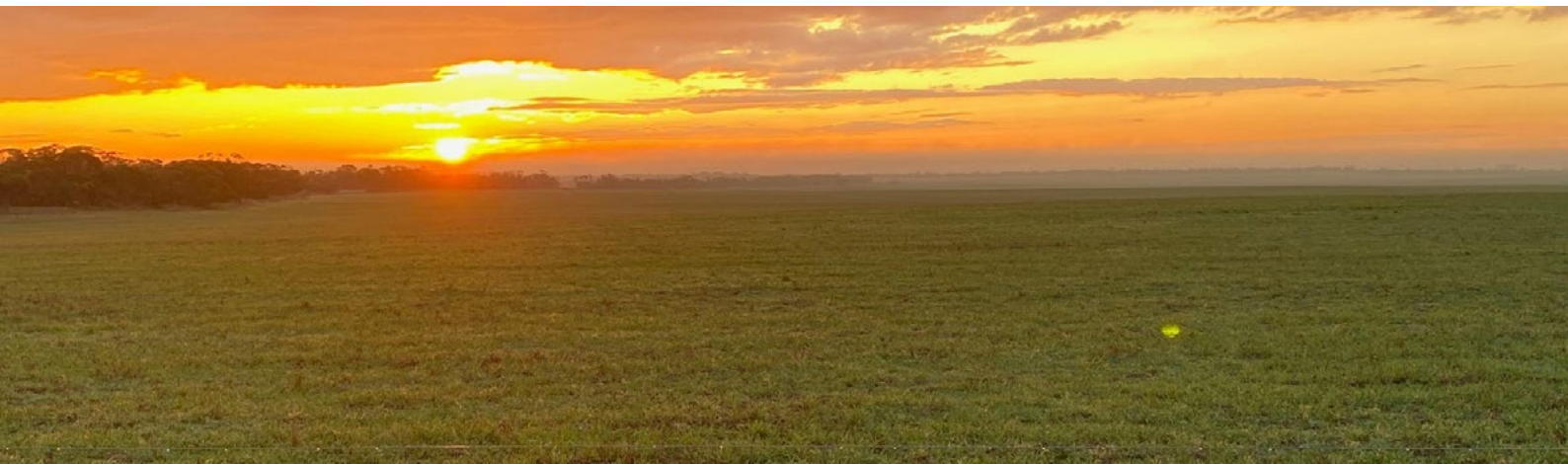
The Annual Business Plan is the mechanism that identifies the actions, services, facilities and projects that will be undertaken in that year in support of the Strategic Plan goals and strategies. For 2024/25, the focus is on the following strategies from the Strategic Plan and these serve as the objectives for this year's Annual Business Plan:

- 1.1- Engage with the community to ensure informed decision making and better outcomes for the whole community
- 1.2- Support community groups and volunteers
- 1.3- Support community life, health, culture and wellbeing
- 2.2- Ensure Southern Mallee is a place of choice to live and visit
- 3.1- Utilise infrastructure and asset management to support growth and prosperity
- 3.2- Continue to maintain and upgrade community assets to meet the social and economic needs of the community
- 3.3- Effectively deliver a suite of municipal services in response to community needs
- 3.4- Effective emergency management planning and response
- 4.1- Deliver progressive leadership to the organisation and community
- 4.2- Provide an environment conducive to ethical and transparent decision making
- 4.3- Provide sustainable financial management
- 4.4- Invest in staff development and performance
- 4.5- Strive for a constructive workplace culture
- 5.1- Actively represent the interests of Southern Mallee
- 5.2- Advocate proactively to key decision makers on specific issues important to the Southern Mallee community

MEASURES TO ASSESS THE PERFORMANCE OF COUNCIL IN ACHIEVING ITS OBJECTIVES

The Council has the following processes for measuring the achievement of its objectives set out in the Annual Business Plan:

- Both the operating and capital projects set out in the Annual Business Plan will be reported quarterly to the Council in terms of implementation status and expenditure against budget.
- The financial performance of the Council in relation to the Budgeted Financial Statements is also reported quarterly to Council.
- Progress on the achievement of the Strategic Plan strategies prioritized for this Annual Business Plan will be reported in the Annual Report for the financial year.



OUR SERVICES



COUNCIL *Services*

Council provides many essential services within our district to ensure our community remains vibrant, clean and safe. Council plans to maintain the provision of all current services to the community.



ADMINISTRATION

Customer service, Council support, records management and maintaining the electoral roll



COMMUNITY BUILDINGS

Managing and maintaining a wide range of community buildings



BUILDING AND DEVELOPMENT

Facilitating planning and building approvals and wastewater applications



CEMETERIES

Provision and operation of the Lameroo, Parrakie and Pinnaroo cemeteries



CHILDCARE

Management of the Lameroo and Pinnaroo childcare services



DOG AND CAT MANAGEMENT

Assistance with renewals, lost animals and the provision of pounds



EMERGENCY MANAGEMENT

Local and zone emergency management plans



FIRE PROTECTION

Preparation for fire danger season and district bushfire management plans



LIBRARY SERVICES

Contributing to Lameroo and Pinnaroo School Community Libraries



PARKS AND GARDENS

Maintenance of parks, reserves and playgrounds



PINNAROO RETIREMENT VILLAGE

Management of seven retirement units in Pinnaroo



PUBLIC HEALTH

Regulating food safety, water quality, sanitation, mosquito control and other environmental issues



ROADS AND FOOTPATHS

Managing and maintaining the local road and footpath network



SWIMMING POOLS

Investment, management and maintenance into the Lameroo and Pinnaroo swimming pool facilities



WASTE MANAGEMENT

Kerbside waste and recycling collection and the provision of transfer stations in Geranium, Lameroo and Pinnaroo



