

**SOUTHERN MALLEE DISTRICT COUNCIL**

**2022 - 2023**

# **ANNUAL BUSINESS PLAN & BUDGET**





Southern Mallee District Council acknowledges the Ngarkat people as the traditional custodians of the land on which we meet and work. We respect their culture and we extend that respect to other Aboriginal and Torres Strait Islander people.



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## 1.0 YOUR COUNCIL

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

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

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

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

The implementation of this annual business plan and budget will see Council achieve, or make substantial progress toward achieving, many of the strategies and priorities identified in the strategic plan.

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

Council has decided on a rate increase of 5.2% plus growth. This is in line with Council's Long Term Financial Plan which provides for annual rate rises equal to the consumer price index plus 0.5%. This rate increase will avoid undue financial pressure on our community whilst ensuring Council can continue to maintain and renew existing assets. Council will continue its high level of investment in road assets this year and will complete the stage 2 and 3 phases of its commercial centres revitalisation project in central Pinnaroo and Lamerloo. However

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

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

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

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

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

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

Cr Jeff Nickolls  
Mayor





Cr Jeff Nickolls  
**Mayor**



Paul Ireland  
**Deputy Mayor**



Andrew Grieger  
**Elected Member**



Mick Sparnon  
**Elected Member**



Neville Pfeiffer  
**Elected Member**



Rebecca Boseley  
**Elected Member**



Trevor Hancock  
**Elected Member**



*inspire engage connect*



## 2.0 EXECUTIVE SUMMARY

Southern Mallee District Council was again successful during 2021-2022 and started to see the easing of challenges associated with COVID-19 and associated border closures and restrictions. Council continued to deliver asset investment, strategic planning, advocacy and a range of services for the community.

We continued to deliver on our strategic plan priorities. The plan was developed during 2020 and adopted in January 2021 and is an aspirational plan that captures the needs and ambition of our community. The 2022-2023 financial year will see Council work hard to deliver on the second year of this strategic plan.

Southern Mallee District Council is a small innovative local government authority located in the Murraylands and Riverland Region of South Australia. Its relatively small workforce is efficient and effective in providing a broad range of services, projects and facilities to the community. Council has incredibly strong links to its community and works in collaboration with many community groups to deliver the projects and services that the community needs. Council has also had significant success in recent times of attracting external public sector investment into our communities.

Southern Mallee is a prosperous agricultural region and contains a number of high value conservation reserves and iconic Mallee landscapes and above all has a broad range of incredibly passionate and hardworking community groups. Council will continue to work to further develop the region's economic diversity, enhance the district's environmental attributes, and engage and collaborate with the passionate and active community in 2022-2023.

Southern Mallee District Council's Annual Business Plan and Budget for 2022-2023 provides an outline of our strategic framework, financial summary, and details on our rating strategy. The appendices provide further detail in the form of financial statements and local government financial indicator definitions.

Council's strategic planning framework has as its centrepiece the Southern Mallee District Council Strategic Plan 2021-2025. Other key strategic

framework documents are the long term financial management plan and asset management plans. These documents provide a solid and strategic basis for this annual business plan and budget.

The annual business plan and budget and financial summary at sections four and five identify the key factors influencing the development of the 2022-2023 annual business plan and budget. These sections of the document contain key information including the source of Council funds, expenditure by activity area, capital expenditure by asset category and overall financial position of Council. The annual business plan and budget has a focus on investment in our roads, buildings and public space assets.

This year will also see Council continue to focus on implementation of the Pinnaroo Village Green Masterplan and Lamerook Town Centre Plan. Council will expend Commonwealth Building Better Regions funding on the continued delivery of the Commercial Centres Revitalisation Project. Ultimately seeing over \$2million invested into both the Pinnaroo and Lamerook commercial centres. Stages 2 and 3 will be completed during this financial year.

Council will also allocate over \$1.363 million towards the ongoing renewal of roads and footpaths under its transport infrastructure program of works.

Council has proposed a 2022-2023 financial year rate increase of 5.2% plus growth, following a zero rate rise and a 2.25% rate rise in the last two years respectively.

