Mid Murray Council

Mid Murray Council 2025/26 Annual Business Plan

Acknowledgement of Country

The Mid Murray Council acknowledges the Aboriginal and Torres Strait Islander peoples of Australia as the Traditional Custodians of the lands and waters on which we meet and work.

We pay respect to Elders past and present, recognising their important and ongoing role and connection to this ancient and beautiful land.

We are committed to working together on our reconciliation journey.

Table of Contents

Acknowledgement of Country 2
1. Message from Mayor & CEO 4
2. Council's Area 6
3. Elected Members 7
4. Organisational Structure 8
5. Strategic Plan 9
6. Council's Role in the Community 10
7. Summary of Budget Movements in 2024/25 11
8. Looking Forward to 2025/26 13
9. Public Consultation 15
10. Projects for 2025/26 16
11. ESCOSA Local Government Advice February 2023 - Summary 18
12. Savings & Efficiencies 19
13. Funding the Annual Business Plan 20
14. Summary Statement 21
15. Rates Revenue in 2025/26 21
16. Rates Disclosure 22
17. Rates Revenue 24
18. Financial Statements 2025/26 31
18.1 Budget Statement of Comprehensive Income 31
18.2 Budget Financial Position (Balance Sheet) 32
18.3 Budget Statement of Changes in Equity 33
18.4 Budget Cash Flow Statement 34
18.5 Uniform Presentation of Finances 35
19. Council Services 36
19.1 Governance 36
19.2 Committees 37
19.3 Human Resources 37
19.4 Corporate & Financial Services 38
19.5 Economic Development & Tourism 41
19.6 Development & Community Services 44
19.7 Infrastructure 47
20. Appendix A – ESCOSA Report Local Government Advice 49

1. Message from Mayor & CEO

Balancing the needs of our Mid Murray community with Council's aim to achieve long-term sustainability and create a positive future for our district underpins our planning for the new financial year.

As we progress the delivery of the objectives of our Strategic Plan, we first acknowledge the recent challenges faced by both Council and our community.

The impact of two years of pandemic, one of the worst floods in our history, and years of soaring inflation and cost pressures has been significant and continues to affect Council's day-to-day operations and its long-term planning. Over this time, Council has worked hard to continually review our operations to ensure they meet our community's needs, while also improving financial sustainability, and focusing on our core responsibilities. This hasn't been an easy process. Just as our ratepayers, residents and businesses have had to make changes to balance their budgets, so too has Council.

Looking ahead to the new financial year, Council has developed a *Draft 2025/26 Annual Business Plan and Budget* with a continued focus on sustainability and efficiency. It will build on work undertaken across the past 12 months to identify cost savings and changes to our organisation, services and facilities to ensure these continue to serve our community, while also considering the ongoing budgetary pressures and operating constraints.

As part of this process, Council has undertaken a full cost attribution project to ensure internal costs are appropriately allocated to the specific services they relate to, such as Community Wastewater Management Systems (CWMS) and waste collection. Until now, general rates has been subsidising these service costs.

While these adjustments represent material increases to annual service charges, they reduce the need for larger increases to general rates, promoting greater equity in how services are funded.

Council's review of the operation of its facilities and services will carry over into this financial year. Community engagement is an important part of this process, assisting Council to better understand the essential needs of our residents, while also giving the community the opportunity to work with us to identify ways to reduce costs and operate more efficiently in meeting those needs into the future. We thank the community for its active participation in our review process so far, and encourage ongoing collaboration over the coming year.

Council is not alone in its challenges, which are also disproportionately impacting regional and rural local governments across the State. We are actively advocating for greater assistance and recognition from the State and Federal Governments, particularly in ensuring an equitable share of funding is distributed to rural communities to support the valuable work of Councils in large geographic, low-population areas.

The *2025/26 Annual Business Plan and Budget* sets out Council's proposed priority projects, services, programs and other initiatives for the new financial year, and how we plan to fund these. The priority projects and strategic initiatives for the next 12 months are outlined on Page 16, and include:

- Implement Stage 2 outcomes of the Sustainability Review.
- Cambrai Landfill Cell 2 Development project (funded through the *Local Roads and Community Infrastructure Program – Phase 3*)
- Finalise *Growth Management and Housing Strategy* for the region
- Rural recycling and township green waste assessment project
- Progress to detailed design for the Swan Reach CWMS (subject to public consultation outcomes and Council endorsement)
- Mid Murray Female Sports Facility project at the Mannum Oval Sporting Complex
- LED street lighting upgrade project
- Bowhill riverfront, South Punyelroo CWMS and Swan Reach boat ramp upgrades
- Angas Valley and Stoney Banks Road junction upgrade

- $6.1million of infrastructure capital expenditure, including an additional 2.5km of sealing for the Murraylands Road between Blanchetown and Morgan.

While there are challenges, Council believes there are also positive opportunities to create a brighter, more vibrant future for our region. That work will begin with priority projects through the externally funded Mid Murray Tourism Precinct Planning project to develop strategies to support enhanced economic development, community development and growth in the Mid Murray, as well as creating township plans, that will set a strong foundation for the ongoing, managed improvement and growth of our towns.

The Mid Murray is gaining well-deserved attention in the tourism sector for its natural beauty. To capitalise on this, Council will continue its work with the State Government to seek greater protection for the River Murray International Dark Sky Reserve. The first of its kind in Australia, the reserve is a natural asset with the potential to develop into a significant visitor drawcard and deliver economic growth for the broader region, with the longer-term vision including an observatory. In addition, Council will progress a number of capital projects, with the support of significant external grants.

In setting its proposed expenditure and rates, the cost pressures facing our community were front of mind for Council, along with the need to secure its long-term sustainability. Council will again offer assistance to ratepayers in need through its hardship policy.

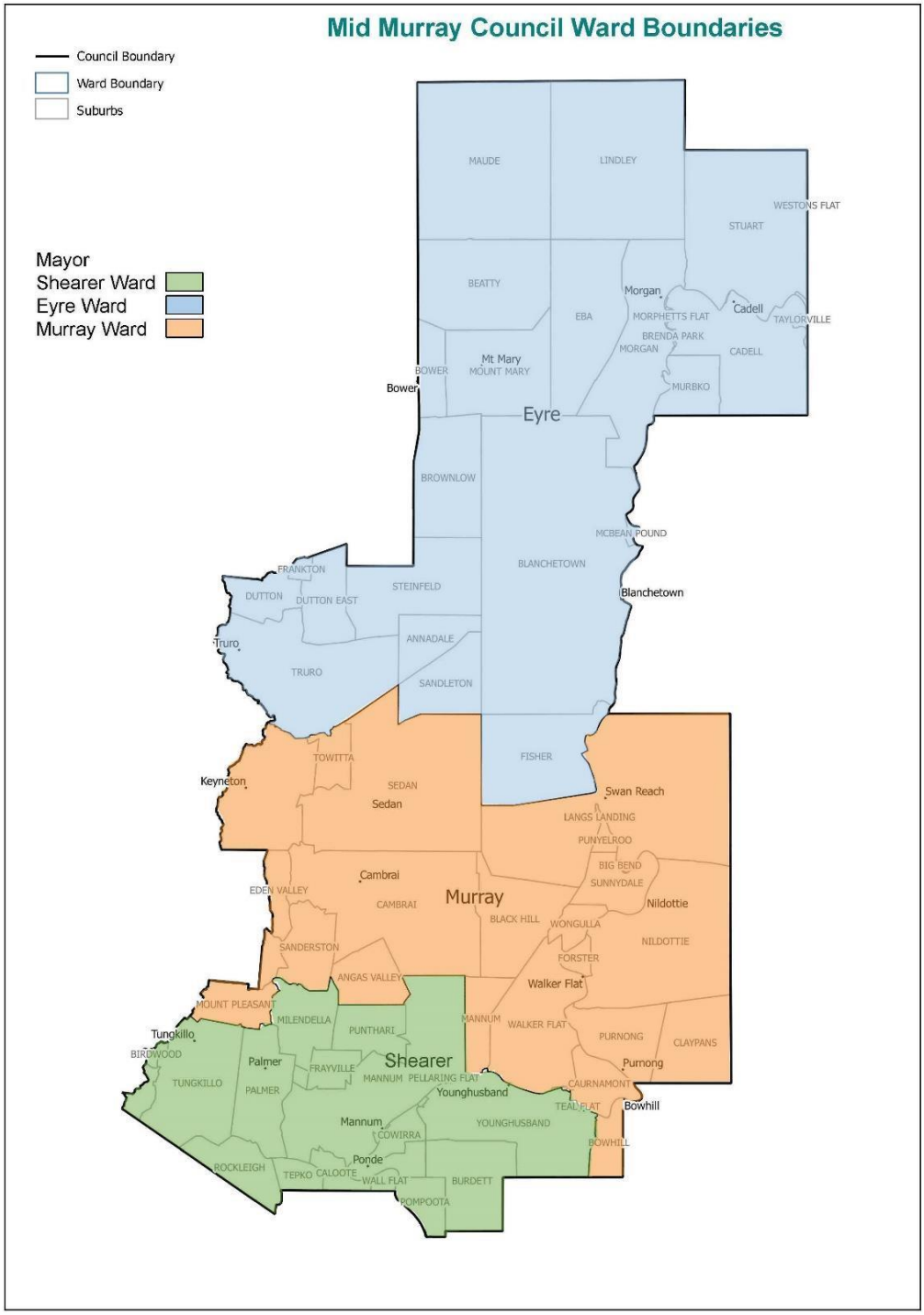
As we head into the new financial year, we look forward to working with our community to build on our resilience and forge a stronger, brighter future for the Mid Murray together.

Simone Bailey
Mayor

Ben Scales
Chief Executive Officer

2. Council's Area

The Mid Murray Council area comprises land within regions generally known as the Murraylands, Riverland and the eastern slopes of the Mount Lofty Ranges. The major topographical feature of the area is the valley of the River Murray, with some 220 kms of this picturesque waterway passing through the district.



3. Elected Members

Collectively, Elected Members are responsible for policymaking and decisions that impact on current and future plans for the district, and the lives and livelihoods of individuals, organisations and businesses within it.

The role of the Elected Members is to:

- Participate in the deliberations and civic activities of the Council
- Formulate the Council's objectives and policies under review to ensure they are appropriate and effective
- Keep Council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery, under review
- Represent the interests of residents and ratepayers, to provide community leadership and guidance, and to facilitate communication between the community and the Council

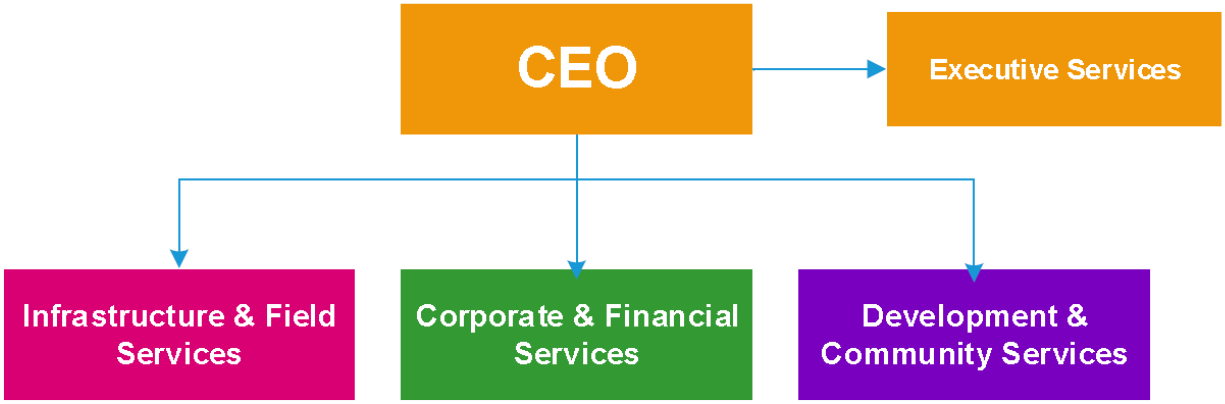
Mid Murray Council has three wards, Eyre, Shearer and Murray which are represented by nine elected members.

The Council is made up of the Mayor and eight Ward Councillor's, being for the term 2022 to 2026:

Mayor Simone Bailey

Eyre	Shearer	Murray
• Cr Kevin Myers • Cr Jen Davis	• Cr Georga Warhurst • Cr Kirsty MacGregor • Cr Mandy Toczek McPeake • Cr Victoria Hammond	• Deputy Mayor Geoff Barber • Cr Ros Schultz

4. Organisational Structure



5. Strategic Plan

Council has adopted its new *2024-2028 Strategic Plan* after a significant review of its current Plan across the past year.

As the lead document in Council's strategic management plans, the *2024-2028 Strategic Plan* is supported by various specific strategies and plans that guide Council's decision making and strategic priorities, as well as the day-to-day management of its operations across the planning period. These include financial management plans, asset management plans (e.g. buildings, roads, footpaths, stormwater) and various corporate and service delivery plans.

The *2024-2028 Strategic Plan* considers the aspirations of our community who contributed to the development of the Plan through the community consultation process, with the community engagement highlighting a few key themes consistently, including a focus on sustainability and core services given the financial and resourcing challenges currently faced by Council. This focus was incorporated into the *2024-2028 Strategic Plan*, with the key activities crafted as a result.

Developed in close collaboration with our community and Elected Members, the *2024-2028 Strategic Plan* reflects our shared Purpose and Ambition as follows:

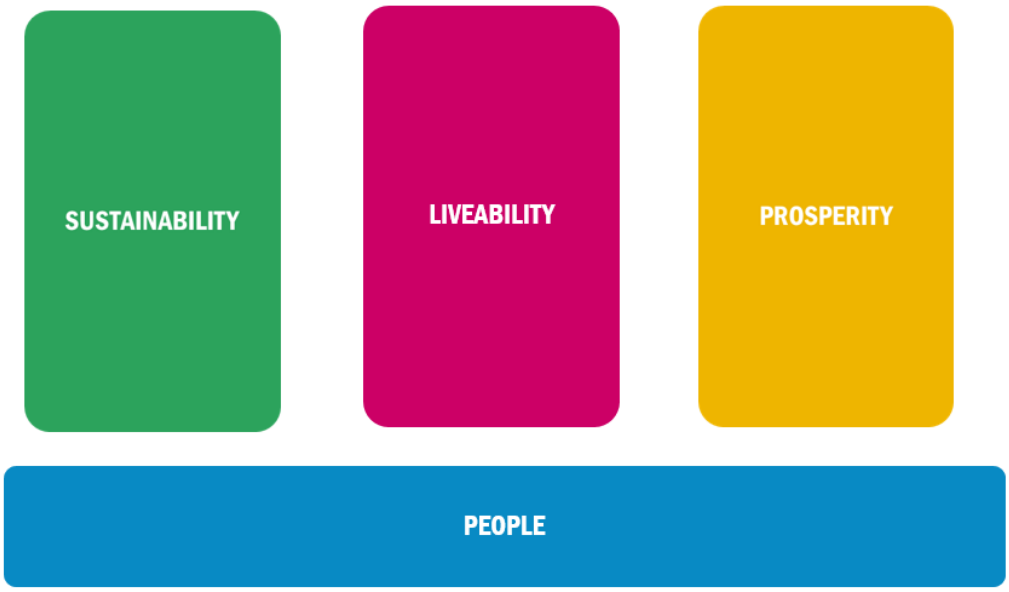
Purpose

Work collaboratively to strengthen and enrich our community

Ambition

Sustainability . Liveability . Prosperity

Operational plans drive the implementation of the *2024-2028 Strategic Plan* across each 12 month period, these plans inform Council's *2025/26 Annual Business Plan & Budget* and the *2025/26 – 2034/35 Long Term Financial Plan*. The *2024-2028 Strategic Plan* comprises the following pillars:



6. Council's Role in the Community

All councils have responsibilities under the *Local Government Act 1999* and other relevant legislation. These include:

- Regulatory activities e.g. maintaining the voters roll and supporting the elected Council
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area
- Management of infrastructure including roads, marine facilities, footpaths, parks, sporting facilities, public open space, street lighting and stormwater drainage
- Waste management and recycling
- Development assessment including planning and building, building fire safety and unlawful development
- General inspectorial activities including animal control, fire prevention, local nuisance and parking
- Various environmental health services

In response to community needs, Council also provides further services and programs including:

- Community health and wellbeing
- Economic development
- Community Wastewater Management Systems (CWMS)
- Tourism and community events
- Environmental programs
- Community programs including Community Planning, Community Development, Community Hubs, Engagement and Communication, Grants, Reconciliation and Volunteers
- Community fitness and activity centres
- Libraries

In all services the Council seeks to be responsive to changing needs. Community surveys are undertaken to ascertain community levels of satisfaction to services provided and areas for improvement.