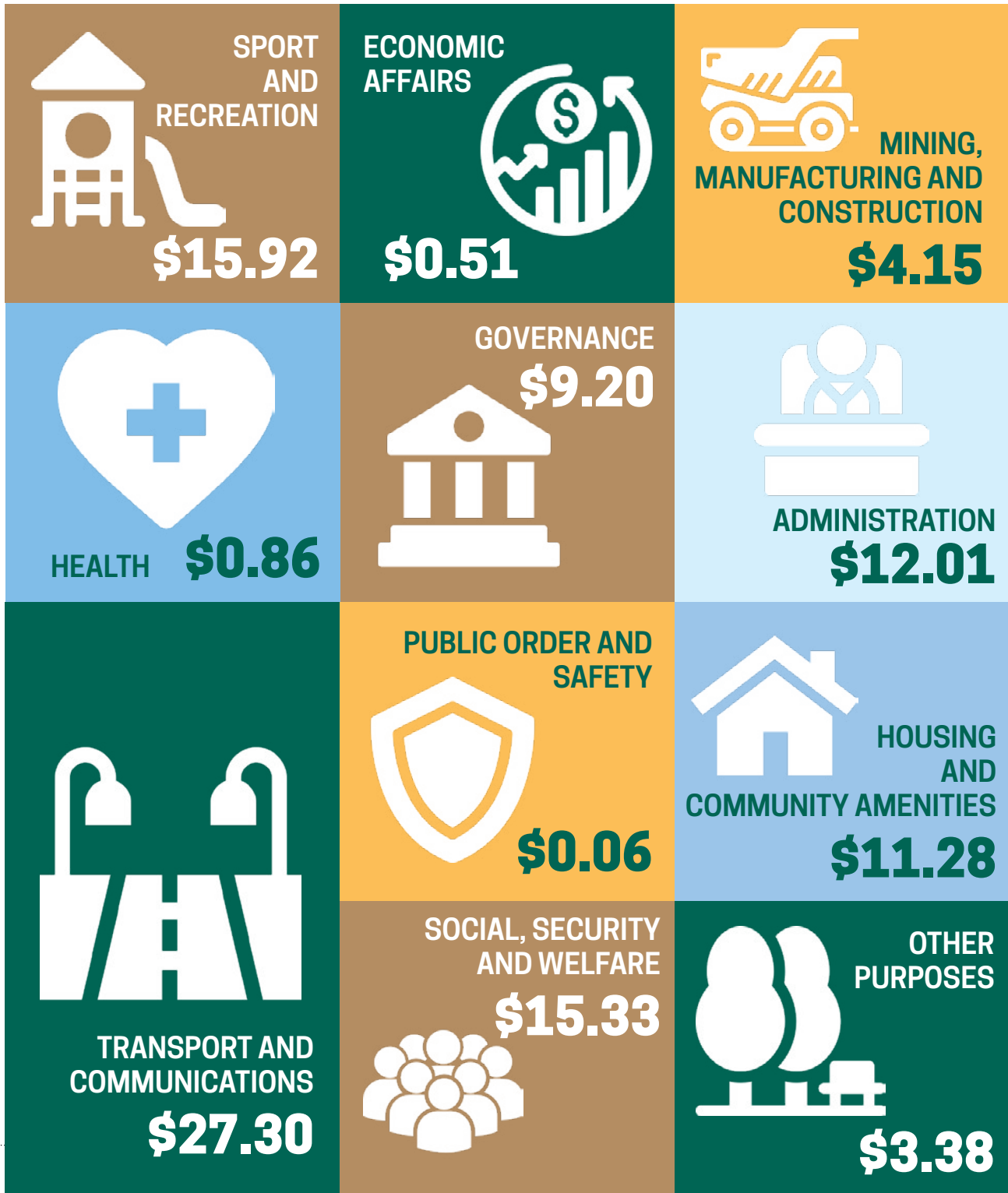
WASTEWATER MANAGEMENT

Operation of the community wastewater management system within the towns of Lameroo and Pinnaroo

COUNCIL'S PLANNED EXPENDITURE AT A *Glance*

HOW \$100 OF COUNCIL FUNDS WILL BE SPENT

This infographic outlines how Council's 2024/2025 Annual Business Plan & Budget is proposing to allocate every \$100 of Council funds:



FINANCIAL OVERVIEW



ANNUAL BUSINESS PLAN & BUDGET *Summary*

| FRAMING COUNCIL'S ANNUAL BUSINESS PLAN AND BUDGET

A number of significant factors have influenced the preparation of Council's 2024/2025 Annual Business Plan & Budget.

These include:

- Requirements to maintain infrastructure assets at acceptable standards
- The level of State and Commonwealth Government grant funding
- Fees and charges imposed by the State Government including the waste levy
- Cost of compliance with State Government reporting and accountability requirements
- CPI (4.8% December 2023 Adelaide)
- Local Government Price Index (LGPI) (4.4% December 2023)
- Employee Enterprise Agreements
- Increased depreciation from newly constructed assets
- Continued increases in utility costs
- The level of capital and operational services required across the district
- Sustainable settings of Council's Long Term and Strategic Planning documents.

In response to these factors, and to minimise the burden on ratepayers, the Annual Business Plan & Budget has been prepared within the following guidelines:

- Operating revenues are planned to be slightly less than operating expenses. It is proposed that the total amount of General Rates to be collected in 2024/2025 is to increase by 9.8% plus growth in new properties.
- Maintenance and renewal of existing assets will be a matter of priority to ensure that the range and level of services being provided by Council's infrastructure is maintained at a reasonable level.
- A challenge for the Southern Mallee District Council is to prioritise expenditures to meet the demand for services and facilities. Given the asset intensive nature of the Council's activities, assessing the long-term capacity of the community to fund ongoing maintenance and rehabilitation of infrastructure assets is a crucial consideration.



FINANCIAL *Summary*

FUNDING THE ANNUAL BUSINESS PLAN & BUDGET

In delivering services and programs contained within this Annual Business Plan & Budget, Council is targeting an operating deficit of \$69,000 in 2024/2025 as a result of

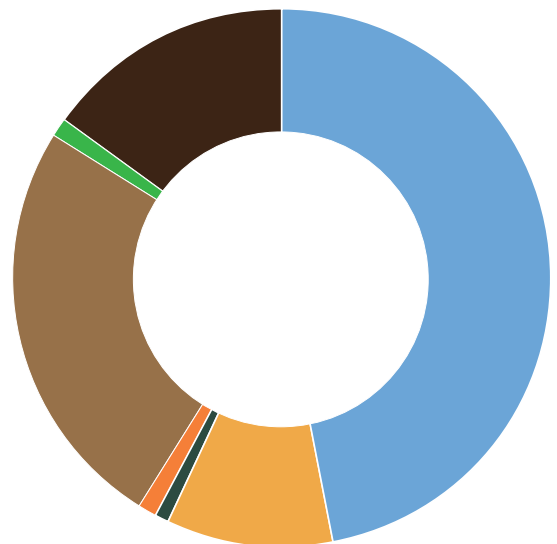
Operating Revenues	\$10,285,000
Less Operating Expenditure	\$10,354,000
Net Operating Deficit	(\$69,000)

Council's annual operating revenue is not considered sufficient to meet expected operating expenditure for the 2024/2025 year. This is a result of operational expenditure for stormwater revaluations and building condition assessments which are integral to Council's operations.