This is another annual business plan and budget that staff will be proud to deliver and one which will provide ongoing beneficial outcomes for the Southern Mallee community. Staff will work with the elected members to deliver the annual business plan and budget.



Jason Taylor  
Chief Executive Officer





RATEABLE  
ASSESSMENTS  
**1,743**



POPULATION  
**2,243**



KM'S SEALED  
ROAD  
**132**



KM'S UNSEALED  
ROAD  
**1,200**



TOTAL COUNCIL AREA  
**5,695km<sup>2</sup>**



### Council's Planning Framework

The Southern Mallee District Council Strategic Management Plan 2021-2025 was adopted by Council in January 2021. The strategic management plan is a tool for defining the direction of Southern Mallee District Council by identifying a vision, values, goals, and priorities.

Council has identified five goals for the next five years that reflect Council and the community's aspiration for the future.



#### 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.



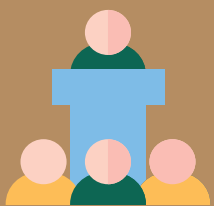
#### GOAL 2. DIVERSE & PROSPEROUS ECONOMY

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.



## Long Term Financial Management 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 was last formally adopted in July 2020 with reviews in 2021 and 2022.

## Asset Management Plan

Council also adopted Asset Management Plans for the various classes of assets and an Asset Management Strategy in May 2020.

Council's Asset Management Plan outlines the management of the major assets of Council. The Plan, like the Long-Term Financial Plan, assists in the long term and annual decision making of council and supports 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 Plan is to highlight those activities that will be undertaken in the financial year in support of the strategic goals of Council. The Plan strives to achieve the long-term strategy targets of council.

## Annual Budget

The 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 budget details the expected costs and revenues that council will need to achieve the goals of the Annual Business Plan.

All the above-mentioned Plans are to be used in conjunction together and form part of Council's suite of plans.







## 4.0 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 2022-2023 Annual Business Plan.

These include:

- COVID-19 Pandemic
- Requirements to maintain infrastructure assets at acceptable standards
- The level of State and Commonwealth Government grant funding
- Fees/charges imposed by the State Government including the waste levy
- Cost of compliance with State Government reporting and accountability requirements
- CPI (4.7% March 2022 Adelaide)
- LGPI (local government price index) (3.5% December 2021)
- Employee Enterprise Agreements
- 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 has been prepared within the following guidelines:

- General rate revenue is planned to provide for operating expenses. It is proposed that the total amount of General Rates to be collected in 2022-2023 is to increase by 5.2% plus growth.
- 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.



# SERVICE PROVISIONS

## Continuing Services

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

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



## SUMMARY BY CATEGORY

### 2022/23 Budget

Economic Affairs	\$1,155,642
Governance & Administration	\$1,841,014
Health	\$37,195
Housing & Community Amenities	\$944,078
Mining, Manufacturing & Construction	\$245,474
Other Purposes	\$270,174
Public Order & Safety	\$88,000
Social Security & Welfare	\$1,253,998
Sport & Recreation	\$1,435,257
Transport & Communication	\$2,478,157
<b>TOTAL</b>	<b>\$9,748,987</b>