Council also operates a number of facilities on a fee for service basis which provide important community benefits while also generating revenue for services and projects to benefit the Mid Murray Community:

- Waste Management facilities and services
- Recreation facilities including Cambrai Swimming Pool, Mannum Leisure Centre, Mannum Dock Museum, Morgan Activity Centre and Morgan Landseer Museum

7. Summary of Budget Movements in 2024/25

Council is projecting a year-end operating surplus of $3,686,000, which compares favourably to its adopted budget deficit of $582,000.

Projected operating income for 2024/25 is now expected to reach $37,722,000, an increase of $7,643,000 on the original budget of $30,079,000, with projected expenditure of $34,036,000 compared to original budget of $30,661,000

Most of this change is due to the receipt of various Government grants, including a flood recovery grant of $3,785,500 for part reimbursement of expenditure.

Operating income increases of $7,643,000 have been predicted across all reporting areas, as follows:

- Rates increasing by $116,000 – reduced costs for rate capping & remissions, increased fines and interest and increases in cost recovery for sale of land to recoup unpaid rates to offset increased costs.
- Statutory Charges increasing by $99,000 – increased income from Building & Planning approvals and Health Waste Control applications relating to flood recovery
- User charges increasing by $250,000 – increased income from Tourism boats and VIC sales, Mannum Leisure Centre and Standpipe income
- Operating Grants & Subsidies increasing by $6,435,000 – including Operating grants used for capital purposes. Highlighted by a government grant of $3,785,500 to reimburse some of the repairs and replacement of essential infrastructure in relation to the 2022/23 River Murray Flood.

  Council still has further claims for reimbursement of expenditure pending. Insurance receipts for disaster recovery are budgeted at $250,000, which is only a small percentage of the damage suffered, and the costs incurred. Further claims are in progress and will be included when received. Additional grants totalling $2,650,000 are also budgeted including Community Recreational Asset Restoration Program, Housing Support Program Stream 1, Black Spot Funding, Preventive Health Grant and additional River Murray Constraints funds and carry forward amounts from 2023/24. A donation of $20,000 was also received from the Mannum Progress Association for the Mary Ann Reserve recovery and improvements.
- Investment income increasing by $143,000 – Council has held significantly more funds than expected due to grants received and a backlog of capital works.
- Reimbursements increasing by $265,000 – the State Government has provided additional flood relief through payments for reimbursements for contractor costs for processing and sorting flood waste ($247k) with other smaller unders and overs.
- Other Revenues increasing by $335,000 – Maternity and Income Protection payments, Risk Management Incentives, Flood Recovery Insurance Claims

Operating Expenditure has also increased in total by $3,442,871, as follows:

- Employee costs decreased $500,000 – Council did not fill two positions budgeted and several other positions have been vacant pending recruitment, with some recruitment deferred for 12 months to meet savings targets, partly offset by increase in employee costs in capital expenditure ($117,000)
- Materials, Contracts and Other Expenses – Overall increase $4,185,000 - some increases in contract costs to cover staff shortages (notably governance officer), significant spending on flood recovery works and commitments for grants received including Contractors Bitumen & Sealing, Agency Contractors and Other Contractual Services.
- Finance costs decreased by $309,102 – Council has held significantly more cash than budgeted due to in part to a backlog of capital works from Covid and the 2022/23 River Murray Flood, good control

of expenditure and cumulative interest saved over the last three years.

- Capital Renewal Expenditure increased by $3,121,201 – Council had significant budget amounts carried forward from the 2023/24 financial year ($4,089,000), including Major Plant purchases of $1,382,649, Unsealed Roads of $1,028,270, Sealed Roads of $847,286 and several grant funded projects. Offsetting these increases we have projected to move $2,000,000 of plant purchases to the 2025/26 financial year.
- Capital New Upgrade Expenditure increased by $3,066,777 with $347,485 of Sealed Roads New and Upgrade carried forward, Several LRCIP projects carried forward, SLRP grant of $958,000, plus matched funding of $88,694 and $420,000 moved from Sealed Roads renewal to Sealed Roads upgrade. Additional LRCIP funding was received and increased the budget to spend.

8. Looking Forward to 2025/26

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

The purpose of the Annual Business Plan is to impart an understanding of:

- Annual objectives for the year in the context of Council's long-term objectives
- Overview of the activities and services provided by Council
- Key financial information relating to revenue and expenditure
- Proposed new initiatives and projects
- Rating context and impact of rates for 2025/26
- Council's Financial Planning Framework including Long-Term Financial Plan and Asset Management Plans

Significant influences & priorities

A number of significant factors have influenced the preparation of Council's *2025/26 Annual Business Plan and Budget*. These include the following:

- An operating budget surplus
- Local Government Price Index for 2025/26 (LGPI) of 2.8% (University of Adelaide March 2025)
- Forecast Australian Consumer Price Index for 2025/26 of 3.1% (RBA May 2025)
- New assessments and capital improvements/development factor of 2.43%
- Provision for labour costs to increase by 13.9% from the previous Long Term Plan forecasts, noting several staff vacancies in 2024/25, Infrastructure & Field Services organisational structure review (including three new positions new full time positions); 0.5% increase in superannuation contributions, increases in provisions for leave liabilities and wage adjustments
- Indexation of Capital Expenditure costs of approximately 3.1% for 2025/26 for Council's commitment to financially sustainability
- Ongoing disruption and yet to be fully determined financial impact of the 2023 River Murray flood, with ongoing claims.

Whilst preparing the *2025/26 Annual Business Plan and Budget*, Council has been mindful of the community's ability to pay and balanced this against Council's strategic and financial objectives, its commitment to driving sustainability and its social and economic objectives. The historical indexes that have been quoted reflect the current environment of high inflation, albeit lower than twelve months ago, that is partly associated with the current global economic environment and cost of living challenges, and the housing shortage across Australia, however with budget considerations we are looking at the forward 2025/26 financial year.

The average rate increase is 3.84% for existing assessments, however the actual increase payable for any individual property may be more or less than this depending on the value and movement in the capital value of the individual property and any possible change of land use. An additional 2.43% of rate income will also be raised due to the creation of new assessments and new/additional building development. Capping rebates of 20% will be available to a certain criterion of properties to reduce any impact of any abnormal high valuation fluctuations to individual properties.

In calculating the cost of providing external services, Council has budgeted to include Full Cost Attribution (FCA) as per Section 11 of the *Local Government (Financial Management) Regulations* to provide a true cost of providing the service including direct, indirect and overhead costs. In addition, to ensure compliance with the Essential Services Commission of South Australia's (ESCOSA) pricing principles guidance when setting sewage service charges, In addition to impacting an increase in Community Wastewater Management Systems, the service charge of General Waste & Kerbside Collection of Recyclables will also have a material increase in 2025/26.

9. Public Consultation

Before a Council adopts its *Annual Business Plan* it must prepare a draft Annual Business Plan and undertake a public consultation process. Consultation on Council's *2025/26 Annual Business Plan and Budget* occurred between 21 May 2025 and noon 10 June 2025 in accordance with Council's *Public Consultation Policy* and legislative requirements. All feedback collected during this period was provided to and considered by Council.

In addition, given the proposed changes to the financing of Council's Community Wastewater Management Systems schemes, a separate consultation process was undertaken with these impacted ratepayers from 30 May 2025 to noon 30 June 2025. A summary of the submissions received through this consultation were provided to Elected Members at a Briefing held on 1 July 2025, with a further report on the outcomes of the consultation included in the 15 July 2025 Council meeting agenda.

A number of Budget workshops have occurred over the past five months at Elected Member Briefings, to enable Council to consider a number of options for Council's *2025/26 Annual Business Plan and Budget* and Council's *Long Term Financial Plan 2025-26 to 2034-35* and the feedback received through the community consultation, in order to finalise Council's *2025/26 Annual Business Plan and Budget*.

The following changes have been made from the *draft 2025/26 Annual Business Plan and Budget* that went out for public consultation to the adopted *2025/26 Annual Business Plan and Budget*:

Operating Income

1.	Increase in General rates due to higher growth	$208,000
2.	Reduction of increase to General Rates Existing Properties	($86,500)
3.	Decrease in CWMS charges	($146,000)
4.	Decrease in Fines & Interest	($2,000)
5.	Increase Regional Precincts Grant - new grant received	$1,231,000
6.	Increase Natural Disaster Flood recovery funding - unsealed roads	$465,000
7.	Increase Local Government Disaster recovery funding	$280,000
8.	Decrease Financial Assistance Grant General	($2,328,000)
9.	Decrease Financial Assistance Grant Roads	($480,000)
10.	Decrease Sealed Roads Income – 2024/25 budget	($27,000)
11.	Decrease CWMS Connection fees	($17,000)

Expenditure

1.	Increase Exp Regional Precincts & Programs Grant	($1,231,000)
2.	Decrease of Oper Expenditure to offset General Rates reduction	($86,500)
3.	Increase ND Flood recovery unsealed roads	($646,000)
4.	Increase Planning portal expenses	($17,000)
5.	Increase MMHM PW Mayflower Exp	($3,000)
6.	Decrease Electricity Expenses	$68,000
7.	Decrease CWMS Expenditure	$50,000
8.	Decrease MMMHM PS Canally Expenditure	$20,000
9.	Reduction of CAD interest due to 50% Financial Assistance Grants received in advance	$71,700

Capital Income

1.	Decrease LRCIP Income (included in 2024/25 budget)	$164,000

Capital Expenditure

1.	Increase Capital expenditure Mannum Wharf renewals	($80,000)
2.	Decrease expenditure LRCIP	$111,000
3.	Decrease RMCP Expenditure Sth Punyelroo CWMS	$133,000

10. Projects for 2025/26

In 2025/26 Council will undertake major capital works to ensure the longevity of existing assets, as well as selectively providing new assets to cope with the demands of a growing community. In addition, Council will deliver a number of projects to achieve its strategic objectives across the next 12 months as outlined below:

Sustainability

Priority projects for 2025/26 include:

- Implement the 2025/26 priorities from Council's *2024-2028 Strategic Plan*
- Refine Council's strategic financial plans
- Implement Stage 2 outcomes of the Sustainability Review.
- Finalise review and update of *Animal Management Plan*
- Progress to detailed design for the Swan Reach CWMS (subject to public consultation outcomes and Council endorsement)
- Explore opportunities for boundary reform
- Advocate for greater equity in Financial Assistance Grants
- Develop a *Climate Adaptation and Mitigation Plan/Policy*
- Review and update *Emergency Response Plan*

Liveability

Priority projects for 2025/26 include:

- Rural recycling and township green waste assessment project
- Implement business case for Cambrai landfill including Cell 2 Development project (funded through
- Review Infrastructure *Asset Management Plans* (IAMP) in accordance with the schedule and undertake *Road Management Plan* review
- $6.1million of infrastructure capital expenditure, including an additional 2.5km of sealing for the Murraylands Road between Blanchetown and Morgan.
- LED street lighting upgrade project (funded through the *Local Roads and Community Infrastructure Program – Phase 4)*
- Bowhill riverfront, South Punyelroo CWMS and Swan Reach boat ramp upgrades (funded through the Department for Environment and Water's Constraints Project)
- Angas Valley and Stoney Banks Road junction upgrade (Blackspot funded project)
- Open Space flood remediation funded through the State Government's Community and Recreation Asset Restoration Program
- Implementation of Service Standard review
- Review and implement the *Regional Public Health Plan*
- Implement the Community Development Strategy and develop Community Action Plans
- Review and update *Disability Access and Inclusion Plan*

- Support the delivery of community wellbeing programs and organisations
- Support community organisations and volunteers to increase their capacity
- Implement Council's *Reconciliation Action Plan*
- Develop and implement *Volunteer Management Plan*
- Mid Murray Female Sports Facility project at the Mannum Oval Sporting Complex, which includes court resurfacing, change room and gym facilities, sport lighting and sewage infrastructure (funded by the Federal Government's *Play our Way* program grant).
- Complete Library operations review
- Undertake Annual Corella control program and advocate for statewide response

Prosperity

Priority projects for 2025/26 include:

- Finalise *Growth Management and Housing Strategy*
- Develop and implement *Economic Development Strategy*
- Mid Murray Tourism Precinct Planning project (funded through the *Regional Precincts and Partnerships Program*), including Indigenous and Cultural Heritage survey, masterplans for Mannum Waterfalls, the River Corridor and township masterplans
- Implement outcomes of sustainability review of Council's maritime, tourism and heritage assets
- Implementation of the *Dark Sky Strategy and Action Plan*
- Complete PS Canally restoration project and capital renewal of PS Marion
- Progression of Mannum Dock Discovery Centre and Morgan Landseer Museum interpretation and collections program

11. ESCOSA Local Government Advice February 2023 - Summary

Under the Local Government Advice Scheme established through the *Local Government Act 1999*, the Essential Services Commission of South Australia (ESCOSA) has undertaken a review the State's 68 councils.

The scheme came in response to April 2022 changes to the *Local Government Act* giving the Commission advisory powers to the State's 68 councils to inform their decisions on rates and provide ratepayers and other stakeholders an independent assessment of councils' plans. The scheme provides advice only with the objective of adding value across communities.

Council has a requirement to publish the *ESCOSA Local Government Advice* and any response by Council in its Annual Business Plan (both the draft and adopted Annual Business Plan) in the financial year of the advice and each subsequent financial year, until the next review by ESCOSA. (*Local Government Act 1999*, Section 122 (1h)).