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 of the total revenue of Council is depicted in the diagram below.

COUNCIL'S SOURCE OF FUNDS

CATEGORY	%	\$
Rates General	47%	\$4,800,000
Rates Other (CWMS, Garbage, RL Levy)	10%	\$1,066,000
User Charges	1%	\$147,000
Childcare	15%	\$1,520,000
Statutory Charges	1%	\$69,000
Investment Income	0%	\$10,000
Grants	25%	\$2,559,000
Other Revenue	1%	\$104,000
Reimbursements	0%	\$10,000
TOTAL		\$10,285,000



Council's Annual Business Plan & Budget has been prepared based on maintaining the delivery of the current range and level of services to the community, whilst being mindful of the rate burden imposed on individual ratepayers.

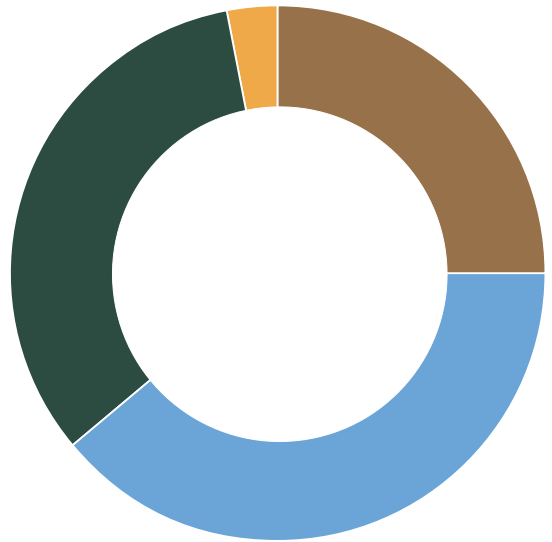
The Plan aims to contribute to the long-term financial sustainability of the Council through prudent and responsible financial management that will result in its operating expenses being slightly more than its operating revenue, thereby producing a small operating deficit.

Council allocates its funds in four main categories being employee costs, depreciation, finance costs and materials, contracts, and other expenses.

Depreciation consumes 33% of Council's funds which should be then invested into capital spending. This Annual Business Plan & Budget outlines a total capital expenditure budget of \$3,480,501, with \$3,297,501 to be used to renew existing assets and \$183,000 to be spent on new assets.

COUNCIL'S ALLOCATION OF FUNDS

CATEGORY	%	\$
Employee Costs	39%	\$4,043,000
Finance Costs	3%	\$281,000
Depreciation	33%	\$3,419,000
Materials, Contractors & Other Expenses	25%	\$2,611,000
TOTAL		\$10,354,000



IMPACT ON COUNCIL'S FINANCIAL POSITION

Based on Council's Annual Business Plan & Budget, Council's direct borrowings will decrease from \$3,464,000 at the end of 2023/2024 to \$3,151,000 at the end of 2024/2025. This decrease is a result of \$313,000 in loan payments in 2024/2025.

Overall, key financial indicators show that Council's finances will continue to be sustainable with no significant rate burden:

Indicator	2024/2025 Budget	Adopted Long Term Target
Operating Surplus (Deficit) Ratio	(0.67%)	0%-10%
Net Financial Liabilities Ratio	31.09%	0%-100%
Asset Sustainability Ratio	156.28%	90%-110%

For more details on the calculation method for key financial indicators, see Appendix B Local Government Financial Indicators Definitions.

WHAT IT MEANS FOR RATES AND RATEPAYERS

As depicted in the table above "Councils Source of Funds" the primary source of income for Council is the property-based tax – "Council rates".

All land within a council area, except land specifically exempt (e.g. crown land, council occupied land and other land prescribed in the *Local Government Act 1999* – refer Section 147, is rateable. The *Local Government Act 1999* provides for a Council to raise revenue for the broad purposes of the Council through the imposition of a single general rate or through differential general rates, which apply to all rateable properties within the Council area.

Council uses a differential rating system, using locality (Town or Rural) as the factor to apply such differential rates. In applying differential general rates, Council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all Council areas.

Council spends considerable time modelling the effect of valuation and rate increases on individual rate payers whilst at the same time ensuring it can raise sufficient funds to try to achieve a positive operating result and a balanced budget. In 2024/2025 Council is proposing a slight operating deficit.

2024/2025 PLANNED PROJECTS



CAPITAL WORKS PROGRAM

2024/2025

Program

Total Budget

BUILDING PROGRAM	\$ 413,501.00
Community Buildings Projects	
Lameroo Memorial Hall - Kitchen & supper room renewal	\$ 95,000.00
Pinnaroo Institute - Kitchen, grain room and show office renewal	\$ 95,000.00
Lameroo Historical Society - Roof and building renewal	\$ 40,276.00
Pinnaroo Railway Building - Roof and building renewal	\$ 50,225.00
Pinnaroo Over 50's Building - Amenities renewal	\$ 30,000.00
Various Buildings - Automated external defibrillators x 16	\$ 48,000.00
Private Buildings Projects	
Pinnaroo Retirement Village - Unit three renewal	\$ 55,000.00
INFORMATION AND COMMUNICATION TECHNOLOGY PROGRAM	
Technology Upgrades	
Computer replacement program - Surface pro laptop replacements	\$ 15,000.00
TRANSPORT INFRASTRUCTURE PROGRAM	
Road Resheeting Projects	
Nickolls Road 4.6km - Mallee Highway to Border Road	\$ 240,000.00
O'Loughlin Road 3.0km - Starting 2km from Ngarkat Highway end heading west for 3km	\$ 177,000.00
Morelands Road 3.0km - Starting at Gurrai road end heading east for 3km	\$ 204,000.00
Bews North Road 3.0km - Mallee Highway to Davies Lane	\$ 184,000.00
Blacketts Road 5.9km - Mallee Highway to Feedlot	\$ 311,000.00
Allenby Road 5.0km - Baan Hill Road to Rundle Road	\$ 285,000.00
Parrakie South Road 4.9km - Railway line to Przibilla Road	\$ 245,000.00
O'Driscoll Road 4.2km - Nest Plains to Hawthorne Road	\$ 246,000.00

Program

Total Budget

Road Construction Projects	
Reseals	\$ 230,000.00
Footpath & Kerbing Projects	
Footpaths	\$ 100,000.00
URBAN DESIGN AND AMENITY PROGRAM	\$ 35,000.00
Urban Design and Amenity Projects	
Pinnaroo seating / concrete works under solar shade	\$ 35,000.00
FLEET MANAGEMENT AND PLANT REPLACEMENT PROGRAM	\$ 765,000.00
Fleet management	
Chief Executive Officer vehicle	\$ 55,000.00
Manager Infrastructure Services vehicle	\$ 55,000.00
Manager Property & Development Services vehicle	\$ 55,000.00
Infrastructure Fleet - ute / cab	\$ 30,000.00
Plant Replacement	
Grader	\$ 500,000.00
Mower Pinnaroo	\$ 35,000.00
Mower Lameroo	\$ 35,000.00
OTHER INFRASTRUCTURE WORKS	\$ 30,000.00
Community Wastewater Management System	
CWMS pump replacement	\$ 30,000.00
TOTAL CAPITAL WORKS PROGRAM BUDGET	\$ 3,480,501.00



CAPITAL PROGRAM

At the time of writing, the projects listed in this plan have been identified as priority projects based on Council’s asset management plans, the condition assessment of individual assets and community needs assessment, together with reference to Council’s Long Term Financial Plan and net funds available.