## CAPITAL WORKS PROGRAM 2022/23

### Program / Project

### Total Budget

BUILDING PROGRAM	\$ 725,000.00
<b>Community Buildings Projects</b>	
Lameroo Community Meeting Space Project (100% Commonwealth LRCI Phase 3)	\$ 290,000.00
Lameroo Swimming Pool - Pool covers and toddler pool heating (100% Commonwealth LRCI Phase 3)	\$ 40,000.00
Pinnaroo Swimming Pool - Pool covers and toddler pool heating (100% Commonwealth LRCI Phase 3)	\$ 25,000.00
Public Convenience Refurbishment	\$ 100,000.00
Urgent Building Refurbishment	\$ 10,000.00
<b>Administrative Buildings Projects</b>	
Lameroo Chamber & Office Renewal Minor works (Foyer area, including door)	\$ 30,000.00
Pinnaroo Chamber & Office Renewal Minor works (Flooring, records management compactus)	\$ 30,000.00
<b>Private Buildings Projects</b>	
Executive council house renewal - 37 Railway Terrace South, Lameroo	\$ 50,000.00
Executive council house renewal - 18 Hensley Street, Pinnaroo	\$ 110,000.00
Pinnaroo Retirement Village - Unit 7 Kitchen/Bathroom Completion	\$ 40,000.00
<b>INFORMATION AND COMMUNICATION TECHNOLOGY PROGRAM</b>	<b>\$ 58,000.00</b>
<b>Technology Upgrades</b>	
Surface Pro Laptop replacement/upgrades x6	\$ 18,000.00
Photocopier renewal x2	\$ 20,000.00
Phone System	\$ 20,000.00



<b>TRANSPORT INFRASTRUCTURE PROGRAM</b>	<b>\$ 2,708,552.00</b>
<b>Road Resheeting Projects</b>	
Summerton Road - Ch. 0km to 3.3km (3.3 kilometres) complete	\$ 150,000.00
Maynard Road - Ch. 0km to 6km (6.0 kilometres)	\$ 345,000.00
Chandos Road - Ch. 8.2km to 10.7km (2.5 kilometres) complete	\$ 140,000.00
Carcuma Road - Ch. 7.0km to 13.0km (6.0 kilometres)	\$ 435,000.00
RG Angel Road - Ch. 7.1km to 8.7km (1.6 kilometres)	\$ 75,000.00
Lameroo South Road - Ch. 10.9km to 13.4km (2.5 kilometres) (100% Commonwealth LRCI Phase 3)	\$ 168,000.00
Przibilla Road - Polycom trial section (1.0 kilometre)	\$ 50,000
<b>Road Construction Projects</b>	
Kulkami Road additional funding (2/3 SLRP funding \$666,667/ Council contribution \$333,333)	\$ 1,000,000.00
Harvey Street, Lameroo	\$ 60,000.00
Pinnaroo Avenue, Pinnaroo	\$ 140,000.00
<b>Footpath Projects</b>	
Adelaide Road, Lameroo (Service Station to Stormwater pump station 280m) (100% Commonwealth LRCI Phase 3)	\$ 55,000.00
Gilbert Avenue, Pinnaroo (Doctors Surgery to Symonds Street 400m) (100% Commonwealth LRCI Phase 3)	\$ 70,552.00
Main Street, Parilla (Shannon Street to Laurie Street 75m) (100% Commonwealth LRCI Phase 3)	\$ 20,000.00
<b>URBAN DESIGN AND AMENITY PROGRAM</b>	<b>\$ 486,120.00</b>
<b>Urban Design and Amenity Projects</b>	
Pinnaroo Eastern Entrance Project (100% Commonwealth LRCI Phase 3)	\$ 290,000.00
Project Management Pinnaroo Eastern Entrance & Lameroo Community Meeting Space	\$ 22,463.00
Major Projects Delivery Project Management	\$ 83,657.00
Brand Concepts Implementation *seek additional grant funding	\$ 50,000.00
Parilla Community Plan Development and Implementation	\$ 20,000.00
Geranium RSL Park Upgrade (100% Commonwealth LRCI Phase 3)	\$ 20,000.00





<b>FLEET MANAGEMENT AND PLANT REPLACEMENT PROGRAM</b>	<b>\$ 513,000.00</b>
<b>Fleet Management</b>	
Manager Infrastructure Services vehicle changeover	\$ 50,000.00
Manager Property & Development Services vehicle changeover	\$ 50,000.00
<b>Plant Replacement</b>	
Loader (changeover)	\$ 280,000.00
4x4 Crew Cab Ute (changeover)	\$ 43,000.00
S/C Ute (changeover)	\$ 30,000.00
S/C Ute (changeover)	\$ 30,000.00
S/C Ute (changeover)	\$ 30,000.00
<b>OTHER INFRASTRUCTURE WORKS</b>	<b>\$ -</b>
<b>TOTAL CAPITAL WORKS PROGRAM BUDGET</b>	<b>\$ 4,490,672.00</b>
Commonwealth Local Roads Community Infrastructure Program Phase 3 Funding	\$ 978,552.00
State Government Special Local Roads Program Funding	\$ 666,667.00
External Funding Total	\$ 1,645,219.00
Council Contribution	\$ 2,854,453.00
<b>TOTAL CAPITAL WORKS PROGRAM BUDGET</b>	<b>\$ 4,490,672.00</b>