ESCOSA's *Local Government Advice – Mid Murray Council* outlined Mid Murray Council's financial position "as potentially unsustainable" due to recurring operating losses from rates and other revenue unable to meet service requirements of its assets. The Commission made a number of recommendations and these are listed below:

- Review its inflation assumptions in next financial year's projections, given the potential for higher short- term inflation, followed by a return to long-term averages.
- Focus on constraining costs in its budget.
- Report its actual and projected savings in its annual budget, providing evidence it is efficient and constraining rising costs.
- Adhere to its long-term financial plan principles to renew assets rather than spend on new or upgraded infrastructure.
- Consider asset sales or disposals in consultation with its community.
- Review asset management plan assumptions to ensure they include an accurate picture of spending on assets and better align with its long-term financial plan including asset life and valuation estimates.
- Complete its asset management plan for footpaths and kerbs to align with its long-term financial plan.
- Review and consider limiting future residential rate rises to reduce cost-of-living pressure on ratepayers.
- Focus on constraining costs to reduce the pressure on all rate levels, by considering desired service levels, any new capital spending or associated costs.

Council has prepared responses to each of the nine ESCOSA recommendations, including updates as required, and the full *Local Government Advice – Mid Murray Council*, which includes Council's responses, can be found at "*Appendix A- ESCOSA Report Local Government Advice*".

12. Savings & Efficiencies

Council is committed to identifying savings and efficiencies to support the long-term sustainability of the business and reduce the financial impact on the community, while delivering more productive and efficient service to for the benefit of the community.

Council has implemented several measures to improve Council's financial sustainability over the past two years. A summary of the reoccurring and non-reoccurring savings achieved in Stage 1 thus far is:

Efficiency gains	$115,000
Reoccurring savings	$462,441
Non-reoccurring savings	$546,000
Total	**$1,123,441**

Stage 2

Council has also considered the priorities for Stage 2 of the Savings & Efficiencies review, with the following areas prioritised, with other areas to be progressed as resources allow:

- Community facilities and assets
- Tourism, heritage and maritime assets

13. Funding the Annual Business Plan

Financial Indicators

Council's *Long Term Financial Plan* (LTFP) indicate that financial sustainability will be maintained over the 10 years of the plan.

Key Financial Indicators

Key financial sustainability performance targets ensure the long-term financial sustainability of Council covering the maintenance and development of the community's assets as well as providing appropriate services.

Following several years of prudent budgeting and managed spending, Council is projecting a budget surplus for the 2025/26 financial year. We will continue setting realistic targets to improve Council's financial position over the next 10 years, while ensuring our community still grows and develops in a responsible way.

Council's budgeted operating deficit before capital revenues for 2025/26 is ($1,701,000) or (5.4%), and has been impacted by Financial Assistance Grants of $2,757,387 received in advance in June 2025. Council is committed to the sustainable management of community funds, with the Operating Ratio in the long-term remaining as a surplus.

Demonstrating that Council has the ability to reduce its net financial liabilities and fund capital expenditure over and above depreciation expenses, Council's Net Financial Liabilities Ratio (net debt divided by annual Income) is projected to be 29%, with debt continually reducing over the 10 years of the *Long Term Financial Plan* (LTFP) to 21% in 2034/25.

All capital renewal in the Asset Management Plans (AMP) have been included as scheduled, with the exception of Land & Buildings that have has approximately $900k of expenditure delayed until 2027/28.

Council will monitor the implementation of the 2025/26 Budget via regular budget updates and reviews in accordance with the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Mid-Murray Council — ADOPTED
Budget Financial Statements 2025/26 — 15/07/2025
KEY FINANCIAL INDICATORS

	2024 Audited Accounts	2025 Adopted Budget	2025 March Review	2025 June Estimate	2026 Proposed Budget
Operating Surplus/(Deficit) - S'000	(1,552)	(582)	3,686	6,443	(1,701)
Operating Surplus/(Deficit) - S'000 (Adj)	3,069	(1,241)	(2,243)	(100)	(428)
Operating Surplus Ratio - %	(5.1)%	(1.9)%	9.8%	15.9%	(5.4)%
Operating Surplus Ratio - % (Adj)	8.5%	(4.2)%	(6.5)%	(0.3)%	(1.3)%
Net Financial Liabilities Ratio - %	38%	52%	23%	17%	29%
Asset Renewal Funding Ratio - %	120%	136%	152%	152%	127%

14. Summary Statement

Council plans to finance the net borrowing result by utilising its Cash Advance Debenture facility over the life of the *Long Term Financial Plan*. This enables Council to repay principal immediately when surplus funds are achieved in future years.

15. Rates Revenue in 2025/26

Comparing rates between Councils is difficult. Every Council has different attributes and provides varying services or similar services at different standards. Councils deliver an extensive range and level of service to the community with the greater part determined by the expectations of our communities. The price of delivering and providing these services is spread across the community in the form of rates. Council determines a rate in the dollar, based on the amount of revenue that will be required to meet the ongoing cost of providing services to our community for the coming year.

The actual minimum rate for 2025/26 is $1,026.

Council's Rate Capping Rebate will have the following aspects for 2025/26:

- To provide relief against what would otherwise amount to a substantial change in general rates payable by certain ratepayers due to rapid changes in valuation, a rebate of general rates for the current financial year will be granted to the Principal Ratepayer of an Assessment under Section 166(1)(l) of the *Local Government Act 1999*, on application to the Council, to limit a 20% increase in general rates to eligible ratepayers.
- Ratepayers are eligible for the rate capping rebate where their general rates (excluding CWMS Charges, Water Supply Charges, Multi Access TV Charge, Waste Management Service Charges and Regional Landscape Levy) have increased by more than a 20% on the amount they were levied the previous year, provided that:
  - the increase is not a result of building improvements made to the land (as determined by the State Valuation Office); or
  - the increase is not a result of change of land use of the land; or
  - the increase is not a result of rezoning of the land; or
  - ownership of the land has not changed since the previous financial year.

Existing properties will have an average General Rate increase of 3.84%. Additional rates income of approximately 2.43% will also be raised due to the creation of new assessments and new/additional building development.

16. Rates Disclosure

"Growth' as defined in Regulation 6(2) of the Local Government (Financial Management) Regulations 2011

Expected Rates Revenue

	2024/25 (as adopted)	2025/26 (proposed)		Change	Comments
General Rates Revenue					
General Rates (existing properties)	$17,235,500	$18,037,300	*(a)*		For 2025/26, General Rates increase (net of mandatory & discretionary rebates), CPI predicted of 3.1 % plus 0.74% sustainability and an estimated 2.43% from subdivided properties and additional development. Calculating total General Rate Increase of 6.27%
General Rates (new properties)	$203,900	$449,200	*(b)*		
General Rates (GROSS)	**$17,439,400**	**$18,486,500**	*(c)*		
Less: Mandatory Rebates	($109,400)	($97,900)	*(d)*		
General Rates (NET)	**$17,330,000**	**$18,388,600**	*(e)*	**6.1%**	
	(e)=(c)+(d)				
Other Rates (inc. service charges)					
Regional Landscape Levy	$618,709	$676,600	*(f)*	The Regional Landscape Levy is **not retained** by council.	
Waste collection & Recycling	$1,679,200	$1,837,000	*(g)*	One and Two bin collection service	
Water supply	$52,900	$51,900	*(h)*	Bowhill Water Supply	
CWMS	$673,700	$839,600	*(i)*	As per CWMS schedule	
Separate and Special Rates	$86,400	$85,300	*(j)*	Mannum Waters Special Rate (3rd year of 15 years)	
TV Services	$21,200	$21,200	*(k)*	Bowhill TV Services	
	$20,462,109	$21,900,200			
Less: Discretionary Rebates	($50,500)	($26,800)	*(l)*		
Total Rates Revenue	**$19,792,900**	**$21,196,800**	*(m)*	**7.0%**	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
	(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)				

Growth in number of rateable properties

Number of rateable properties	**10,716** *Actual*	**10,849** *Actual*	*(n)*	**1.2%**	Growth' *(as per Local Government Act 1999 Definition)* based on additional number of assessments, is calculated at 1.2% *(refer b)*.

'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	**$1,627.42**	**$1,703.98**	*(o)*	**4.7%**	These 'averages' are based on the **total Gross General Rates of all rateable properties and excluded Mandatory & Discretionary Rebates** and are therefore not necessarily indicative of either the rate or change in rates that all ratepayers will experience. Being 3.84% for existing assessments plus estimated 2.43% from subdivided properties and new/additional development. Total Increase of 6.27%
	(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 rates paid by all rateable properties will equal the amount adopted in the budget.

Notes

(d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent | Religious purposes - 100 per cent | Royal Zoological Society of SA - 100 per cent
Community Services - 75 per cent | Public Cemeteries - 100 per cent | Educational purposes - 75 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 Regulation 6(1)(ea) of the *Local Government (Financial Management) Regulations 2011.*

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) 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 Regional Landscape Levy is **not retained by council.**

(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).

(n) 'Growth' as defined in Regulation 6(2) of the *Local Government (Financial Management) Regulations 2011.*

Please note: The "Growth" definition is calculated on the creation of new assessments. This calculation should be taken into context in that the Mid Murray Council has approximately 35% of assessments without a dwelling and therefore new assessments are not required to accommodate the building of new dwellings in comparison to a typical metropolitan Council.

Differential Rates

	Total expected revenue			No. of rateable properties		Average per rateable property				Cents in the $
	2024/25	2025/26	Change	2024/25	2025/26	2024/25	2025/26		Change	2025/26
Land Use (General Rates - GROSS)										
Residential	$9,940,500	$10,735,800	8%	5674	5744	$1,752	$1,869	*(p)*	$117	0.3775
Commercial - Shop	$106,300	$111,100	5%	66	64	$1,611	$1,736	*(p)*	$125	0.3775
Commercial - Office	$14,000	$14,900	6%	12	12	$1,167	$1,242	*(p)*	$75	0.3775
Commercial - Other	$284,300	$345,500	22%	132	138	$2,154	$2,504	*(p)*	$350	0.3775
Industry - Light	$23,200	$23,300	0%	15	15	$1,547	$1,553	*(p)*	$7	0.3775
Industry - Other	$94,500	$91,800	-3%	30	27	$3,150	$3,400	*(p)*	$250	0.3775
Primary Production	$4,863,300	$4,862,600	0%	2524	2533	$1,927	$1,920	*(p)*	($7)	0.3398
Vacant Land	$1,823,000	$1,933,900	6%	1714	1771	$1,064	$1,092	*(p)*	$28	0.3775
Other	$234,700	$314,900	34%	342	338	$686	$932	*(p)*	$245	0.3775
Marina Berths	$55,600	$52,700	-5%	207	207	$269	$255	*(p)*	($14)	0.3775
Total Land Use	$17,439,400	$18,486,500	6.0%	10,716	10,849	$1,627	$1,704	*(p)*	$77	

Council uses a differential rating system, using Land Use Codes 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

	No. of properties to which rate will apply		Rate			
	2025/26	% of total rateable properties	2024/25	2025/26		Change
Minimum Rate	3,203	29.5%	$988	$1,026	*(r)*	$38

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 $1031 which shall be applied to all rateable properties. This will affect 29.6% of rateable properties.

Adopted valuation method

Capital Value

The value of land for the purpose of rating is its capital value

However, a council may declare rates on the basis of the annual value of land if—

(a) the council declared rates in respect of that land on that basis for the previous financial year; or (b) the council declared rates in respect of that land on the basis of capital value for the previous three financial years.

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.

Notes

(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.

17. Rates Revenue

Council's revenue for 2025/26 includes $22.1 million from general rates and service charges.

Council has set a combined general rate increase of 3.84% for existing properties plus an additional 2.43% from new development from general rates previously raised in the 2024/25 Financial Year. This will equate to an overall average increase of around $72 per existing assessment for the coming year. However, the actual increase payable for any individual property may be more or less than this, depending on the value and movement in the capital valuation of each property.

In setting rates for the 2025/26 financial year, Council has considered the need to keep rate increases to a minimum, as well as the following plans and considerations:

- Council's *Strategic Plan 2024-2028* that sets the overall direction for Council
- The Mid Murray Council *Long Term Financial Plan* that sets the overall income receipts and expenditure outlays that are expected into the future and in particular, the recurrent expenditure and income expected for the 2025/26 financial year
- The Mid Murray Council *Asset Management Plans* set the capital works, maintenance and renewal programs to ensure future generations inherit well maintained assets
- The resources required for the delivery of Council services as documented in the *2025/26 Annual Business Plan and Budget* which also outlines financial and non-financial performance levels
- Equity issues and the relationship between the various land uses
- Extremes in valuations and how their impact can be minimised in setting rating levels

Rates Revenue

Rates revenue is used to provide a range of services such as road rehabilitation, footpath repairs and maintenance, storm water drainage, ongoing maintenance of parks, gardens and buildings, street lighting and street cleaning, libraries, animal control, planning and enforcement of local laws. Whilst a Waste Collection Charge falls under rate revenue, a separate charge is raised for the collection of waste, amounts collected under this charge can only be raised at the estimated costs associated with the waste collection and disposal.

Method Used to Value Land

Legislation only allows Council to rate on either capital value or the annual value of the land. Council has decided to continue to use Capital Valuation 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.

Business Impact Statement

In setting its rates annually, the Council will consider the following:

- Council's *2024-2028 Strategic Plan*
- Council's *Long Term Financial Plan* and Council's *Asset Management Plans*
- The recurrent and projected expenditure and income resources required for the delivery of Council services which are documented in the *Annual Business Plan and Budget* over the next 12 months
- The operating and capital projects and new programs for the coming year
- The impact of rate changes on all ratepayers in the Council area
- Extreme changes in valuation and how their effect can be minimised in setting rating levels
- Council's recent development approval trends and growth expected for the Council area
- Increased use of separate rates, service rates and service charges, recovering the cost of activities

that benefit the land, or the occupiers of the land, or the visitors to a particular area

- Current local, state and national economic conditions and expected changes during the next financial year

Differential General Rates

The *Local Government Act 1999* provides for a Council to raise rate revenue through a general rate which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In 2021/22 Council elected to apply a two-tier differential on general rates for the following classes of properties:

- Residential, Commercial Shop, Commercial Office, Commercial Other, Industry Light, Industry Other, Vacant, Other & Marina (RID) at the Base of 100%
- Primary Production 90% compared to Base RID

The Residential Rate in the Dollar (RID) has been set at the Base of 100% (0.3775 cents in the dollar compared to 0.3944 cents in the dollar in 2024/25 which is a 4.3% reduction) and all other properties will have the same rate except for Primary Production land, which will be at 90% (0.3398 cents in the dollar compared to 0.355 cents in the dollar in 2024/25) compared to the Base RID. The rural sector not only contributes to our economy but also has significant responsibilities in environmental conservation. This sector does not enjoy Government financial support except in exceptional circumstances; however, its contributions have been recognised by Local Government which has historically provided a reduction to the general rate. Council has regard to relative movements in valuation and will monitor the effect amongst the different classes of properties.

Minimum Rate

A Council may impose a minimum amount payable by way of rates, where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate, it must not apply to more than 35% of properties in the Council area. For 2025/26 Council has set a minimum rate of $1,026 (previously $988).