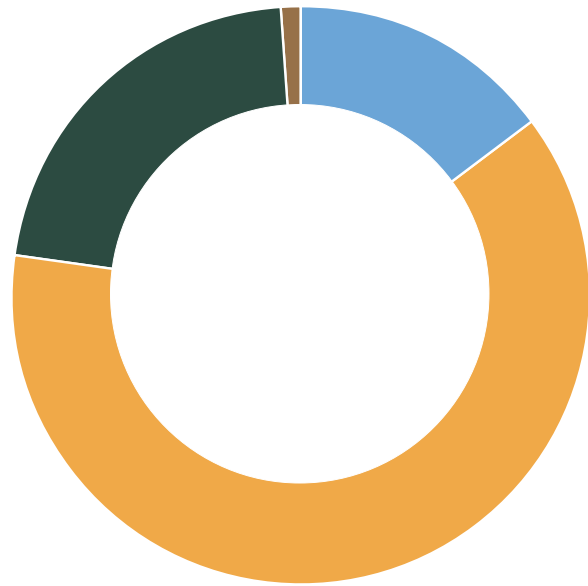
The order in which projects are undertaken may change due to changing circumstances.

Also, from time to time due to our dynamic environment such as the addition or withdrawal of grant funding, state government decisions, extreme weather events or change of focus, the Annual Business Plan & Budget and the activities included may need to be amended.

The graph below shows where Council is proposing to allocate its capital spend for the 2024/2025 financial year.

COUNCIL’S CAPITAL ALLOCATION

CATEGORY	%
Buildings & Other Structures	13%
Infrastructure Transport	64%
Plant, Machinery & Equipment	22%
Infrastructure Other	1%



The table below shows that the proposed capital allocations are proportionate to the replacement cost of the relevant asset categories.

CATEGORY	2022/2023 REPLACEMENT COST	% OF TOTAL ASSETS	2024/2025 CAPITAL EXPENDITURE	% OF PROPOSED CAPITAL EXPENDITURE
Land	\$ 3,645,357	3%	-	0%
Buildings & Other Structures	\$ 30,596,206	23%	\$ 448,501	13%
Infrastructure Transport	\$ 68,839,960	52%	\$ 2,222,000	64%
Infrastructure Stormwater	\$ 4,491,523	3%	-	0%
Infrastructure Common Effluent	\$ 12,769,472	10%	\$ 30,000	1%
Infrastructure Other	\$ 5,511,969	4%	-	0%
Plant, Machinery & Equipment	\$ 5,984,978	5%	\$ 780,000	22%
Furniture & Fittings	\$ 306,247	0%	-	0%
Other Assets	\$ 250,866	0%	-	0%
	\$ 132,396,578		\$ 3,480,501	

OPERATING PROJECTS PROGRAM

2024/2025

The following table highlights operational projects, programs and activities that are planned for 2024/2025.

Program / Project	Portfolio Lead	Budget
Strategic Plan Development	Executive Services	\$5,000
Elector Representation Review	Executive Services	\$10,000
Records Management Strategy Implementation - continuation	Executive Services	\$15,000
Council Agenda Management System - enhancement	Executive Services	\$3,000
Council Policy Framework Review - continuation	Executive Services	COB
Council Service Range and Delivery Review	Executive Services	COB
Unsolicited Proposals Assessment	Executive Services	COB
Long Term Financial Management Plan Review	Corporate Services	COB
Asset Management Plan Reviews – plan parameters and alignment	Corporate Services	COB
Rating Strategy Review	Corporate Services	COB
Local Government Advice Scheme 2025-26 (Essential Services Commission of SA) funding	Corporate Services	\$20,000
Enterprise Agreement Negotiation	Corporate Services	COB
Integrated Murraylands Physical Activity Committee (IMPAC) - Daughters and Dads program - continuation	Corporate Services	\$2,281
Integrated Murraylands Physical Activity Committee (IMPAC) - Strength for Life program - continuation	Corporate Services	\$2,281
Integrated Murraylands Physical Activity Committee (IMPAC) – ‘Power of Her’ event supporting women’s sport	Corporate Services	COB
Risk Management Framework and Policy Review	Corporate Services	COB
Township Structure Plan Consultancy	Property & Development Services	\$15,000
Building Asset Condition Assessment - continuation	Property & Development Services	\$100,000
Community Land Management Plan Review - continuation	Property & Development Services	COB
Stormwater Condition Assessment & Revaluation	Infrastructure Services	\$50,000
Lameroo Stormwater Dam Remediation Design	Infrastructure Services	\$20,000
Clay Road Management Strategy Development	Infrastructure Services	COB
Total Operating Program Budget		\$242,562

Legend: COB = Core Operating Budget (no specific allocation to project)

| SUPPORTING OTHERS TO PROVIDE FOR THE COMMUNITY

In addition to its role in direct service provision, Council also provides support to community and sporting groups within the District to provide services and activities to the community. The keyways that we do this are:

- Providing building facilities and meeting spaces to community and sporting groups (including utilities) at little or no cost
- Maintaining the surrounds of playing surfaces and other amenities
- Providing irrigated non-potable water for playing surfaces at subsidised rates
- Entering into memorandums of understanding (MOUs) with community groups for the provision of assistance to community members and conducting civic events. Council currently has MOUs with the following community groups within the District valued at \$22,500:
 - Lions Club of Pinnaroo Inc.
 - Lions Club of Lameroo Inc.
 - Pinnaroo Agricultural Society Inc.
 - Geranium Community Hub Inc.
 - Mallee Tourist and Heritage Centre Inc.
 - Lameroo and District Historical Society Inc.
- Providing direct grants to community and sporting groups and/or the facilitation of interest-free or low-cost loans. For 2024/25 the following support is provided:
 - Pinnaroo Football Club – (carried forward from 2023/24) - \$30,000 in cash and \$30,000 in-kind support and the addition of the potential for a \$175,000 loan facility (if required).