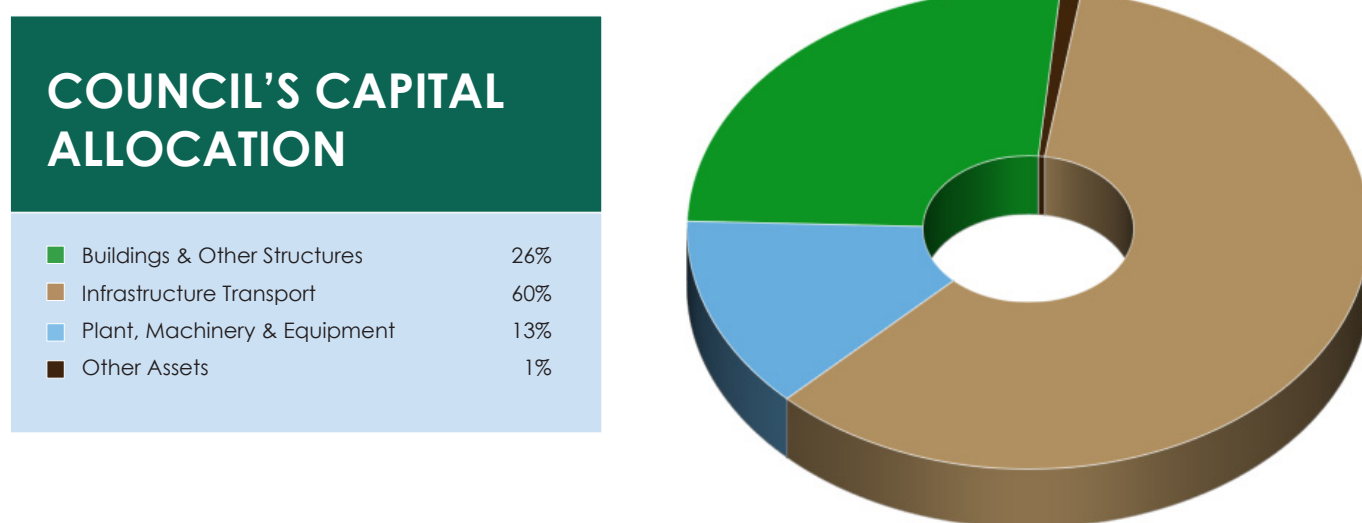


## Capital Program

At the time of writing, the projects listed in this plan have been identified as priority projects based on Council's Asset Management Strategy, 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 Plan and the activities included may need to be amended.

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



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

CATEGORY	2020/21 REPLACEMENT COST	% OF TOTAL ASSETS		2022/23 CAPITAL EXPENDITURE	% OF PROPOSED CAPITAL EXPENDITURE
Land	\$ 3,544,957	3%		\$ -	0%
Buildings & Other Structures	\$ 22,290,998	19%		\$ 1,161,120	26%
Infrastructure Transport	\$ 67,584,293	58%		\$ 2,708,552	60%
Infrastructure Stormwater	\$ 4,491,523	4%		\$ -	0%
Infrastructure Common Effluent	\$ 9,992,711	9%		\$ -	0%
Infrastructure Other	\$ 2,393,697	2%		\$ -	0%
Plant, Machinery & Equipment	\$ 5,595,990	5%		\$ 571,000	13%
Furniture & Fittings	\$ 306,247	0%		\$ -	0%
Other Assets	\$ 250,866	0%		\$ 50,000	1%
	<b>\$ 116,451,282</b>			<b>\$ 4,490,672</b>	