Rate Capping

To provide relief against what would otherwise amount to a substantial change in general rates payable by certain ratepayers due to rapid changes in valuation, a rebate of general rates for the current financial year will be granted to the Principal Ratepayer of an Assessment under Section 166(1)(l) of the *Local Government Act 1999,* on application to the Council, to limit to a 20% increase in general rates to eligible ratepayers.

Ratepayers are eligible for the rate capping rebate where their general rates (excluding CWMS Charges, Water Supply Charges, Multi Access TV Charge, Waste Management Service Charges and Regional Landscape Levy) have increased by more than 20% on the amount they were levied the previous year, and providing:

- the increase is not a result of building improvements made to the land (as determined by the State Valuation Office); or
- the increase is not a result of change of land use of the land; or
- the increase is not a result of rezoning of the land; or
- Ownership of the land has not changed since the previous financial year.

Council's *Rating Policy* can be viewed at Council's website.

Rate Rebate

A rebate of rates in respect of any rateable land in the Council area will be available in accordance with the *Local Government Act 1999* and Council's *Rating Policy*. This Policy provides eligibility guidance upon which a ratepayer is entitled to a rebate of rates.

Council's *Rating Policy* can be viewed at Council's website.

Regional Landscape Levy (previously the Natural Resources Management Levy)

The Regional Landscape Levy is a State Government tax imposed under the *Landscape South Australia Act 2019*. Council is obliged to collect the levy on behalf of the State Government for no net gain to Council. Council collects the levy on behalf of the Murraylands and Riverland Landscape Board. The levy is based on the capital valuation of land and is shown as a separate charge on the rates notice. There is an increase in the levy from $618,709 in 2024/25 to $676,639 in 2025/26, an increase of 9.36%. This follows a decrease of 0.9% 12 months ago.

Community Wastewater Management Schemes (CWMS)

The Council manages CWMS for various areas within the Council which provides benefits to those connected to the schemes. A service charge is raised to maintain the systems. The revenue raised from this charge can only be applied to maintenance, renewal and upgrades of the scheme and only those properties that have the ability to access the service will be levied.

In previous years Council has set the annual maintenance fee based on the balance of accumulated funds (surplus/deficit) of each scheme along with previous five (5) years expenditure to forecast (with the previous year's expenses always being excluded due to the financial year not yet closed off and audited) the future years annual service fee.

Due to the 2022/23 River Murray Flood, many of the schemes experienced abnormally high expenditure costs that have materially reduced the individual scheme fund balances. While it is expected that a large percentage of the flood related expenditure will either be recovered by insurance claims or through the Local Government Disaster Recovery Fund, a portion of these recoupments will continue to occur during 2025/26. Due to this, CWMS annual maintenance fees were increased by 3.1% (February 2024 forecasted CPI by the Reserve Bank of Australia for CPI in 2024/25).

For the first time the 2025-26 Budget has been prepared to include Full Cost Attribution (FCA) to provide a true cost of providing the service including direct, indirect and overhead costs. This ensures that expenses are fairly assigned, leading to better cost management, informed decision making and where applicable, recovering the appropriate service charge. In total an amount of $5.1million has been distributed to the appropriate functional areas and various external service areas of Council.

The Essential Services Commission of South Australia (ESCOSA) pricing principles guidance requires all Councils to set water and sewage service charges to achieve full cost recovery including :

- Operational, maintenance and administrative costs;
- Taxes; and
- Provision for asset consumption (depreciation or Annuity).

During this period the 2022/23 River Murray Flood occurred and the costs associated with remediation has had a detrimental impact on nearly all of the individual fund balances. With many of the schemes now entering mid-life, a total amount of $6million of capital renewal has been budgeted across the next 10 years, compared to current scheme funds of under $1million.

Full Cost Attribution, which is a requirement of Section 11(3) of the *Local Government (Financial Management) Regulations,* and as per the recommendations of Council's external auditors, will be phased in across the next four years, commencing in the 2025/26 Financial Year. It is estimated that this cost will be approximately $39 per connection in 2025/26.

The recovery of all budgeted operational costs, including in 2025/26 an additional 1.0 FTE CWMS Officer to support the maintenance and delivery of all of Council's CWMS, and the operational costs of a new trailer mounted Vacuum Excavator for the desludging, cleaning and flushing of rising and gravity mains (recommended to be performed every five years) will also occur. The estimated annual cost of $111,000 will be approximately $61 per connection in 2025/26.

Although considered, the proposed additional depreciation component will now not be incorporated into the 2025/26 CWMS Annual Service fee, with the implementation of a Capital Renewal Annuity cost component to be considered across the next 12-moths and introduced into the 2026/27 CWMS Annual Service fee based on the future capital renewal requirements of each individual scheme.

The financial impact of these actions in 2025/26 will result in an increase of approximately $100 for the majority of the Council's CWMS schemes users. Truro and Cowirra Schemes fees have been recovering operating costs of the schemes, including depreciation, therefore these two schemes will only receive an approximate $20 increase, pending the calculation of their annuity calculation in 2026/27 (that will replace the annual depreciation contribution). For any owners still repaying the Cowirra capital contribution for the scheme, there will be no increase to this portion of the fee in 2025/26

Community Wastewater Management Schemes (CWMS)

Scheme	2024-25 Service Charge (LY)	2025-26 Service Charge	*Fund Balance 30/06/2024 Surplus/(Deficit)
CWMS Big Bend	**$596**	**$696**	$9,323
CWMS Blanchetown	**$265**	**$365**	$175,024
CWMS Bolto	**$464**	**$564**	($113,278)
CWMS Bowhill	**$289**	**$389**	$126,017
CWMS Brenda Park/Morphett Flat	**$362**	**$462**	$5,949
CWMS Caloote Landing Area	**$377**	**$477**	$14,232
CWMS Caurnamount	**$358**	**$458**	$15,211
CWMS Cowirra Capital Instalments	**$461**	**$461**	N/A
CWMS Cowirra Maintenance	**$660**	**$680**	($32,515)
CWMS Five Mile/Kia Marina	**$1,470**	**$1,570**	($36,807)
CWMS Greenways Landing	**$882**	**$982**	$2,738
CWMS Idyll Acres	**$483**	**$583**	$42,501
CWMS Julanker/Younghusband	**$742**	**$842**	($7,467)
CWMS Kroehns Landing	**$1,203**	**$1,303**	($1,963)
CWMS Mark's Landing	**$304**	**$404**	$17,114
CWMS North Punyelroo	**$221**	**$321**	$53,796
CWMS North West Bend/ Beaumonts	**$173**	**$273**	$13,557
CWMS Old Teal Flat	**$351**	**$451**	$18,519
CWMS Pelican Point	**$292**	**$392**	($17,590)
CWMS Pellaring Flat	**$465**	**$565**	$7,153
CWMS Rob Loxton Road/Walker Flat	**$177**	**$277**	$117,298
CWMS Scott's Creek	**$359**	**$459**	$60,664
CWMS Scrubby Flat Area	**$478**	**$578**	$19,938
CWMS Seven Mile	**$642**	**$742**	$31,286
CWMS South Punyelroo	**$320**	**$420**	$15,947
CWMS Swan Reach	**$442**	**$542**	$41,441
CWMS Teal Flat	**$305**	**$405**	$77,529
CWMS The Rocks	**$978**	**$1,078**	($17,850)
CWMS Truro	**$724**	**$746**	$135,676
CWMS Truro Aerobic WWT Plant 50%	**$362**	**$373**	N/A
CWMS Truro Private Pumping	**$694**	**$716**	N/A

Where a reference to "unit" is in accordance the Property Units Code as permitted by Regulation 12 of the *Local Government (General) Regulations 2013*.

Service Charges

Service charges are levied on the concept of user pays based on the cost to operate and maintain the service, and the cost to improve or replace the service, and recognition that the value of a property is enhanced by the availability of the service. Noting that a capital Levy may be used to recover urgent capital renewal works when an insufficient balance is held in the individual scheme fund.

Bowhill Multi Access Television Transmission Service & Reticulated Water Supply System

Council also manages the Bowhill Multi Access Television System and Water Supply. As per Council's *Rating Policy*, the service charge for 2025/26 will be reviewed to ensure recovery of cost.

Bowhill Multi Access Television System charge will be $146 per property serviced in 2025/26 (previously $146) and Bowhill Water (non-potable) Supply System will be $256 per property serviced (previously $256).

The non potable water supply system includes the consumption of up to 120 kilolitres of water plus an excess water charge of 40 cents (previously 40 cents) per kilolitre for water consumed in excess of 120 kilolitres during the 12-month period.

General Waste & Kerbside Collection

For the first time the 2025-26 Budget has been prepared to include FCA to provide a true cost of providing the service including direct, indirect and overhead costs. This ensures that expenses are fairly assigned, leading to better cost management, informed decision making and where applicable, recovering the appropriate service charge. In total an amount of $5.1million has been distributed to the appropriate functional areas and various external service areas of Council. General Waste & Kerbside Collection of Recyclables service fee have increased as a result of the FCA additional costs recognised in providing the service.

General Waste & Kerbside Collection of Recyclables (2 Bin System)

A separate charge of $340 per property (previously $313) to which the service is made available has been set to be levied in 2025/26 in order to cover the costs in supplying the combined service.

General Waste Management Charge (1 Bin System)

A Waste Management Charge of $243 per property (previously $223) will be charged in 2025/26 to cover the costs of providing the service.

Separate Rates - Mannum Waters

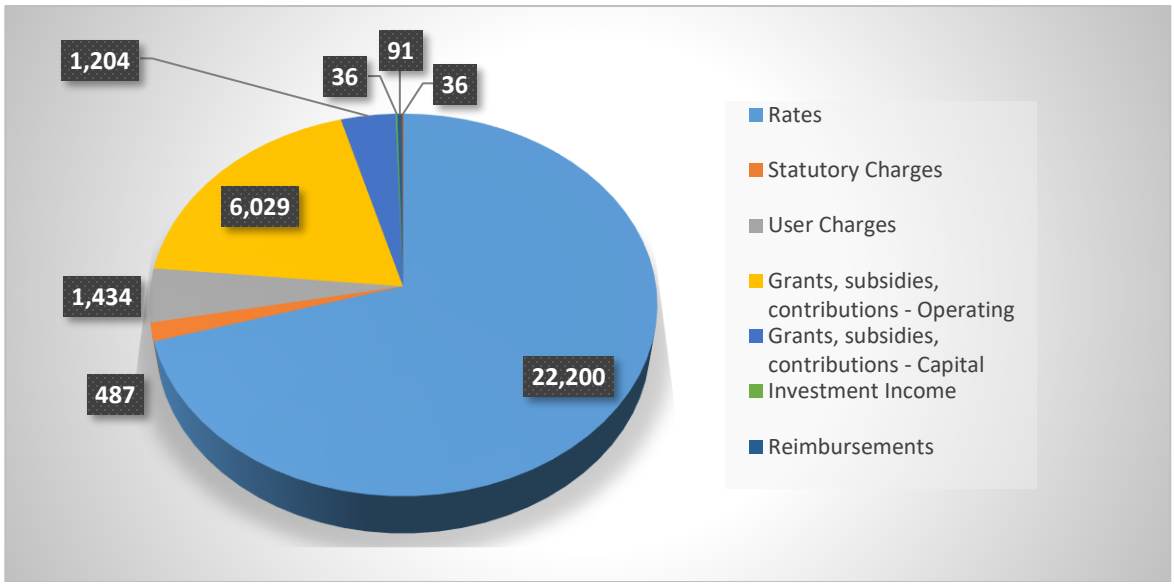
Section 154 of the *Local Government Act 1999* enables Council to declare a Separate Rate on rateable land. Council is required under the *Landscape South Australia Act 2019* to cover the evaporation loss of 187ML within the Mannum Waters Marina. In 2022/23 Council determined to raise a Separate Rate for Mannum Waters to recover the $1.534 million cost (plus finance costs) to purchase the required 187ML permanent water entitlement over a period of 15 years.

In recognition of the current and future open space areas in Mannum Waters that are accessed by the general public to use and enjoy, Council increased its contribution towards the costs from the 8.9% as outlined in the *Mannum Waters Separate Rates Consultation Paper* to 21% (from $122,000 to $328,000 plus financing costs).

The rate for 2025/26 is set at on a proportional basis of 37 cents per square metre with a rebate of 65% of the total Separate Rate liability for any property that is not waterfront. This excludes any properties that have applied, been approved and have paid in advance the total 15 years of the Separate Rate.

Sources of Revenue $(000)

The below table outlines the sources of revenue for Council for the 2025/26 Financial Year:



Concessions

State Government Concessions - These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees. These concessions were abolished by the State Government with effect from 30 June 2015.

From 1 July 2015, the State Government has elected to replace these concessions with a single "cost-of-living payment" provided directly to those entitled. This payment may be used for any purpose, including off setting Council rates. Note that not all former recipients of rates concessions will be entitled to the new payment. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at http://www.sa.gov.au/concessions.

From 1 July 2017, DCSI has been administering Community Wastewater Management Scheme (CWMS) and water concessions.