RATING OVERVIEW



RATING Strategy

METHOD USED TO VALUE LAND

Council adopts the valuations made by South Australian Valuer-General in respect of land within the Council's area for rating purposes. The basis of valuation of land used by Council is the capital valuation of land, that is, the value of the land including improvements thereon.

Council considers that the capital valuation method provides the fairest method of achieving an equitable distribution of the rates burden across the ratepayers within Council's area for the following reasons:

- 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. Property value is generally considered a relatively good indicator of wealth; and;
- capital value, which trends with the market value of a property, provides the best indicator of overall property value.

RATING METHODOLOGY

Council has assessed the need for a differential rate based on the varying levels of service delivery and degrees of access to urban services, such as waste management and footpaths.

Council is proposing to apply differential general rates by locality. In accordance with Regulation 14 of the *Local Government (General) Regulations, 2013* provides for the following land use categories to be used for rating purposes:

- (2) *For the purposes of Section 156(7) of the Act, a differentiating factor based on the locality of land must comply with the following principles:*
 - (a) *there may be differentiation according to the zone in which the land is situated;*
 - (b) *there may be differentiation according to whether the land is situated within or outside a township (with, at the discretion of the council, a separate differentiation according to zones);*
 - (c) *if there are two or more townships in the area—there may be differentiation according to the township in which the land is situated (with, at the discretion of the council, a separate differentiation in relation to land outside the townships and, at the discretion of the council, a separate differentiation according to zones).*

The 2024/2025 Annual Business Plan & Budget proposes to raise General Rate revenue of \$4.8m in a total operating revenue budget of \$10.285m.

The proposed General Rate Revenue of \$4.8m is an increase of 9.8% (CPI 4.8% plus 5%) plus growth in new properties after rebates and concessions.

MINIMUM RATE

Council considers it appropriate that ratepayers in respect of all rateable land contribute to the cost of administering Council's activities and that ratepayers in respect of all rateable land make a contribution to the cost of creating and maintaining the physical infrastructure that supports that land and the basic services provided to all ratepayers.

The minimum rate is levied against the whole of an Allotment. Only one minimum rate is levied against two or more pieces of adjoining land (whether separated by a road or not) if they are owned by the same ratepayer and occupied by the same occupier. This is described as contiguous land and only one minimum rate is payable by the ratepayer.

The minimum rate in 2024/2025 is proposed to be \$695.

This represents no change in value on the minimum rate applied in 2023/2024 which was also \$695. Overall, the minimum rate will be applied to approximately xx.x% of all rateable properties within the maximum of 35% allowed for in the *Local Government Act 1999*.

PAYMENT OF RATES

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



SEPTEMBER 2024						
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					

DECEMBER 2024						
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				

MARCH 2025						
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					

JUNE 2025						
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					



EXPECTED RATE REVENUE

	2023/2024 (as adopted)	2024/2025 (estimated)		Change
General Rates Revenue				
General Rates (existing properties)	\$4,408,144	\$x,xxx,xxx		
General Rates (new properties)	\$1,776	\$x,xxx		
General Rates (GROSS)	\$4,409,920	\$x,xxx,xxx	(c)	x.xx%
Less: Mandatory Rebates	(\$38,989)	(\$xx,xxx)	(d)	
General Rates (NET)	\$4,370,931	\$x,xxx,xxx	(e)	
		(e)=(c)+(d)		
Other Rates (inc. service charges)				
Regional Landscape Levy	\$181,834	\$xxx,xxx	(f)	
Waste collection	\$295,840	\$xxx,xxx	(g)	
CWMS	\$504,876	\$xxx,xxx	(i)	
	\$5,353,481	\$x,xxx,xxx		
Less: Postponed Separate Rates	(\$1,229)	(\$x,xxx)	(l)	
Less: Discretionary Rebates	(\$38,989)	(\$xx,xxx)	(l)	
Total Rates Revenue	\$5,131,429	\$x,xxx,xxx	(m)	x.xx%
		(m)=(e)+(g)+(i)+(l)		

GROWTH IN NUMBER OF RATEABLE PROPERTIES

Number of rateable properties	1,752	x,xxx	(n)	x.xx%
	Actual			

'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.

AVERAGE GENERAL RATES PER RATEABLE PROPERTY

Average per rateable property	\$2,517	\$x,xxx	(o)	x.xx%
		(o) = (c)/(n)		

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total.

Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).

The total General Rates paid by all rateable properties will equal the amount adopted in the budget.

- (d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:
- | | |
|-----------------------------------|---|
| Community services - 75 per cent | Public cemeteries - 100 per cent |
| Health services - 100 per cent | Royal Zoological Society of SA - 100 per cent |
| Religious purposes - 100 per cent | |
- The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
- (e) Presented as required by the *Local Government (Financial Management) Regulations 2011 reg 6(1)(ea)*
Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).
- (f) The Regional Landscape Levy is not retained by council. Councils are required under the Landscape South Australia Act 2019 to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.
- (i) Community Wastewater Management Systems.
- (l) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).
- (m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.
- (n) 'Growth' as defined in the *Local Government (Financial Management) Regulations 2011 reg 6(2)*
Please note: The 2023/24 number of rateable properties is an estimate based on the most current information available at the time of going out to consultation on the ABP&B. This information is updated regularly and therefore may be subject to change at the time of adoption of ABP&B.

DIFFERENTIAL RATES

Locality (General Rates - GROSS)	Total expected revenue			No. of rateable		Average per rateable property			
	2023/2024	2024/2025	Change	2023/2024	2024/2025	2023/2024	2024/2025		Change
Township	\$686,241	\$xxx,xxx	x.xx%	850	xxx	\$807	\$xxx	(p)	\$x
Rural	\$3,723,679	\$x,xxx,xxx	xx.x%	902	xxx	\$4,128	\$x,xxx	(p)	\$xxx
Total Locality	\$4,409,920	\$x,xxx,xxx	x.xx%	1,752	x,xxx	\$2,517	\$x,xxx	(p)	\$xxx
GRAND TOTAL (GROSS)	\$4,409,920	\$x,xxx,xxx	x.xx%	1,752	x,xxx	\$2,517	\$x,xxx	(p)	\$xxx

Council uses a differential rating system, using Locality as the factor to apply such differential rates.