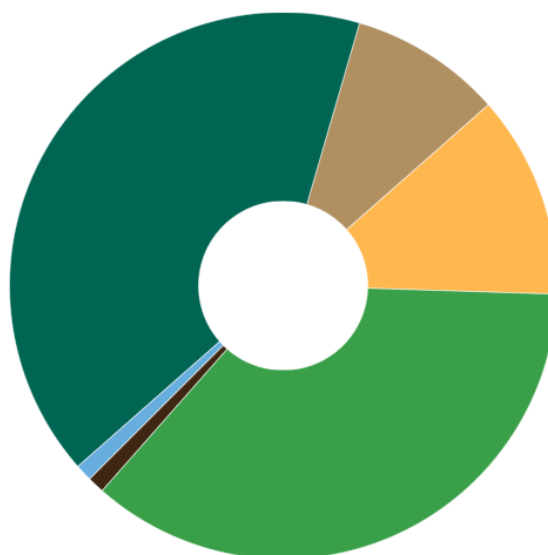
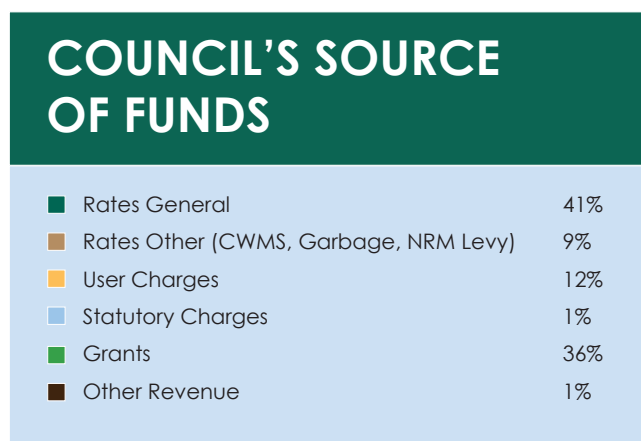
### Funding The Business Plan

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

<b>Operating Revenues</b>	\$9,531,000
<b>Less: Operating Expenditure</b>	\$9,749,000
<b>Net Operating Defecit</b>	\$218,000

Council's annual operating revenue is not considered sufficient to meet expected operating expenditure for the 2022-2023 year. Council is comfortable with this result as the deficit is the result of a one off expenditure item relating to the undergrounding of powerlines.

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



### Council's Source Of Funds

\$

Rates General	\$3,903,104
Rates Other (CWMS, Garbage, NRM Levy)	\$885,023
User Charges	\$1,147,905
Statutory Charges	\$84,000
Investment Income	\$12,100
Grants	\$3,383,542
Other Revenue	\$107,650
Reimbursements	\$7,685
<b>TOTAL</b>	<b>\$9,531,010</b>



Council's annual business plan has been prepared on the basis of 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 on its operating expenses being less than its operating revenue, thereby producing a positive operating result.

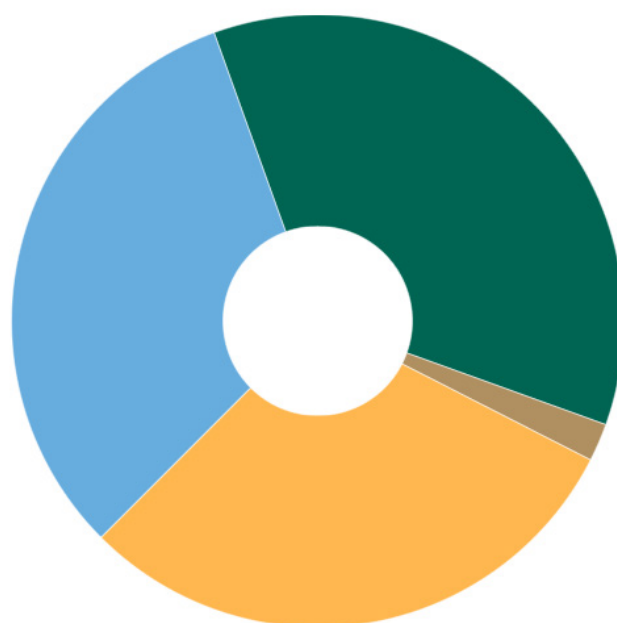
Council allocates its funds in four main categories being employee costs, depreciation, finance costs and materials, contracts and other expenses.