18. Financial Statements 2025/26

18.1 Budget Statement of Comprehensive Income

Mid-Murray Council — ADOPTED

Budget Financial Statements 2025/26 — 15/07/2025

ESTIMATED COMPREHENSIVE INCOME STATEMENT

Year ended 30 June:	2024 Audited Accounts $('000)	2025 Adopted Budget $('000)	2025 March Review $('000)	2025 June Estimate $('000)	2026 Proposed Budget $('000)
INCOME					
Rates	19,282	20,639	20,755	20,755	22,113
Statutory Charges	617	462	561	561	487
User Charges	1,991	1,216	1,466	1,466	1,434
Grants, subsidies, contributions - Operating	5,836	6,845	11,796	14,553	6,029
Grants, subsidies, contributions - Capital	110	659	2,143	2,143	1,204
Investment Income	113	23	166	166	36
Reimbursements	1,623	122	387	387	91
Other Revenues	601	113	448	448	36
Total Revenues	**30,173**	**30,079**	**37,722**	**40,479**	**31,430**
EXPENSES					
Employee costs	10,012	10,915	10,415	10,415	11,866
Materials, contracts & other expenses	14,568	11,279	15,464	15,464	13,143
Depreciation	6,880	7,967	7,966	7,966	7,796
Finance Costs	265	500	191	191	326
Total Expenses	**31,725**	**30,661**	**34,036**	**34,036**	**33,131**
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	**(1,552)**	**(582)**	**3,686**	**6,443**	**(1,701)**
Asset Disposal & Fair Value Adjustments	(28)		0	0	0
Amounts specifically for new assets	2,723	394	4,550	4,550	1,424
NET SURPLUS/(DEFICIT)	**1,143**	**(188)**	**8,236**	**10,993**	**(277)**
Other Comprehensive Income					
Changes in revaluation surplus - I,PP&E	3,313	-	-	-	-
Revaluation of Intangible Assets	(494)	-	-	-	-
Total Other Comprehensive Income	**2,819**	**0**	**0**	**0**	**0**
TOTAL COMPREHENSIVE INCOME	**3,962**	**(188)**	**8,236**	**10,993**	**(277)**

18.2 Budget Financial Position (Balance Sheet)

Mid-Murray Council — ADOPTED
Budget Financial Statements 2025/26 — 15/07/2025

ESTIMATED STATEMENT OF FINANCIAL POSITION

Year ended 30 June:	2024 Audited Accounts $('000)	2025 Adopted Budget $('000)	2025 March Review $('000)	2025 June Estimate $('000)	2026 Proposed Budget $('000)
ASSETS					
Current Assets					
Cash & Equivalent Assets	415	150	150	2,415	150
Trade & Other Receivables	3,937	3,468	3,969	4,064	3,784
Inventories	362	408	422	422	469
Total Current Assets	4,714	4,026	4,541	6,901	4,403
Non-Current Assets					
Trade and other receivables	162	160	291	291	253
Other non-current assets	2,829	3,323	2,829	2,829	2,829
Infrastructure, Property, Plant & Equipment	163,932	163,807	169,214	169,214	172,262
Total Non-Current Assets	166,923	167,290	172,334	172,334	175,344
Total Assets	**171,637**	**171,316**	**176,875**	**179,235**	**179,747**
LIABILITIES					
Current Liabilities					
Trade & Other Payables	3,579	2,046	2,957	2,957	1,993
Borrowings	297	5,308	5,321	5,321	333
Provisions	2,068	2,171	2,165	2,165	2,224
Total Current Liabilities	**5,944**	**9,525**	**10,443**	**10,443**	**4,550**
Non-Current Liabilities					
Borrowings CAD	7,767	8,046	398	0	7,011
Trade & Other Payables	0	0	0	0	0
Borrowings	1,674	1,366	1,518	1,518	1,185
Provisions	598	517	626	627	631
Total Non-Current Liabilities	10,039	9,929	2,542	2,145	8,827
Total Liabilities	**15,983**	**19,454**	**12,985**	**12,588**	**13,377**
NET ASSETS	**155,654**	**151,862**	**163,890**	**166,647**	**166,370**
EQUITY					
Accumulated Surplus	21,799	20,573	30,035	32,792	32,515
Asset Revaluation Reserve	133,082	130,263	133,082	133,082	133,082
Other Reserves	773	1,026	773	773	773
TOTAL EQUITY	**155,654**	**151,862**	**163,890**	**166,647**	**166,370**

18.3 Budget Statement of Changes in Equity

Mid-Murray Council — ADOPTED
Budget Financial Statements 2025/26 — 15/07/2025

ESTIMATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June:	2024 Audited Accounts $('000)	2025 Adopted Budget $('000)	2025 March Review $('000)	2025 June Estimate $('000)	2026 Proposed Budget $('000)
ACCUMULATED SURPLUS					
Balance at end of previous reporting period	20,403	20,762	21,799	21,799	32,792
Net Result for Year	1,143	(188)	8,236	10,993	(277)
Other Comprehensive Income		0	0		0
Transfers to Other Reserves		0	0		0
Transfers from Other Reserves	253	0	0		0
Balance at end of period	**21,799**	**20,574**	**30,035**	**32,792**	**32,515**
ASSET REVALUATION RESERVE					
Property, Plant & Equipment	133,082	130,263	133,082	133,082	133,082
Balance at end of period	**133,082**	**130,263**	**133,082**	**133,082**	**133,082**
OTHER RESERVES					
Balance at end of previous reporting period	773	1,026	773	773	773
Transfers from Accumulated Surplus					
Transfers to Accumulated Surplus					
Balance at end of period	**773**	**1,026**	**773**	**773**	**773**
TOTAL EQUITY AT END OF REPORTING PERIOD	**155,654**	**151,862**	**163,890**	**166,647**	**166,370**

18.4 Budget Cash Flow Statement

Mid-Murray Council
Budget Financial Statements 2025/26
ESTIMATED CASH FLOW STATEMENT

ADOPTED
15/07/2025

Year ended 30 June:	2024 Audited Accounts $('000)	2025 Adopted Budget $('000)	2025 March Review $('000)	2025 June Estimate $('000)	2026 Proposed Budget $('000)
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Rates receipts	18,919	20,448	20,717	20,717	21,913
Statutory Charges	621	462	576	576	489
User Charges	2,011	1,243	1,525	1,525	1,435
Grants, Subsidies and Contributions (operating)	6,588	6,818	12,531	15,193	6,396
Investment Receipts	110	25	168	168	39
Reimbursements	1,785	148	453	453	100
Other Receipts	3,000	125	465	465	48
Payments					
Payments to Employees	(10,049)	(10,840)	(10,354)	(10,354)	(11,769)
Payments for Materials, Contracts & Other Exps	(17,455)	(11,621)	(14,981)	(14,981)	(13,462)
Finance Payments	(269)	(507)	(146)	(146)	(432)
Net Cash provided by (or used in) Operating Activ	**5,261**	**6,301**	**10,954**	**13,616**	**4,757**
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Amounts Specifically for New/Upgraded Assets	2,723	563	4,684	4,684	937
Grants Utilised for capital purposes	(1,140)	638	(13)	(13)	1,160
Sale of Renewed/Replaced Assets	352	254	52	52	637
Sale of Surplus Assets	0	0	17	17	0
Repayments of Loans by Community Groups	22	16	26	26	36
Payments					
Expenditure on Renewal/Replacement of Assets	(6,585)	(6,720)	(9,841)	(9,841)	(10,209)
Expenditure on New/Upgraded Assets	(2,740)	(408)	(3,475)	(3,475)	(1,273)
Loans made to Community Groups		0	(167)	(167)	0
Net Cash Provided by (or used in) Investing Activi	**(7,368)**	**(5,657)**	**(8,717)**	**(8,717)**	**(8,712)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Proceeds from CAD	1,674	0	0	0	7,011
Proceeds from Borrowings	0	0	168	168	0
Proceeds from Bonds & Deposits	7	0	0	0	0
Payments					
Repayments of CAD	0	(348)	(2,370)	(2,767)	(5,000)
Repayments of Borrowings	(539)	(296)	(300)	(300)	(321)
Net Cash provided by (or used in) Financing Activ	**1,142**	**(644)**	**(2,502)**	**(2,899)**	**1,690**
Net Increase/(Decrease) in cash held	**(965)**	**0**	**(265)**	**2,000**	**(2,265)**
Opening cash, cash equivalents or (bank overdraft)	1,380	150	415	415	2,415
Closing cash, cash equivalents or (bank overdraft	**415**	**150**	**150**	**2,415**	**150**

18.5 Uniform Presentation of Finances

Mid-Murray Council
Budget Financial Statements 2025/26
UNIFORM PRESENTATION OF FINANCES

ADOPTED
15/07/2025

Year ended 30 June:	2024 Audited Accounts $('000)	2025 Adopted Budget $('000)	2025 March Review $('000)	2025 June Estimate $('000)	2026 Proposed Budget $('000)
Income					
Rates	19,282	20,639	20,755	20,755	22,113
Statutory Charges	617	462	561	561	487
User Charges	1,991	1,216	1,466	1,466	1,434
Grants, subsidies and contributions - operating	5,836	6,845	11,796	14,553	6,029
Grants, subsidies and contributions - Capital	110	659	2,143	2,143	1,204
Investment Income	113	23	166	166	36
Reimbursements	1,623	122	387	387	91
Other Revenues	601	113	448	448	36
	30,173	30,079	37,722	40,479	31,430
EXPENSES					
Employee costs	(10,012)	(10,915)	(10,415)	(10,415)	(11,866)
Materials, contracts & other expenses	(14,568)	(11,279)	(15,464)	(15,464)	(13,143)
Depreciation	(6,880)	(7,967)	(7,966)	(7,966)	(7,796)
Finance Costs	(265)	(500)	(191)	(191)	(326)
	(31,725)	(30,661)	(34,036)	(34,036)	(33,131)
Operating Surplus/(Deficit) before Capital Amount	**(1,552)**	**(582)**	**3,686**	**6,443**	**(1,701)**
Timing adjustments for grant revenue	4,621	0	(3,786)	(3,786)	2,477
Less Grants, subsidies and contributions - Capital	(110)	(659)	(2,143)	(2,757)	(1,204)
Adjusted Operating Surplus/(Deficit)	**2,959**	**(1,241)**	**(2,243)**	**(100)**	**(428)**
Less: Net Outlays on Existing Assets					
Capital Expenditure on Renewal/Replacement of Existing Assets	(6,585)	(6,720)	(9,841)	(9,841)	(10,209)
less Depreciation, Amortisation & Impairment	6,880	7,966	7,966	7,966	7,796
less Amounts Specifically for New/Upgraded Assets			1,946	1,946	1,204
less Proceeds from Sale of Replaced Assets	352	254	52	52	638
	647	**1,500**	**123**	**123**	**(571)**
Less: Net Outlays on New and Upgraded Assets					
Capital Expenditure on New/Upgraded Assets	(2,740)	(408)	(3,474)	(3,474)	(1,272)
less Grants, subsidies & contributions - capital new/upgraded	110		197	197	
less Amounts Specifically for New/Upgraded Assets	2,723	563	4,684	4,684	937
less Proceeds from Sale of Surplus Assets			15	15	
	93	**155**	**1,422**	**1,422**	**(335)**
***Net Lending / (Borrowing) for Financial Year**	**3,699**	**1,073**	**(698)**	**1,445**	**(1,334)**
Reverse Timing adjustment for grant revenue	**(4,621)**	**0**	**3,786**	**6,543**	**(2,477)**
***Net Lending / (Borrowing) for Financial Year**	**(922)**	**1,073**	**3,088**	**7,988**	**(3,811)**

Reconciliation of *Net Lending / (Borrowing) for Financial Year

Year ended 30 June: **Financing Transactions**	2024 Audited Accounts $('000)	2025 Adopted Budget $('000)	2025 March Review $('000)	2025 June Estimate $('000)	2026 Proposed Budget $('000)
New Borrowings	1,674	0	168	168	7,011
Repayment of Principal on Borrowings	(539)	(644)	(2,670)	(3,067)	(5,321)
(Increase)/Decrease in Balance Sheet Items	(213)	(429)	(586)	(5,089)	2,121
Financing Transactions	**922**	**(1,073)**	**(3,088)**	**(7,988)**	**3,811**

19. Council Services

19.1 Governance

The *Local Government Act 1999*, supported by a number of pieces of relevant legislation, provides the legislative framework in which Council operates. This framework reinforces the statutory authority and responsibilities of Council as a corporate body and assists elected representatives and council officers in the delivery of quality services.

Governance's role is to ensure that Council's legislative obligations with that framework are met by the Council, individual elected members and council officers.

Effective outcomes are best achieved where the role and focus of elected members as a collective corporate organisation, is directed to policy formulation and strategic development. The role of the council officers is to implement the policies and strategies of the corporate body through an accountable, effective and efficient application of resources and assets.

Governance assists the Chief Executive Officer in facilitating the balancing of these two distinct roles.

In 2020/21 Council commenced a review of community land to ensure that all land owned by Council, or under Council's care and control was captured within a relevant *Community Land Management Plan* (CLMP). As part of the CLMP review, the assessment is taking into account the way in which the community has access and use of community lands. Council's leases and licences to sporting clubs, community groups and commercial entities are also included within this review, which will provide tenure and security to those using Council land on a long-term basis.

19.2 Committees

In the 2025/26 financial year, the following Committees will be continued and administered under s41 of the *Local Government Act 1999*:

- Audit & Risk Committee - Established pursuant to Section 126 of the *Local Government Act 1999*
- Community Grants Assessment Committee
- CEO Performance Review Committee
- Mid Murray Heritage & Maritime Committee
- Dark Sky Committee
- Strategic Growth & Economic Activation Committee

19.3 Human Resources

Human Resources is an integral area of Council ensuring sound principles of human resource management are applied to employment in the administration of Council. It deals with the administration of hiring, training, supporting and all things staff.

Efficiencies associated with fair and equitable selection processes and the provision of access to training and development for employees is ensured, along with our employees having access to suitable processes to deal with grievances, safe and healthy working conditions, and equal employment opportunities.

The area of Human Resources continues to develop and maintain legislatively compliant systems and processes that facilitate the provision of a workforce that has the capability to deliver Council's plans. These services include, but are not limited to training needs analysis, performance review and management, recruitment, interviews, grievances, employee relations, compensation and benefits, return to work and inductions.

Mid Murray Council has acknowledged organisational development as a key role to improving its conditions and services provided. Organisational Development is the practice of changing people and organisations for positive growth. This involves team building; career development; training; coaching; mentoring; innovation; leadership development; organisational culture; support and change management. Many of these practices are being considered and introduced with the focus being change management, team building and organisational culture.

19.4 Corporate & Financial Services

Finance Services

Planning and managing the monetary funds of Council to deliver the aspirations of our community, we account for our activities, act sustainably and disclose the result in a transparent manner. The service includes Financial Management & Accounting, Creditors, Procurement and Revenue collection.

Information Technology Services (IT)

Delivers flexible information technology solutions that support business operations by providing access to information and systems.

Records Management

As a result of a survey undertaken by State Records of SA, Council have developed an action plan to progress further records management compliance and will be focusing on the following outcomes:

Capture – Raise awareness and improve systems to capture a larger volume of records currently not being registered in the Electronic Document and Records Management System (EDRMS).

Disposal – Develop a disposal plan compliant with the General Disposal Schedule 40 (GDS 40).

State Government Development Portal – Ensure that the new web portal is compliant with State Government Records requirements (PlanSA & DACO).

Pre-amalgamation records, and Mid Murray Council records, will also be identified and sentenced accordingly to reduce risk of illegal destruction and inaccessibility.

Training – Continue with training and education to raise awareness of records management responsibilities and compliancy under the State Government legislation and *State Records Act 1997*.

Risk Management

Council is committed to an integrated approach to risk management to assist in setting appropriate strategies, achieving our objectives and making informed decisions, in the best interests of our community. Council recognises that managing risk is an important part of governance, is fundamental to how the organisation is managed at all levels and will contribute to continuous improvement of its management systems.

Local Government Risk Services (LGRS) provide regular support and evaluation services to their members, including audit processes and procedure validations. The aim of these processes is to assist improving Member's risk management systems against both Local Government Industry agreed sector baselines and other external requirements. Council prioritises the development of a Risk Management Plan to identify where opportunities for system improvements exist and to work systematically to implement identified improvements.

Council's Risk Working Group over the priority system improvement projects for 2025/26 with the assistance of LGRS focusing on Risk Management, Business Continuity, Community Emergency Management, Events, Playgrounds, Trees, Volunteers and Health & Wellbeing Initiatives (Mentally Health Workplace).

Work Health Safety & Return to Work

Council is committed to ensuring, so far as is reasonably practicable, that all workers are safe from injury and risk to health whilst they are at work. The Senior Management Team (SMT) is committed to providing visible leadership in relation to Work Health Safety and Return to Work (WHS & RTW) and to driving ongoing improvement strategies. The WHS & RTW plan is designed to strategically and systematically improve organisational WHS & RTW Management systems, processes and outcomes for Council.

The SMT in consultation with the Work Health Safety and Risk Management Team, Health Safety Committee and LGRS consultants, have identified the critical key programs for 2024-2028.