In applying differential general rates, council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all council areas, particularly as it relates to the various sectors of the business and wider community.

MINIMUM RATE

Minimum Rate	No. of properties to which rate will apply		Rate		Change
	2024/2025	% of total rateable	2023/2024	2024/2025	
	xxx	xx.xx%	\$695	\$695	(r) \$0

The Minimum Rate provides a mechanism where lower valued properties do not pay less than a minimum amount as determined by the council.

Typically, only a small number of all properties (with no more than 35%) pay a minimum amount.

Council proposes to set a minimum rate of \$695 which shall be applied to all rateable properties. This will affect xx.xx% of rateable properties.

ADOPTED VALUATION METHOD

CAPITAL VALUE

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land;

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

Annual Value – a valuation of the rental potential of the property.

Council continues to use **Capital Value** as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth.
- 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.

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.

(r) 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.

CAPITAL VALUE COMPARISON

Land Use	Capital Value 2023-2024	Capital Value 2024-2025	Capital Valuation increase	General Rates Raised 2023-2024	General Rates Raised 2024-2025
Town	142,167,400	xxx,xxx,xxx	xx%	651,422	xxx,xxx
Rural	1,075,908,100	x,xxx,xxx,xxx	xx%	3,719,509	x,xxx,xxx
	1,218,075,500	x,xxx,xxx,xxx	xx%	4,370,931	x,xxx,xxx



| ADJOINING PROPERTY

Section 152 of the *Local Government Act 1999* states that if two or more pieces of contiguous rateable land are owned by the same owner and occupied by the same occupier, only one minimum charge may be imposed against the whole of the land.

| REGIONAL LANDSCAPE LEVY

Council is required to collect a regional landscape levy on all rateable properties within its district. Council is operating as a revenue collector for the Board in this regard and does not retain this revenue nor determine how the revenue is spent.

In 2024/2025 Council will impose a separate rate against rateable properties based on the capital value of the land and forward the amount of \$xxxxxx to the Board to fund its activities.

| REBATE OF RATES

Southern Mallee District Council is committed to providing financial and other assistance to organisations and community groups which contribute to the wellbeing of the community. A rebate of rates or service charges in respect of any rateable land in the Council area will be made available only when the applicant satisfies the requirements under the *Local Government Act 1999* and the requirements set out in Council's Rating Policy.

A full version of Council's Rating Policy February 2024 (the "Rating Policy") can be viewed at www.southernmallee.sa.gov.au

| MANDATORY

The *Local Government Act 1999* requires Councils to rebate the rates payable for certain land uses. This includes land used for health and community services, religious purposes, cemeteries and educational institutions. The rebates vary from 75% to 100%. People or bodies seeking a rebate must make an application to Council. Information and application forms can be found in Council's Rating Policy.

| DISCRETIONARY

Council has the power to provide discretionary rebates in certain circumstances and will consider rebates upon application.

| POSTPONEMENT OF RATES - HARDSHIP

Section 182 of the *Local Government Act 1999* permits the Council, on the application of the ratepayer, to remit rates partially or wholly or to postpone rates, on the basis of hardship. Where the ratepayer is suffering hardship in paying rates, they are invited to contact the Council's Rates Officer to discuss the matter. Council treats such inquiries confidentially.

POSTPONEMENT OF RATES - SENIORS

Applications may be made to Council for a postponement of the payment of any amount of rates in excess of \$500.00, for the current or a future financial year by:

- A ratepayer who holds a current State Seniors Card issued by the State Government, (prescribed ratepayer) or spouse of a prescribed ratepayer, and
- Where the rates are payable on the principal place of residence, and
- Where the land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.

Any rates which are postponed will become due and payable:

- When the title to the land is transferred to another person; or
- There is a failure to comply with a condition of postponement.

Interest will accrue on the amount postponed at the prescribed rate per month until the full amount is paid.

Postponement is available as a right and can only be refused when the applicant/s has less than 50% equity in the property.





ANNUAL SERVICE *Charges*

| COMMUNITY WASTEWATER MANAGEMENT SYSTEMS

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 cost of the schemes.

The Council will recover this cost through an annual service charge of:

- \$720 for each occupied property unit (\$690 in 2023-2024) (4.35% increase)
- \$358 for each unoccupied property unit (\$342 in 2023-2024) (4.68% increase)

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

| WASTE MANAGEMENT

For the purpose of meeting the costs associated with the collection and disposal of domestic and other garbage, Council has a mobile garbage bin service charge on all serviced properties. Where the service is provided to non-rateable properties, a service charge is to be levied against the land.

Charges for Waste Management for 2024/2025 will be:

- Bin Service \$335.00 (\$320 in 2023/2024) (4.68% increase)
- Additional Bin Service \$240.00 (\$230 in 2023/2024) (4.35% increase)

Council charges separately for this service as it is specific to particular properties and is thus unreasonable to expect the total rate base to provide for its use, maintenance and replacement.

The increases in waste management charges for 2024/2025 is a direct result of the increase in the charges that Council face for disposal of waste.

A photograph of the Mallee Tourist & Heritage Centre building. The building is a single-story structure with a green roof and light-colored corrugated metal siding. A prominent sign above the entrance reads "Mallee TOURIST & HERITAGE CENTRE" in white and red lettering. In the foreground, three people are walking away from the camera on a paved path: an older woman with white hair in a black top and blue jeans, a young girl in a pink dress, and a man in a black puffer jacket and blue jeans. The sky is overcast and grey. A tall antenna tower is visible on the roof of the building.

Mallee TOURIST & HERITAGE
CENTRE

A vintage airplane weather vane is mounted on a green corrugated metal roof. The airplane is painted in a light green color with red and white circular markings on the wings and tail. The background is a soft, out-of-focus sky. The text "APPENDIX A: BUDGETED FINANCIAL STATEMENTS" is overlaid in large, bold, white capital letters on the lower right portion of the image.