Depreciation consumes 30% of Councils funds which should be then invested into capital spending.

This annual business plan outlines a total capital expenditure budget of \$4,490,672. \$2,204,000 will be used to renew existing assets and \$2,286,672 will be spent on new assets.

## COUNCIL'S ALLOCATION OF FUNDS

Employee Costs	36%
Finance Costs	2%
Depreciation	30%
Materials, Contractors & Other Expenses	32%



## Council's Allocation Of Funds

\$

Employee Costs	\$3,437,448
Finance Costs	\$170,629
Depreciation	\$2,944,720
Materials, Contractors & Other Expenses	\$3,160,191
<b>TOTAL</b>	<b>\$9,748,987</b>



## Impact On Council's Financial Position

Based on council's budget, Council's direct borrowings will increase from \$5,905,000 at the end of 2021-2022 to \$5,913,000 at the end of 2022-2023. This increase is a result of \$500,000 borrowings in 2022-2023 to assist in funding Kulkami road.

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

Operating Deficit is at -2.29% against a long-term target of 0% -15%

Net Financial Liabilities Ratio is at 71.65% against a target of greater than 0% and less than 100% of operating revenue.

Asset Sustainability Ratio is at 54.01% against its Asset Management Plan.

*For more details on the calculation method for key financial indicators, see the financial indicators section of this business plan.*

## 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 – 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 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.







## 6.0

# 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 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 2 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 2022-2023 Annual Business Plan proposes to raise General Rate revenue of \$3.873m in a total operating revenue budget of \$9.531m.

The proposed General Rate Revenue of \$3.873 is an increase of 5.2% plus growth after rebates and concessions.



## Minimum Rate

Council considers it appropriate that ratepayers in respect of all rateable land make a contribution 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 2022-2023 is proposed to be \$656 (\$627 in 21/22)

This represents an increase of \$29 (4.6%) on the minimum rate applied in 2021-2022. Overall, the minimum rate will be applied to approximately 31% 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:-

SEPT 2022							DEC 2022						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3					1	2	3
4	5	6	7	8	9	10	4	5	6	7	8	9	10
11	12	13	14	15	16	17	11	12	13	14	15	16	17
18	19	20	21	22	23	24	18	19	20	21	22	23	24
25	26	27	28	29	30		25	26	27	28	29	30	31

MAR 2023							JUN 2023						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4					1	2	3
5	6	7	8	9	10	11	4	5	6	7	8	9	10
12	13	14	15	16	17	18	11	12	13	14	15	16	17
19	20	21	22	23	24	25	18	19	20	21	22	23	24
26	27	28	29	30	31		25	26	27	28	29	30	



# 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:

- \$635 for each occupied property unit (\$610 in 2021-22) (4.1% Increase)
- \$315 for each unoccupied property unit (\$304 in 2021-22) (3.6% 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 2022-2023 will be:

- Bin Service: \$295.00 (\$250 in 2021-22) (18% Increase)
- Additional Bin Service: \$212.00 (\$185 in 2021-22) (15% 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 2022-2023 is a direct result of the increase in the charges that Council face for disposal of waste.

## Ajoining Property

Section 152 of the Act 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 Landscaping 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.