The current plan's priority programs are The WHS & RTW Plan and Program is in the final stages of development and will be consulted with workers prior to endorsement by SMT

The Key Programs are,

- **WHS Responsibilities and Accountabilities**, which will include WHS responsibilities in Position Descriptions, define contingency roles, incident reporting and investigation, document corrective actions relating to inspection and testing, improve communication and consultation and further develop People Performance Plans.
- **Hazard Management Program (including sub plans) for**
    - Plant - including PPE fit testing – all workers.
    - Task – including PPE procedures, workplace inspection - all workers.
    - Hazardous Chemicals – procedural implementation – all workers.
- **WHS Procurement (Major Plant)**
    - Further development of processes to ensure WHS requirements are considered in the procurement of major plant.
- **Contractor Management**
    - Procedural implementation including integration of WHS Procurement Management Systems
- **WHS Marine Safety**
    - Hazard Management (plant, task & hazardous substance) for Heritage Vessels and associated areas (MDDC and Port of Morgan)
    - Emergency Management for Heritage Vessels and associated areas (MDDC and Port of Morgan) CEO & Tourism Manager

A number of Key Projects have also been identified for the program period:

- Verification of Competency for operation of task and plant
- Review, risk assessment and determination of confined spaces
- Workplace Inspections
- Workplace Health & Wellbeing (including psychosocial hazard management)

Council aims to protect the health and safety of all workers and minimise the effects of incidents and injuries using the hierarchy of controls, this is achieved by having a relevant and effective WHS & RTW Management System that is compliant with legislative requirements and structured to achieve the requirements of the Return to Work SA Code of Conduct for Self Insured Employers and Performance Standards for Self Insurers (PSSI). This WHS & RTW Plan shows our commitment and planning to improve WHS & RTW management systems and processes.

Cemeteries Administration

Council has care and control of 28 cemeteries within the Council area, that are maintained by Council. Council appreciates the work of volunteers who help with some of the maintenance. On going improvement in relation to procedures and information available on the council website.

Administration

Council has an administration network to cater for the size of the area, number of ratepayers and residents, tourists and community support. These comprise employees working in the following fields:

- Customer service
- Support staff for Planning Officers
- Building Surveyors, Regulatory Services Officers and Environmental Health Officers,
- Senior Works Staff, Managers and Elected Members.

19.5 Economic Development & Tourism

Economic Development

Economic development and growth is a focus for Council's *Strategic Plan – 2024-28*, with Council staff committed to supporting and encourage economic growth through the development of a diverse business sector, building on our critical infrastructure and technology network and growing our population.

To support administration staff, Council has a Section 41 Strategic Growth & Economic Activation Committee.

The Strategic Growth & Economic Activation Committee is focused on:

- overseeing the development and review of key Council documents and projects
- undertaking strategic planning and monitoring directed at achieving orderly planning and economic development and activation within the Council area
- reviewing land uses for future development, activation or preservation
- considering plans, policies and practices that foster and promote investment, attraction and sustainable growth in the Mid Murray area
- exploring and developing plans that maximise new investment and economic growth prospects in a holistic manner
- assessing Community Action Plans.

Economic Development and Tourism Partnerships

Council also works closely with Regional Development Australia – Murraylands and Riverland Inc. in respect of economic development and Murray River Lakes & Coorong Tourism Alliance and Destination Riverland in respect of tourism.

Tourism

Developing our diverse tourism sector is a Strategic Goal of Council, and Council provides a number of Tourism services, as outlined below:

Visitor Information Services

Council provides an Accredited Visitor Information Centre from a restored historic building adjacent to Arnold Park in Mannum and a Visitor Information Office at the Port of Morgan. Both facilities are operated by Council staff and volunteers. Tourist numbers visiting the Centres grow from year to year and have a flow on affect to the greater Mid Murray region.

Mid Murray Heritage and Maritime Committee

Council is responsible for the operations of a number of maritime and heritage assets and this Committee was formed, by combining the Mannum Dock Museum Board and the Port of Morgan Heritage and Tourism Board, to oversee the management of these assets to ensure their ongoing viability, as well to provide strategic direction and advice to Council in relation to its Tourism objectives.

Tourist Caravan Parks & Camping Facilities

The Morgan and Mannum Caravan Parks are owned by Council but leased to private operators. These parks are key tourist accommodation facilities for the region. Dividends from the operation of the Morgan and Mannum Caravan Parks are reinvested back into the community by Council to fund tourist events and initiatives, the community grants program and for the development of various economic development initiatives.

Council, in partnership with the operators, are committed to developing and growing the parks to increase tourist visitation to the region and meet the demands and trends of consumers.

Council is also developing longer-term plans for the development of other sites for tourist accommodation and camping to increase both the level and range of sites available.

River Murray International Dark Sky Reserve

A key emerging tourism and environmental drawcard is the River Murray International Dark Sky Reserve. Nestled in the heart of the Mid Murray region, this internationally accredited attraction is one of the darkest recorded skies on earth, where visitors can be delighted by distant galaxies and constellations under clear skies. Council is developing this initiative through its Dark Sky Committee with the assistance of Mid Murray Landcare SA and other key stakeholders.

Heritage Vessels

Council's fleet of heritage vessels are a significant tourism drawcard for the region. PS Marion, PW Mayflower operate out of the Mannum Dock with PS Canally approaching completion, to operate out of the Port of Morgan.

Tourism Brand

Councils' tourism brand – Explore Mid Murray - was launched during 2024, along with a new tourism website (www.ExploreMidMurray.com.au) and upgraded App (Explore Mid Murray). Social media pages in line with the branding have also been created, and obsolete web pages removed to declutter the digital space. All businesses, events, attractions and community groups can utilise the brand by contacting our tourism staff.

19.6 Development & Community Services

Many of the services in this area are undertaken to comply with legislative requirements, and therefore they will continue in 2025/26.

Animal Management

Dog and Cat

Council has over 3,250 dogs and cats registered within the Council area through Dogs and Cats Online (DACO), South Australia's online dog and cat microchip and Council registration system. In addition, staff respond to noise complaints, dogs wandering at large and dog attacks/harassments. Door knocks to check on unregistered dogs are undertaken on a regular basis. Our aim through the door knocks is to make sure that all dogs are registered. This helps us to reconnect dogs wandering at large with their owners.

Livestock

Council inspectors are called to investigate stock wandering on roadsides and to arrange for collection, removal and return as necessary.

Fire Prevention

Bushfire Prevention is a major focus of fire protection and Council employs two bushfire prevention officers. Council has a legislative responsibility to control the burning of rubbish and stubble and the issuing of fire permits during the fire danger season.

Council supports CFS crews with rural fires in the provision of water tankers. The sooner a fire can be brought under control, the less damage and distress is suffered by those affected.

Compliance and Enforcement

On & Off Street Parking

Parking controls exist within the Council area and Council staff monitor parking areas to ensure compliance with the time limits and other restrictions that are in place. Council has a focus to ensure disabled parking is being utilised appropriately.

Camping

Council is a prime destination for tourists and campers who come to enjoy the River Murray, Murray Mallee and Riverland Regions. Council owns and manages a number of camping facilities and areas throughout the district. In some areas camping is limited and fees are applicable. Council's inspectors are responsible for the ongoing monitoring of these areas.

Local Nuisance and Litter Control

Council staff respond to local nuisance issues across the Council relating to noise, dust, smoke etc as well as illegal dumping and unsightly premises.

Illegal Development

Illegal development is a major issue in our Council area – especially along the River Murray. Council investigates alleged instances of illegal development (i.e. where development is undertaken without having first obtained Development Approval). Council has established service standards to assist in prioritising our investigations and enforcement action.

Where investigations reveal that unlawful development has occurred, Council's Development and Regulatory Services staff are involved in taking enforcement action and assessing any subsequent development applications. These processes can involve Council's staff having to represent Council in the Environment, Resources and Development Court.

Public Health Management

Council's Environmental Health Officers undertake a range of duties including:

- Immunisation
- Health services and inspections
- Mosquito control
- Legionella control
- Wastewater system installations/approvals/inspection
- Regulation and monitoring of swimming pools
- Food premises inspections
- CWMS (effluent schemes) installation co-ordination
- European wasp control

Planning and Development Controls

Council provides development information; assessment of development applications; undertaking statutory and strategic land use planning.

Council's Planning Officers are also responsible for the assessment of development proposals (ranging from renewable energy, poultry farms, wind farms, large-scale land divisions and industrial/commercial development to dwellings, river structures, verandas and sheds).

Council's Building Surveyors assess various commercial and domestic development applications against the relevant provisions of the National Construction Code of Australia to ensure that the structural adequacy, fire safety, access for people with disabilities, energy efficiency, and health and amenity of buildings comply with the relevant legislation.

Council is obliged under the Section 157 of the *Planning Development and Infrastructure Act 2016* to appoint a Building Fire Safety Committee. The Committee consists of relevant experts and fire authority representatives including Council building surveyors. The Committee inspects existing commercial or assembly buildings to ensure that the building complies with the relevant fire safety requirements a potentially lifesaving task.

As well as these important functions the building surveying staff undertake inspections of building work in accordance with Practice Directions 8 and 9 and *Planning Development and Infrastructure Act 2016* to ensure development meets the relevant requirements for the protection of the community.

Council Building Maintenance

Council's Development and Community Services Department is responsible for the upgrading and maintenance of all Council's building assets, including buildings which are leased to various community groups (dependent on the conditions of the lease).

Council maintains over 300 buildings throughout the district including town halls and public toilets. Council's Building, Land and Structures Asset Management Plan provides Council with a detailed understanding of its current building stock, current condition and lifetime costs to upgrade and maintain these buildings. Council allocates budget each year for maintenance and capital works with projects determined after adoption of the budget.

Halls

Council maintains fourteen halls throughout the Council area. Council is in the process of reviewing the future of these assets especially as many of these no longer enjoy the patronage that they had in past years.

Community Services

With the aim of building a community which is healthy, thriving, engaged, and connected, with a strong sense of pride and belonging, he Community Services team will assist external service providers in developing and delivering community programs and services for the wellbeing of people. The team will work with colleagues across Council to provide the best possible Council facilities and services, with a focus on ensuring that the Mid Murray community has opportunities, is healthy and safe, and is inclusive and supportive.

This is undertaken by:

- Ongoing review and evaluation of community facilities to identify areas for continuous improvement and sustainability
- Provide a variety of community facilities including the Mannum Leisure Centre, Morgan and Blanchetown Hubs, Morgan Activity Centre, Morgan and Blanchetown Libraries, Cambrai Swimming Pool, the Mannum Sk8park, Fun 4 Youth and Create a Playground equipment trailers
- S upport community initiatives through a range of grant funding opportunities
- Maximise multi-purpose use of community assets to increase community participation
- Support the delivery of community wellbeing programs and organisations
- Support our community organisations and volunteers to increase their capacity
- Implementation of existing Plans – Community Development Strategy; Disability Access and Inclusion Plan and Open Space, Recreation and Public Realm Plan
- Advocate and partner with key stakeholders for increased community services across the region (aged, youth, education, health and wellbeing support)
- Support community organisations to foster greater social inclusion opportunities across the region
- Foster positive working partnerships with region's First Nations People

19.7 Infrastructure

Parks, Gardens and Reserves

Residents and visitors alike enjoy Council's high quality parks, gardens and reserves throughout the Region. Council provides some form of recreation facilities in all towns and river communities. These are regularly maintained in a clean and safe condition for everyone to enjoy.

Transport

Council has the second longest length of road network to maintain in the State and is dependent on receiving grants from State and Federal Governments to renew and upgrade all types of infrastructure, bridges, boat ramps, wharves, etc.

This includes 374 kilometres of sealed road, 2,692 kilometres of unsealed road and 15 vehicular bridges. Considerable resources are allocated to maintain this network, with a planned level of reseals, re-sheeting and maintenance carried out yearly. Assessment of current work practices are undertaken to align with industry standards to best deliver services to the community.

Like most other rural townships in the State, footpath networks in some towns are basic, with many verges still the natural surface. Council is committed to a Footpath Construction Program to install footpaths in townships providing connectivity to facilities and major precincts. Scheduled weed spraying takes place to control weeds, especially caltrop and other nuisance weeds on footpaths and road verges. Roadside signage in the country faces constant vandalism and requires continual updating. Council does its best to replace signs when either vandalised or improvements are necessary to provide the appropriate information.

Council undertakes roadside tree trimming to prevent encroachment of vegetation onto the trafficable lane. Council's maintenance team continue with works across the region to support the road renewal program and tree encroachment matters.

Street sweeping is done on urban sealed roads, with a Council owned Mechanical Sweeper which sweeps streets regularly, and more frequently, in higher profiled areas. Other townships are swept on a quarterly basis either using Council machinery or contractors.

Wharf Maintenance

Council maintains a number of large wharves and pontoons, recreational jetties and boardwalks. An Asset Management Plan is being developed for the capital upgrades that will be required in the long term to existing infrastructure.

Boat Ramps

Council provides, maintains and regularly monitors boat ramps along the River Murray. A River Facility Asset Management Plan (IAMP) will be adopted by Council as a future plan and priority setting for facilities.

Community Wastewater Management Schemes

Council maintains Community Wastewater Management Schemes (CWMS) for shack areas and towns along the River Murray, and maintenance rates are levied to cover the costs of on-going maintenance and capital upgrades. Twenty-nine CWMS and four (4) houseboat pump out stations are maintained by Council.

Council is working with the LGASA on the design and costing for a CWMS for the Swan Reach township.

Waste & Recycling Services Management

Council provides a weekly household waste collection throughout the Council area, plus a fortnightly kerbside recycling collection service to each township. Regular street bin and reserves bins are collected on a regular basis.

Waste Transfer Stations are located at Mannum, Morgan, Cambrai, Blanchetown, Bowhill, Cadell, Swan Reach, Truro, Tungkillo and Walker Flat. A review of operations has been undertaken giving due regard to the visitation and processing of product received in order to provide a sustainable service to the community. Council provides ongoing Drum Muster collections at the Cambrai, Cadell, Swan Reach and

Mannum Transfer Stations, in order to assist with removal of chemical containers.

Council will explore a broadening of recycling services throughout the region for consideration of extended services.