APPENDIX A: BUDGETED FINANCIAL STATEMENTS

**SOUTHERN MALLEE DISTRICT COUNCIL
DRAFT BUDGET 2024/2025**

STATEMENT OF COMPREHENSIVE INCOME

2023/2024 FORECAST BUDGET		2024/2025 DRAFT BUDGET CONSOLIDATED
\$'000	INCOME	\$'000
5,353	Rates	5,866
89	Statutory Charges	69
1,095	User Charges	1,250
2,970	Grants Subsidies and Contributions	2,975
10	Investment Income	10
8	Reimbursement	10
103	Other	104
<hr/>		
9628	TOTAL REVENUES	10,285
EXPENSES		
3,682	Wages and Salaries	4,043
2,586	Materials, Contracts and Other Expenses	2,612
191	Finance Costs	281
3,210	Depreciation, amortisation & impairment	3,419
<hr/>		
9,669	Total Expenses	10,354
(41)	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(69)
-	Net gain (loss) on disposal or revaluation of assets	-
1,435	Amounts specifically for new or upgraded assets	772
-	Physical resources received free of charge	-
1,394	TOTAL COMPREHENSIVE INCOME	702
<hr/> <hr/>		

**SOUTHERN MALLEE DISTRICT COUNCIL
DRAFT BUDGET 2024/2025**

CASH FLOW STATEMENT

2023/2024 FORECAST BUDGET		2024/2025 DRAFT BUDGET
\$'000		\$'000
Inflows (Outflows)		Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
9,618	Operating Receipts	10,275
10	Investment Receipts	10
	PAYMENTS	
(6,268)	Operating payments to suppliers & employees	(6,654)
(191)	Finance Payments	(281)
<u>3,169</u>	Net Cash provided by (or used in) Operating Activities	<u>3,350</u>
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
1,435	Grants specifically for new or upgraded assets	772
0	Repayments of Loans by Community Groups	0
120	Sale of Assets	150
	PAYMENTS	
(2,786)	Capital Expenditure on renewal/replacement of assets	(3,298)
(1,290)	Capital Expenditure on new/upgraded assets	(183)
<u>(2,521)</u>	Net Cash provided by (or used in) Investing Activities	<u>(2,559)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
-	Proceeds from Borrowings	-
	PAYMENTS	
(386)	Repayment of Borrowings	(313)
<u>(386)</u>	NET CASH USED IN FINANCING ACTIVITIES	<u>(313)</u>
262	NET INCREASE (DECREASE) IN CASH HELD	478
546	CASH AT BEGINNING OF YEAR	808
<u>808</u>	CASH AT END OF YEAR	<u>1,286</u>

**SOUTHERN MALLEE DISTRICT COUNCIL
DRAFT BUDGET 2024/2025**

BALANCE SHEET

**2023/2024
FORECAST
BUDGET**

**2024/2025
DRAFT BUDGET**

\$'000		\$'000
	ASSETS	
	CURRENT ASSETS	
808	Cash and cash equivalents	1,286
679	Trade & other receivables	679
94	Inventories	94
<u>1,581</u>	TOTAL CURRENT ASSETS	<u>2,059</u>
	NON-CURRENT ASSETS	
59	Financial Assets	59
85,375	Infrastructure, Property, Plant & Equipment	85,286
<u>85,434</u>	TOTAL NON-CURRENT ASSETS	<u>85,345</u>
<u>87,015</u>	TOTAL ASSETS	<u>87,404</u>
	LIABILITIES	
	CURRENT LIABILITIES	
1,196	Trade & Other Payables	1,196
386	Borrowings	386
846	Short-term Provisions	846
-	Other Current Liabilities	-
<u>2,428</u>	TOTAL CURRENT LIABILITIES	<u>2,428</u>
	NON-CURRENT LIABILITIES	
3,078	Long-term Borrowings	2,765
28	Long-term Provisions	28
-	Other Non-current Liabilities	-
<u>3,106</u>	TOTAL NON-CURRENT LIABILITIES	<u>2,793</u>
<u>5,534</u>	TOTAL LIABILITIES	<u>5,221</u>
<u>81,481</u>	NET ASSETS	<u>82,183</u>
	EQUITY	
23,018	Accumulated Surplus	23,720
61,559	Asset Revaluation	61,559
(3,096)	Other Reserves	(3,096)
<u>81,481</u>	TOTAL EQUITY	<u>82,183</u>

**SOUTHERN MALLEE DISTRICT COUNCIL
DRAFT BUDGET 2024/2025**

STATEMENT OF CHANGES IN EQUITY

2023/2024 FORECAST BUDGET		2024/2025 DRAFT BUDGET
\$'000		\$'000
	ACCUMULATED SURPLUS	
21,624	Balance at end of previous reporting period	23,018
1,394	Net Result for Year	702
0	Transfer From Reserves	0
0	Transfer To Reserves	0
<u>23,018</u>	BALANCE AT END OF PERIOD	<u>23,720</u>
	ASSET REVALUATION RESERVE	
61,559	Balance at end of previous reporting period	61,559
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
<u>61,559</u>	BALANCE AT END OF PERIOD	<u>61,559</u>
	Other Reserves	
-3,096	Balance at Beginning of Period	- 3,096
-	Transfer to reserve from accumulated surplus	-
0	Transfer from reserve to accumulated surplus	0
<u>-3,096</u>	BALANCE AT END OF PERIOD	<u>- 3,096</u>
<u>81,481</u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u>82,183</u>

**SOUTHERN MALLEE DISTRICT COUNCIL
DRAFT BUDGET 2024/2025**

UNIFORM PRESENTATION OF FINANCES

2023/2024 FORECAST BUDGET		2024/2025 DRAFT BUDGET
\$'000		\$'000
9,628	Operating Revenues	10,285
(9,669)	less Operating Expenses	(10,354)
(41)	Operating Surplus / (Deficit) before Capital Amounts	(69)
	Less Net Outlays in Existing Assets	
2,786	Capital Expenditure on renewal and replacement of Existing Assets	3,298
(3,210)	less Depreciation, Amortisation and Impairment	(3,419)
(120)	less Proceeds from Sale of Replaced Assets	(150)
(544)		(272)
	Less Net Outlays on New and Upgraded Assets	
1,290	Capital Expenditure on New and Upgraded Assets	183
(1,435)	less Amounts received specifically for New and Upgraded Assets	(772)
-	less Proceeds from Sale of Surplus Assets	-
(145)		(589)
648	Net Lending / (Borrowing) for Financial Year	791

**SOUTHERN MALLEE DISTRICT COUNCIL
DRAFT BUDGET 2024/2025**

FINANCIAL INDICATORS

2023/2024

**FORECAST
BUDGET**

**2024/2025
DRAFT BUDGET**

\$'000

(41)

Operating Surplus

Being the Operating Surplus (Deficit) before Capital Amounts

\$'000

(69)

(0.43%)

Operating Surplus Ratio

Operating Surplus

Total Operating Income

*This ratio expresses the Operating Surplus as a percentage of
Total Operating Income*

(0.67%)

3,988

Net Financial Liabilities

*Net Financial Liabilities are defined as Total Liabilities less
financial assets (excluding equity accounted investments in
Council Businesses*