Council will for 2022-2023 impose a separate rate against rateable properties based on the capital value of the land and forward the amount of \$154,012 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 can be viewed at [www.southernmallee.sa.gov.au](http://www.southernmallee.sa.gov.au)



## **Mandatory**

The Local Government Act 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 permits the Council, on the application of the ratepayer, to partially or wholly remit rates 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



# APPENDICES





**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2022/2023**
**STATEMENT OF COMPREHENSIVE INCOME**
**2021/2022  
FORECAST  
BUDGET**
**2022/2023  
BUDGET**
**\$'000**
**INCOME**
**\$'000**

4,503	Rates	4,787
75	Statutory Charges	84
953	User Charges	1,148
2,356	Grants Subsidies and Contributions	3,384
30	Investment Income	12
27	Reimbursement	8
123	Other	108

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8067	TOTAL REVENUES	9,531
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**EXPENSES**

3,174	Wages and Salaries	3,473
2,076	Materials, Contracts and Other Expenses	3,160
109	Finance Costs	171
2,698	Depreciation, amortisation & impairment	2,945

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8,057	Total Expenses	9,749
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**OPERATING SURPLUS/(DEFICIT)  
BEFORE CAPITAL AMOUNTS**

10		(218)
16	Net gain (loss) on disposal or revaluation of assets	-
4,731	Amounts specifically for new or upgraded assets	1,646
-	Physical resources received free of charge	-

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<b>4,757</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,428</b>
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**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2022/2023**

**CASH FLOW STATEMENT**

<b>2021/2022 FORECAST BUDGET</b>		<b>2022/2023 BUDGET</b>
<b>\$'000</b>		<b>\$'000</b>
Inflows (Outflows)		Inflows (Outflows)
	<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>	
	<b>RECEIPTS</b>	
8,037	Operating Receipts	9,519
30	Investment Receipts	12
	<b>PAYMENTS</b>	
(5,250)	Operating payments to suppliers & employees	(6,633)
(109)	Finance Payments	(171)
<u>2,708</u>	<b>Net Cash provided by (or used in) Operating Activities</b>	<u>2,727</u>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	<b>RECEIPTS</b>	
4,495	Grants specifically for new or upgraded assets	1,646
0	Repayments of Loans by Community Groups	0
759	Sale of Assets	156
	<b>PAYMENTS</b>	
(8,389)	Capital Expenditure on renewal/replacement of assets	(2,204)
(7,262)	Capital Expenditure on new/upgraded assets	(2,287)
<u>(10,397)</u>	<b>Net Cash provided by (or used in) Investing Activities</b>	<u>(2,689)</u>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
	<b>RECEIPTS</b>	
5,410	Proceeds from Borrowings	500
	<b>PAYMENTS</b>	
(382)	Repayment of Borrowings	(492)
<u>5,028</u>	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>8</u>
	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<u>46</u>
(2,661)	<b>CASH AT BEGINNING OF YEAR</b>	<u>90</u>
<u>2,751</u>	<b>CASH AT END OF YEAR</b>	<u>136</u>
<u>90</u>		<u>136</u>

**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2022/2023**

**BALANCE SHEET**

<b>2021/2022 FORECAST BUDGET</b>		<b>2022/2023 BUDGET</b>
<b>\$'000</b>		<b>\$'000</b>
	<b>ASSETS</b>	
	<b>CURRENT ASSETS</b>	
90	Cash and cash equivalents	136
668	Trade & other receivables	668
57	Inventories	57
<u>815</u>	<b>TOTAL CURRENT ASSETS</b>	<u>861</u>
	<b>NON-CURRENT ASSETS</b>	
61	Financial Assets	61
85,098	Infrastructure, Property, Plant & Equipment	86,488
<u>85,159</u>	<b>TOTAL NON-CURRENT ASSETS</b>	<u>86,549</u>
<u>85,974</u>	<b>TOTAL ASSETS</b>	<u>87,410</u>
	<b>LIABILITIES</b>	
	<b>CURRENT LIABILITIES</b>	
886	Trade & Other Payables	886
266	Borrowings	266
874	Short-term Provisions	874
-	Other Current Liabilities	-
<u>2,026</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>2,026</u>
	<b>NON-CURRENT LIABILITIES</b>	
5,639	Long-term Borrowings	5,647
21	Long-term Provisions	21
-	Other Non-current Liabilities	-
<u>5,660</u>	<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>5,668</u>
<u>7,686</u>	<b>TOTAL LIABILITIES</b>	<u>7,694</u>
<u>78,288</u>	<b>NET ASSETS</b>	<u>79,716</u>
	<b>EQUITY</b>	
21,692	Accumulated Surplus	23,120
57,616	Asset Revaluation	57,616
(1,020)	Other Reserves	(1,020)
<u>78,288</u>	<b>TOTAL EQUITY</b>	<u>79,716</u>