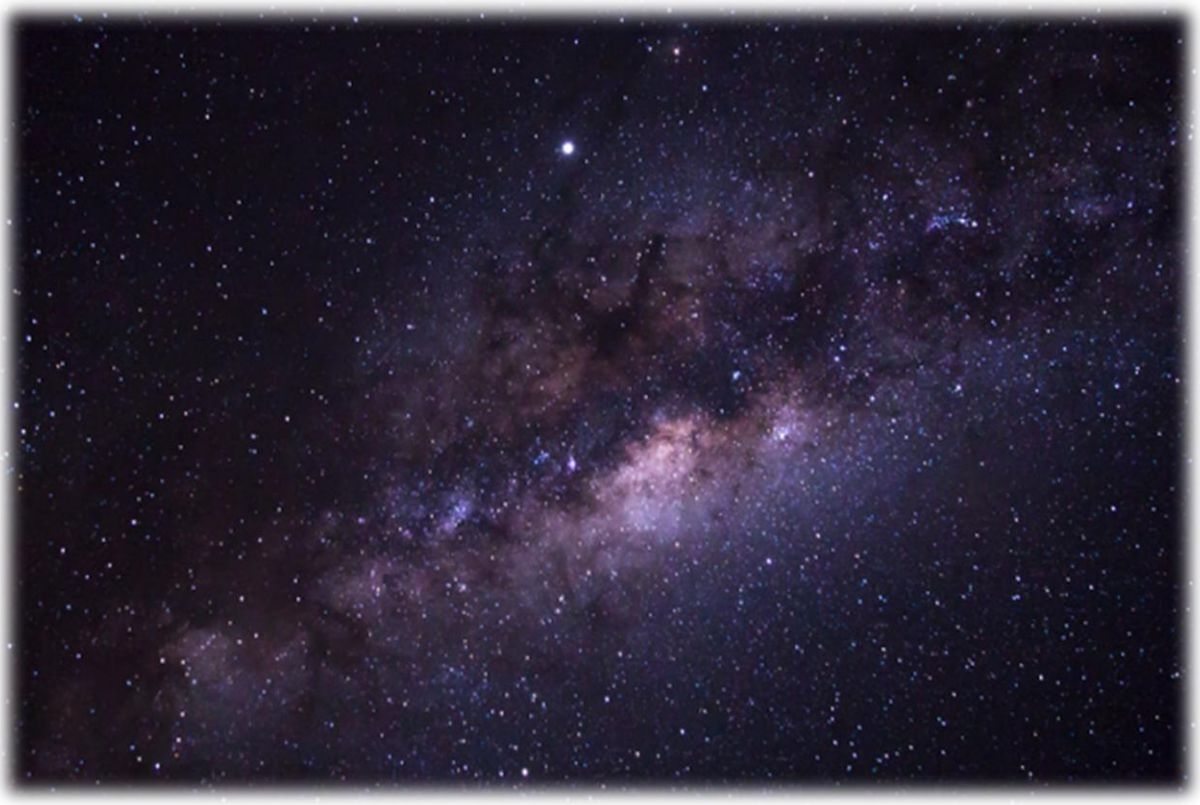
Council operates a landfill facility at Cambrai where waste is transferred from the Waste Transfer Stations to the landfill facility. Council also receives waste materials from contractors and has a licensed asbestos facility.

Stormwater Management

Council is continuing to seek funding to commence investigations of Stormwater Management Plans to further improve stormwater management throughout the Council area. The focus in the new Stormwater Management Plan will be around stormwater mitigation/prevention that is realistic and achievable within Council's financial capabilities.

Public Conveniences

Council maintains 42 public conveniences throughout the Council area. Council have reviewed the maintenance and cleaning arrangements to ensure that the toilets are fit for purpose and maintained to a satisfactory standard.



20. Appendix A – ESCOSA Report Local Government Advice

Council has a requirement to publish the ESCOSA Local Government Advice and any response by Council in its *Annual Business Plan* (both the draft and adopted Annual Business Plan) in the financial year of the advice and each subsequent financial year, until the next review by ESCOSA. (*Local Government Act 1999*, Section 122 (1h)).

Updates on Council's actions throughout 2024-25 in response to the recommendations have been tabled within the document, these are noted in green.

OFFICIAL

Advice

Local Government Advice

Mid Murray Council

February 2023

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

Table of contents

Glossary of terms ii
1 The Commission's key advice findings for the Mid Murray Council 3
2 About the advice 5
2.1 Summary of advice 5
2.2 Detailed advice findings 7
2.2.1 Advice on material plan amendments in 2022-23 8
2.2.2 Advice on financial sustainability 9
2.2.3 Advice on current and projected rate levels 11
2.3 The Commission's next advice and focus areas 12

Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Mid Murray Council
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	*Local Government Act 1999*
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

The Commission's key advice findings for the Mid Murray Council

The Essential Services Commission (Commission) finds the Mid Murray Council's (Council's) current financial position potentially unsustainable with recurring operating deficits resulting from its revenue base, including rates revenue, being unable to meet the ongoing service level requirements of its infrastructure base. The Council's projected improvement to its financial performance is reliant on a period of service consolidation, and continued rate increases.

Acknowledging this outlook, the Commission considers that would be appropriate for the Council to undertake the following steps to ensure that it budgets prudently, manages its cost base more efficiently, renews its asset base to meet sustainable service levels, plans its asset needs appropriately and ultimately, constrains the extent of further rate increases:

Budgeting considerations

1. Review its inflation assumptions in its forward projections from 2023-24, given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.
2. Focus on constraining cost growth more generally in its budgeting, including related to employee costs.

Providing evidence of ongoing cost efficiencies

3. Report its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

Meeting asset renewal needs

4. Adhere to the principles underpinning its long-term financial plan projections to provide more funding to the renewal of its assets, rather than prioritising initiatives which involve new or upgraded infrastructure.

Considering asset sale or disposal options

5. Consider actioning asset sale or disposal options, where reasonable, in consultation with its community, as necessary.

Refinements to asset management planning

6. Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better alignment with the allocations in its long-term financial plan, including:
   - the estimate for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses, and
   - the asset renewal expenditure requirements for buildings (and other relevant assets), with consideration of the service levels desired by the community.
7. Complete its asset management plan for footpaths and kerbs, as well as its other proposed new plans, to support and align with the associated asset expenditure requirements included in its long-term financial plan.

Containing rate levels

8. Review and consider limiting future increases on its minimum rates and residential rates (for which average rate levels are high) to help reduce affordability risk in the community.

9. Focus on constraining cost growth to reduce the pressure on all rate levels (as per Finding 2), including consideration of the community's desired service levels, any proposed new capital expenditure and associated costs.

About the advice

The Essential Services Commission (Commission), South Australia's independent economic regulator and advisory body, has been given a role by the State Government to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (SMPs) and on the proposed revenue sources, including rates, which underpin those plans.[1]

One of the main purposes of the Local Government Advice Scheme (advice or the scheme) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (LTFPs) and infrastructure and asset management plans (IAMPs)[2] – both required as part of a council's SMP.[3] Financial sustainability is considered to encompass intergenerational equity,[4] as well as program (service level) and rates stability in this context.[5] The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, outlined in the LTFP.[6] In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.[7]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 15 councils for advice in the first scheme year (2022-23), including the Mid Murray Council (Council).

This report provides the Local Government Advice for the Mid Murray Council in 2022-23. While the advice is based on the Council's 2022-23 projections, the Commission notes the impact of recent flooding on the Mid Murray area and the potential need for the Council to reprioritise some of its spending plans to respond to the high river event.

The Council is obliged under the *Local Government Act 1999* (LG Act) to publish this advice and its response, if applicable, in its 2023-24 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.[8] It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website[9]), nor is it compelled under the LG Act to follow the advice. The Commission thanks the Mid Murray Council for providing relevant information to assist the Commission in preparing this advice.

Summary of advice

In general, the Commission finds the Mid Murray Council's current financial position potentially unsustainable with recurring operating deficits resulting from its revenue base, including rates revenue, being unable to meet the ongoing service level requirements of the assets it has accumulated.

[1] Amendments to the *Local Government Act 1999* (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

[2] Commonly referred to as asset management plans.

[3] The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.

[4] 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

[5] Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

[6] LG Act s122(1f)(a) and (1g)(a)(ii).

[7] LG Act s122(1f)(b) and (1g)(b).

[8] LG Act s122(1h).

[9] The Commission must publish its advice under LG Act s122(1i)(a).

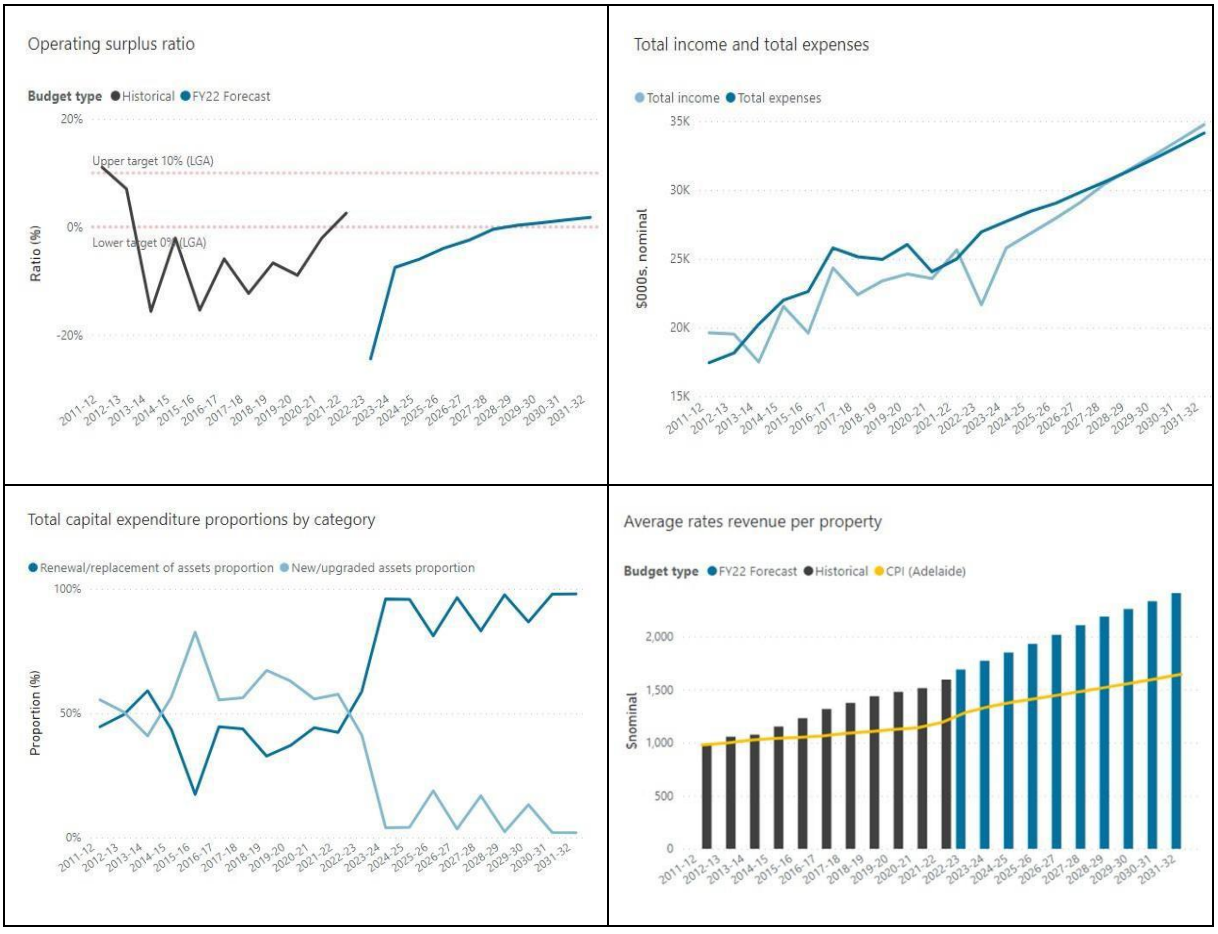
The Council has spent a large portion of its revenue on new and upgraded assets over the past 10 years with various infrastructure projects, but it has not been renewing its existing assets at the required levels for financial and service level sustainability.[10] At the same time, it has consistently raised its rates above the rate of inflation.

Its forward projections from 2022-23 (in its LTFP) forecast an improved financial sustainability outlook for the Council with the rate of operating revenue growth set to outpace expense growth and:

- continued rate increases on the community, above the rate of forecast inflation growth
- lower average cost growth than it has experienced over the past 10 years (but still higher than it had forecast in 2021-22, primarily due to the impact of higher inflation), and
- the reprioritisation of its asset spending away from new and upgraded assets and more towards renewal and rehabilitation capital works projects.

The charts below of the Mid Murray Council's past and projected operating surplus ratio, income and expenses, capital expenditure and average rate revenue per property, together support these findings.

The 'heat map' diagram over the page summarises the Commission's findings with reference to whether the Council has met the suggested LGA target ranges for the three main financial sustainability indicators[11] and the level of cost control and affordability risk identified for the Council over time.



[10] As recommended by its AMPs.

[11] The suggested target range for the ratios are discussed in more detail in the attachment.

Summary of the Mid Murray Council's financial sustainability performance and the Commission's risk assessment

Financial sustainability indicators:	Last 10 years from 2011-12 (Actual performance)	2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)	
Operating surplus ratio (target 0-10%)	Operating deficits & ratio target range not met ——>			Surpluses forecast from 2028-29
Net financial liabilities ratio (target 0-100%)	Ratio met historically and in forecast period ——>			
Asset renewal funding ratio (target 90-110%)	Spending on renewal works below requirements with ratio below target range ——>	Ratio exceeds target range	Ratio target range met in projections with higher projected spending on asset renewal works ——>	
Identified Risks:				
Cost control risk	Operating expenses per property average growth 3.2% p.a. to 2020-21 (CPI 1.7%) ——>	Lower cost growth forecast ex. wages ——>		Further lower expense growth forecast (average per property 2.2% p.a. 2022-23 to 2031-32) ——>
Affordability risk	Low but emerging risk for some ratepayers (5.0% p.a. rates revenue per property average growth to 2020-21)	Higher residential rates	Higher forecast rates revenue per property average growth (4.0% p.a. to 2031-32) (CPI 2.8%) and new rates introduced ——>	

Ratio outside suggested LGA target range or higher risk

Ratio close to suggested LGA target range or medium risk

Ratio within suggested LGA target range or lower risk

The higher rate levels for the Council's community from 2022-23 present an affordability risk, which could be addressed:

- in part, by sharing the rate burden more equitably and charging larger increases on rates categories where the affordability risk is lower (based on lower comparative rate levels and the Council's own assessment)
- but, more comprehensively, through a greater focus on constraining cost growth and achieving tangible savings – this could then reduce the pressure on all rate levels.

It is also appropriate for the Council to review and report upon desired service levels (in its asset management plans (AMPs)), in consultation with its community, to better identify the level of service that the community is willing to pay for, and where there are opportunities for cost savings through reduced service levels.

Detailed advice findings

The next sections summarise the Commission's more detailed observations and advice findings regarding the Mid Murray Council's material changes to its 2022-23 plans (compared with the previous

year's plans), its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure) and its current and projected rate levels.

In providing this advice, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (F&A). The attachment explores these matters further.[12]

1.1.1 Advice on material plan amendments in 2022-23

The Mid Murray Council's 2022-23 budget includes increases to both its projected income and expenditure items to 2030-31, compared with the 2021-22 forecasts,[13] as follows:

- An additional $15.9 million or 7 percent in total operating income. This includes an additional $17.0 million or 9 percent in rates and statutory charges revenue (offset by other smaller reductions). This accounts for higher inflation, but also reflects the introduction of some new services and a new separate rate for 'Mannum Waters' properties.
- An additional $21.1 million or 8 percent in total operating expenses (for example, for contracts or employees) and $15.7 million or 28 percent in total capital expenditure.[14] Much of these increases also account for higher inflation, although the higher capital expenditure estimates reflect a significant new allocation for previously unfunded building renewal works in the latter years of the forecast period. Also, more than half of the Council's higher operating expenses are due to an increase of $11.3 million or 13 percent in employee costs, reflecting in part, a reversal of its temporary strategy to reduce casual employee hours and maintain some unfilled positions for reduced services during Covid.[15]

Based on the Council's inflation assumptions,[16] an increase in total revenue and expenditure estimates by up to around 7 percent over the nine years to 2030-31, compared with its 2021-22 estimates, would be appropriate for higher inflation. In the current inflationary environment, the assumptions concerning price rises over the next 10 years will require annual review, particularly given the potential for higher short-term inflation before a return to long run averages. However, the Commission notes that the Council should still endeavour to find savings in real terms to reduce any inflationary impact on its community.