3,197

41.42%

Net Financial Liabilities Ratio

Net Financial Liabilities

Total Operating Income

31.09%

132.04%

Asset Sustainability Ratio

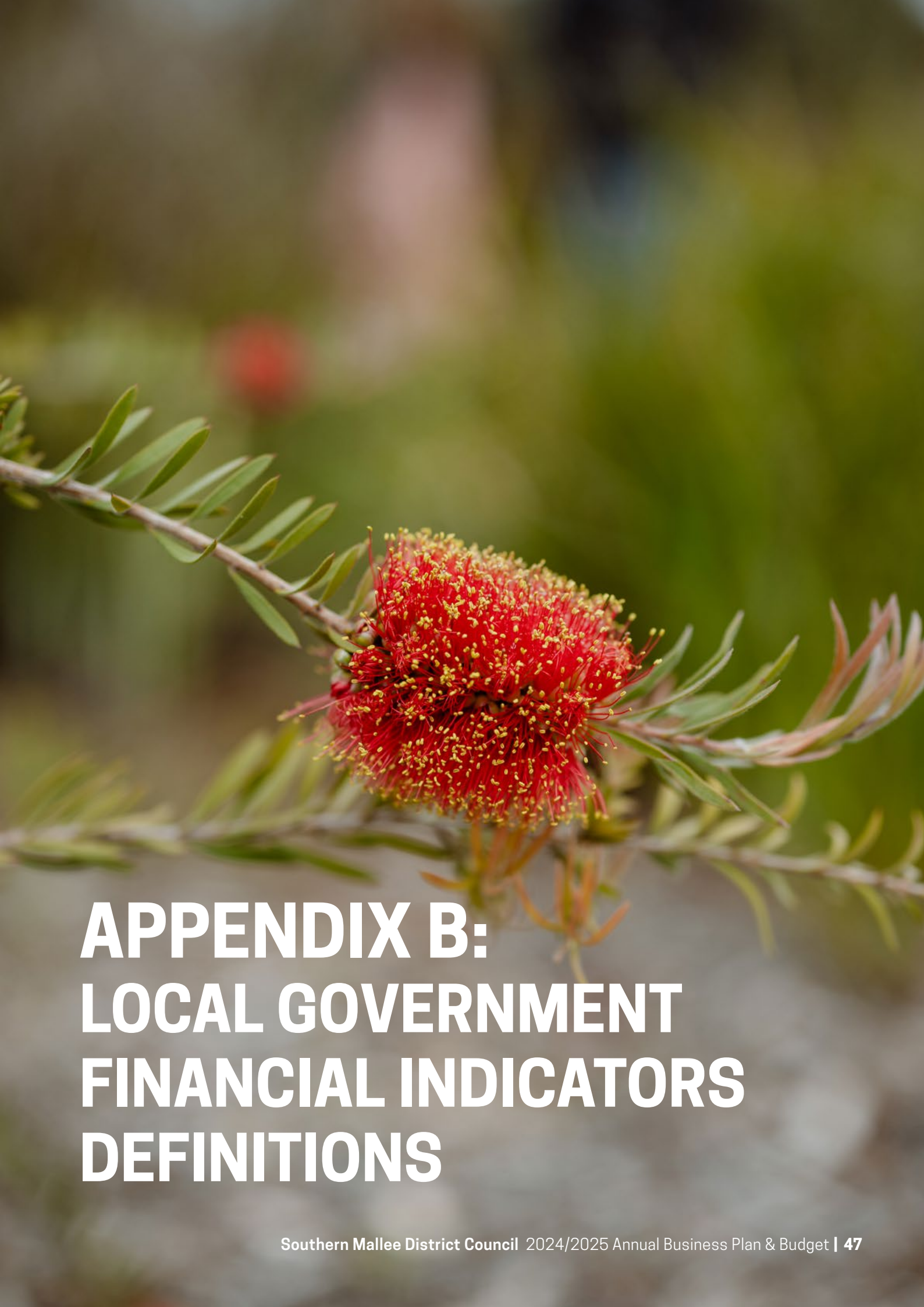
Net Asset Renewals

Infrastructure & Asset Management Plan required expenditure

Net Asset Renewals Expenditure is defined as Net Capital

*Expenditure on the renewal and replacement of existing
assets, and excludes new Capital Expenditure on the a
acquisition of additional assets*

156.28%



APPENDIX B: LOCAL GOVERNMENT FINANCIAL INDICATORS DEFINITIONS

OPERATING SURPLUS (DEFICIT) RATIO

This ratio expresses the operating surplus (deficit) as a percentage operating revenue. A negative ratio indicates the percentage increase in total rates required to achieve a breakeven operating result. A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense, without increasing Council's level of net financial liabilities. If this amount is not required for capital expenditure it simply reduces the level of net financial liabilities.

Council's target is to achieve an operating surplus ratio between (0%) deficit and 10% surplus.
Council's 2024/2025 Annual Business Plan & Budget forecasts an operating surplus ratio of (0.67%).

NET FINANCIAL LIABILITIES

Net Financial Liabilities measure a Council's total indebtedness. Net financial liabilities is a broader measure than net debt as it includes all of a Council's obligations including provisions for employee entitlements and creditors. The level of net financial liabilities increases when a net borrowing result occurs in a financial year and will result in a Council incurring liabilities and/or reducing financial assets. The level of net financial liabilities decreases when a net lending result occurs in a financial year and will result in a Council purchasing financial assets and/or repaying liabilities.

Council's target is to maintain its net financial liability between zero and \$10.285m (total operating revenue).
Council's 2024/2025 Annual Business Plan & Budget aims to achieve a net financial liability of \$3.197m.

NET FINANCIAL LIABILITIES RATIO

This ratio indicates the extent to which net financial liabilities of the Council can be met by the Council's total operating revenue. Where the ratio is falling it indicates the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing it indicates a greater amount of Council's operating revenues is required to service its financial obligations.

Council's target is to maintain its net financial liability ratio between zero and 100%. Council's 2024/2025 Annual Business Plan & Budget aims to achieve a net financial liability ratio of 31.09%.

ASSET SUSTAINABILITY RATIO

This ratio indicates whether the Council is renewing or replacing existing physical assets at the rate at which they are wearing out. On occasions, the Council will accelerate or reduce asset expenditures over time to compensate for prior events or invest in assets by spending more now so that it costs less in the future to maintain.

Council's target is to maintain its asset sustainability ratio between 90% and 110%. Council's 2024/2025 Annual Business Plan & Budget forecasts an asset sustainability ratio of 156.28%.



THE SOUTHERN MALLEE

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