**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2022/2023**

**STATEMENT OF CHANGES IN EQUITY**

<b>2021/2022 FORECAST BUDGET</b>		<b>2022/2023 BUDGET</b>
<b>\$'000</b>		<b>\$'000</b>
	<b>ACCUMULATED SURPLUS</b>	
16,935	Balance at end of previous reporting period	21,692
4,757	Net Result for Year	1,428
0	Transfer From Reserves	0
0	Transfer To Reserves	0
<u>21,692</u>	<b>BALANCE AT END OF PERIOD</b>	<u>23,120</u>
	<b>ASSET REVALUATION RESERVE</b>	
57,616	Balance at end of previous reporting period	57,616
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>57,616</u>	<b>BALANCE AT END OF PERIOD</b>	<u>57,616</u>
	<b>Other Reserves</b>	
-1,020	Balance at Beginning of Period	- 1,020
-	Transfer to reserve from accumulated surplus	-
0	Transfer from reserve to accumulated surplus	0
<u>-1,020</u>	<b>BALANCE AT END OF PERIOD</b>	<u>- 1,020</u>
<u><b>78,288</b></u>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<u><b>79,716</b></u>

**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2022/2023**

**UNIFORM PRESENTATION OF FINANCES**

<b>2021/2022 FORECAST BUDGET</b>		<b>2022/2023 BUDGET</b>
<b>\$'000</b>		<b>\$'000</b>
8,067	Operating Revenues	9,531
(8,057)	less Operating Expenses	(9,749)
<u>10</u>	<b>Operating Surplus / (Deficit) before Capital Amounts</b>	<u>(218)</u>
	<b>Less Net Outlays in Existing Assets</b>	
8,153	Capital Expenditure on renewal and replacement of Existing Assets	2,204
(2,698)	less Depreciation, Amortisation and Impairment	(2,945)
(759)	less Proceeds from Sale of Replaced Assets	(156)
<u>4,696</u>		<u>(897)</u>
	<b>Less Net Outlays on New and Upgraded Assets</b>	
7,262	Capital Expenditure on New and Upgraded Assets	2,287
(4,731)	less Amounts received specifically for New and Upgraded Assets	(1,646)
<u>-</u>	less Proceeds from Sale of Surplus Assets	<u>-</u>
<u>2,531</u>		<u>641</u>
(7,217)	<b>Net Lending / (Borrowing) for Financial Year</b>	<b>38</b>



**SOUTHERN MALLEE DISTRICT COUNCIL  
BUDGET 2022/2023**

**FINANCIAL INDICATORS**

2021/2022			2022/2023
FORECAST	BUDGET		BUDGET
<b>\$'000</b>			<b>\$'000</b>
10	<b>Operating Surplus</b> <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>		(218)
0.12%	<b>Operating Surplus Ratio</b> <u>Operating Surplus</u> Total Operating Income <i>This ratio expresses the Operating Surplus as a percentage of Total Operating Income</i>		-2.29%
6,867	<b>Net Financial Liabilities</b> <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>		6,829
85.12%	<b>Net Financial Liabilities Ratio</b> <u>Net Financial Liabilities</u> Total Operating Income		71.65%
186.97%	<b>Asset Sustainability Ratio</b> <u>Net Asset Renewals</u> Infrastructure & Asset Management Plan required expenditure <i>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 acquisition of additional assets</i>		54.01%

# 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 2022-2023 Budget forecasts an operating deficit ratio of -2.29%.

## 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 \$9.531m (total operating revenue).*

Council's 2022-2023 Budget aims to achieve a net financial liability of \$6,829

## 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 2022-2023 Budget aims to achieve a net financial liability ratio of 71.65%

## 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 2022-2023 Budget forecasts an asset sustainability ratio of 54.01%





THE SOUTHERN MALLEE

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