---

[12] The attachment will be available on the Commission's website with the main body of the advice.
[13] The overlapping forecast period in both LTFPs (2021-22 to 2030-31 and 2022-23 to 2031-32).
[14] This excludes the Murraylands Road works of $3.3 million deferred to 2022-23.
[15] Mid Murray Council, *Long Term Financial Plan for the period 2021-22 to 2030-31*, July 2021, p. 5, available at

https://www.mid-murray.sa.gov.au/__data/assets/pdf_file/0030/934680/Adopted-Long-Term-Financial-Plan-

2021-22-to-2030-31.pdf and Mid Murray Council, email to the Commission dated 27 February 2023.

[16] The Council has increased its CPI growth forecast for 2022-23 from 1.5 percent to 3 percent (which is lower than current Reserve Bank of Australia (RBA) CPI forecasts in February 2023) and from 2023-24 and thereafter, from 1.5 to 2.75 percent (which is higher than the midpoint of the RBA's target band of 2 and 3 percent). It has also assumed Local Government Price Index (LGPI) growth 0.4 percent higher than CPI growth, but it is unclear if it has applied the LGPI to any of its estimates.

In examining the Council's changes to its 2022-23 plans, the Commission has found that it would be appropriate for it to:

1. Review its inflation assumptions in its forward projections from 2023-24, given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.
2. Focus on constraining cost growth more generally in its budgeting, including related to employee costs.

1. Council Response:
Implementation : Short Term
Resource : Internal - Finance
Recommended Action : Use the latest forecasts that are either reported by the Australian Reserve Bank or the Federal Budget. Post public consultation of the Budget and Long Term Financial Plan, later releases CPI forecasts may become available. These latest forecasts should be incorporated into the Budget and Long Term Financial Plan into the final version recommended for adoption. 2025/26 Budget and Long Term Financial Plan 2025/26 to 2034/53 has been drafted with latest forecasts

2. Council Response:
Implementation : Medium Term
Resource : Internal - Infrastructure/Governance
Recommended Action : (1) Rationalisation of Council Assets, in particular Building assets to reduce future capital renewal budget demand and on-going maintenance expenses. (2) Review employee expenses (during COVID, positions were left vacant/casual hours reduced due to the expected reduction of certain services and associated income eg. Tourism).

1.1.2 Advice on financial sustainability

Operating performance

The Mid Murray Council has run recurring operating deficits[17] from 2013-14 to 2020-21 and the operating surplus ratio is not forecast to meet the suggested LGA target range (with a surplus) until 2028-29 (when it will be 0.3 percent).[18]

One of the reasons for the recurring deficits is that the Council has spent more in real terms on asset and service growth. The Council's 'materials, contracts and other' expenses increased by an average of 5.4 percent per annum each year from 2011-12 to 2020-21, compared with average Consumer Price Index (CPI) growth of 1.7 percent.[19] The Commission notes that the Council phased in a new roadside residential waste bin collection service to many rural residents over the past 3 to 5 years,[20] as well as the impact of the increase in the solid waste levy on councils' waste management costs over this period. Depreciation expenses also increased by an average of 5.0 percent per annum to 2020-21. The estimated reduction in the rate of growth in operating expenses projected over the next 10 years (to an average of 2.6 percent per annum, which aligns with forecast inflation[21]), combined with higher rates increases, is expected to slowly improve the Council's operating performance.

To improve its operating position without the need for continued rate increases above inflation, the Council would need to find more savings and efficiencies in its budgets, as it has stated it would seek to do.[22]

---

[17] This means the Council's operating expenses (including depreciation) have exceeded operating income (including rates and other revenue sources but excluding capital grants, subsidies, and contributions).

[18] The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 (LGA SA Financial Indicators Paper), p. 6).

[19] Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice).

[20] Mid Murray Council, email to the Commission dated 27 February 2023.

[21] The forecast average annual growth in the CPI from 2022-23 to 2031-32 is estimated to be 2.8 percent based on the RBA forecasts for the CPI (Australia-wide) to June 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

[22] Mid Murray Council, *Long Term Financial Plan for the period 2022-23 to 2031-32*, September 2022, p. 8, available at

https://www.mid-murray.sa.gov.au/__data/assets/pdf_file/0024/1204980/Final-Long-Term-Financial-Plan-2022-23-to-2031-32.pdf.

To this end, the Commission has found that it would be appropriate for the Council to:

3. Report its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

3. Council Response:
Implementation : Short Term (On-going)
Resource : Internal – All Departments / Finance
Recommended Action : (1) Identify annually in the annual budget any targeted efficiencies and cost savings initiatives. (2) Highlight when expenses are less than LGPI and when the New/Additional Development annual increase of 0.5% has not been added to forward expenses. Sustainability Reports are presented to Council on a monthly basis outlining potential and achieved savings.

Net financial liabilities

With the Council's recurring operating deficits from 2013-14 (including depreciation expenses), its net cash shortfall after its operating and investing (i.e., capital-related) activities has averaged $447,000 between 2011-12 and 2020-21.

The Council has consistently used borrowing and other financing options to supplement any annual shortfall of funds, and over time, this has been within the suggested LGA target range for the net financial liabilities ratio.[23]

It will continue to meet the suggested LGA target range under its 2022-23 forecasts and has projected a reduction in the ratio from a peak of 90 percent in 2022-23 to an average of 50 percent in the five years to 2031-32. The reduction is projected to come from a marginally lower trend in borrowings and liabilities and higher operating income growth. The projected rates revenue growth will continue to provide the Council with the capacity to take on more debt, as it requires, to support intergenerational equity between its current and future ratepayers.

Asset renewals expenditure

In recent years, the Mid Murray Council has spent more on new and upgraded assets than the renewal and rehabilitation of its existing stock. Between 2011-12 and 2020-21, its spending on new or upgraded assets averaged $4.3 million per annum, compared with $3.0 million on the renewal of its asset base. As a result, the amount of spending on asset renewals has fallen well short of the requirements the Council identified in its AMPs. For this reason, the Council's asset renewal funding ratio (IAMP-based) was well below the suggested LGA target range of (90 percent to 110 percent) across years,[24] including an average of 59 percent between 2012-13 and 2018-19.

From 2019-20, the Council has increased its asset renewals spending considerably and its asset renewal funding ratio (IAMP-based) moved into the suggested target range. It is forecast to return to the target range consistently (with an average of 100 percent) from 2022-23 with the Council's spending on renewal assets projected to average $7.5 million to 2031-32 (in nominal terms). This coincides with much lower forecast spending by the Council on new or upgraded assets (estimated to average $0.6 million per annum to 2031-32).

Acknowledging this significant shift in asset spending priorities by the Council, which is reflected in its LTFP projections and to reduce any further accumulation of asset backlogs, the Commission considers that it would be appropriate for it to:

4. Adhere to the principles underpinning its long-term financial plan projections to provide more funding to the renewal of its assets, rather than prioritising initiatives which involve new or upgraded infrastructure.

4. Council Response:
Implementation : Medium Term
Resource : Internal – Infrastructure Services
Recommended Action : Renewal of assets are to be a priority over new or upgrading of assets, failure to renew assets at their optimum renewal period may result in higher renewal costs. This is now a budget principal to focus on the renewal of existing assets prior to upgrading or new assets.

It has also identified potential asset disposal options in its Buildings, Land & Structures AMP[25] as part of its disposal plan, and it might have other feasible asset sale options to generate funding and reduce recurrent expenses.

For this reason, the Commission considers that it would be appropriate for the Council to:

5. Consider actioning asset sale or disposal options, where reasonable, in consultation with its community, as necessary.

5. Council Response:
Implementation : Medium Term
Resource : Internal - Infrastructure/Governance
Recommended Action : (1) Rationalisation of Council Assets, in particular Building assets to reduce future capital renewal budget demand and on-going maintenance expenses.

Even with higher forecast spending on asset renewals, the Council's depreciation expenses, which should represent the rate of asset consumption, are projected to continue to exceed its renewal spending in forward projections (until 2028-29).[26]

---

[23] The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

[24] The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9).

[25] Mid Murray Council, *Building, Land & Structures Asset Management Plan*, April 2022, p. 15, available at

https://www.mid-murray.sa.gov.au/__data/assets/pdf_file/0023/1184441/BLSI-AMP-112042022.pdf.

[26] The Council's asset renewal funding ratio by the depreciation-based method (where asset renewal/replacement expenditure is divided by depreciation expenses) is forecast to average 87 percent to 2031-32. This ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the estimated rate at which these assets are used or consumed.

Further, the significant increase to the LTFP's projected expenditure on renewal works for buildings and toilet blocks ($15 million or an average of $1,417 per property between 2028-29 and 2031-32), could be better aligned with the needs specified in the AMP and include consideration of desired levels of service.

For these reasons, it would be appropriate for the Mid Murray Council to:

6. Review the assumptions underpinning its asset management plans to ensure those plans incorporate a more accurate picture of required asset expenditure and better alignment with the allocations in its long-term financial plan, including:
   - the estimates for asset lives and valuations feeding into the forecast rates of asset consumption and depreciation expenses, and
   - the asset renewal expenditure requirements for buildings (and other relevant assets), with consideration of the service levels desired by the community.

6. Council Response:
Implementation : Medium Term
Resource : Internal – Infrastructure Services
Recommended Action : Renewal of assets are to be a priority over new or upgrading of assets, failure to renew assets at their optimum renewal period may result in higher renewal costs. Budget priority is to focus only on the renewal of existing assets over upgrading any assets..

The Council has stated that it will develop an AMP for footpaths and kerbs, and its LTFP has allocated more spending to renewal works than new or upgrade works (amounting to 4 percent of the total renewal budget to 2031-32). It is also developing new plans for other asset classes (such as marine vessels). The Commission considers that it would be appropriate for the Council to:

7. Complete its asset management plan for footpaths and kerbs, as well as its other proposed new plans, to support and align with the associated asset expenditure requirements included in its long-term financial plan.

7. Council Response:
The Council has stated that it will develop an AMP for footpaths and kerbs, and its LTFP has allocated more spending to renewal works than new or upgrade works (amounting to 4 percent of the total renewal budget to 2031-32). It is also developing new plans for other asset classes (such as marine vessels).
In 2023-24 Council adopted the AMP for footpaths and kerbs, Marine assets are to be revalued in 2024/25, along with a draft AMP to be presented to Council for adoption. In 2024/25 Council completed revaluation of Stormwater assets, Watercraft assets and River Facilities assets as at 1 July 2024, and new Asset Management Plans (AMP) for Community Wastewater Management (revalued in 2023/24)& Watercraft assets and River Facilities assets.

2.2.3 Advice on current and projected rate levels

The Council has implemented a 6 percent increase to its existing rates in 2022-23, which is higher than previously forecast due to a higher inflation estimate for 2022-23 (3 percent), a retrospective inflation adjustment for 2021-22 (1 percent) and a 2 percent allowance for 'sustainability' (which is the Council's own term).[27] Its 2022-23 LTFP forecasts an average increase of $704 to existing rates in total to 2031-32 (to $2,017), which represents an increase of $337 above the Council's assumed inflation growth.[28] The Council has also increased its waste management charge (by 3.5 percent or $10 for the 2 bin service) and minimum rates levels which can be paid by the more vulnerable members of the community. In addition, it has introduced a new separate rate for 'Mannum Waters'.

Affordability risk among the community for the further rate increases appears high based on a range of factors including the existing residential rate levels (and minimum rates), the cumulative impact of the

increase in the waste management charges, an assessment of the economic resources available to the community[29] and the community concerns expressed about the increases.[30]

For these reasons, it would be appropriate for the Mid Murray Council to:

8. Review and consider limiting future increases on its minimum rates and residential rates (for which average rate levels are high) to help reduce affordability risk in the community.
9. Focus on constraining cost growth to reduce the pressure on all rate levels (as per Finding 2), including consideration of the community's desired service levels, any proposed new capital expenditure and associated costs.

8. Council Response:
Implementation : Short/Medium Term (on-going)
Resource : Internal – Finance
Recommended Action : On-going review of Council Rating Policy that dictates the raising of general and other rates. Ensure that Council complies with legislative requirements with the raising of minimum rates.

9. Council Response:
Implementation : Medium Term
Resource : Internal - All Departments
Recommended Action : (1) Review Service levels and costs of providing (subsidising with General rate revenue) each service. (2) Ensure that the financial and internal resources demands for the renewal of existing assets are satisfied prior to directing resources to new capital expenditure.
Commencing in late 2023, Council has been undertaking a sustainability review of all services provided. The outcomes from these reviews will begin to be implemented during the 2024-25 financial year. Council has commence to formally document service levels in two departments areas in 2024/25.

[27] The Council noted a 2 percent increase for 'sustainability' (Mid Murray Council, *Long Term Financial Plan for the period 2022-23 to 2031-32*, September 2022, p. 6).

[28] The Council's projected CPI inflation is 3 percent in 2022-23 and then 2.75 percent thereafter (Mid Murray Council, *Long Term Financial Plan for the period 2022-23 to 2031-32, September 2022,* p. 6). This is different to the CPI line in charts throughout this Advice which are based on RBA forecasts and then, a return to long run averages from 2025-26 (with growth of 2.5 percent per annum).

2.3 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Mid Murray Council's:

- ongoing performance against its LTFP estimates
- achievement of cost savings and efficiencies (including operational savings and any asset disposal or rationalisation savings), and its reporting of these achievements
- actions to address any misalignment between the capital expenditure and depreciation estimates in its LTFP and various AMPs
- monitoring and reporting of the desired levels of service by the community for its various service assets in its AMPs, and
- how it has sought to address the affordability risks identified.

[29] The Mid Murray Council area is ranked 24 among 71 South Australian '*local government areas*' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2016), where a lower ranking (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20lga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&27.03.2018&Latest.

[30] Mid Murray Council, *Ordinary Council Meeting Agenda - 14 June 2022, Item 7.1.4 Summary of responses, to Annual Business Plan and draft LTFP,* pp.17-20, available at https://www.mid-

murray.sa.gov.au/__data/assets/pdf_file/0019/1160029/202220614-Council-Agenda-Released-20.1.2.pdf.

The Essential Services Commission
Level 1, 151 Pirie Street Adelaide SA 5000
GPO Box 2605 Adelaide SA 5001
T 08 8463 4444
E escosa@escosa.sa.gov.au | W www.escosa.sa.gov.au

Mid Murray Council PO Box 28,
Mannum SA 5238

Telephone: (08) 8569 0100
Email: postbox@mid-murray.sa.gov.au

Principal Office
49 Adelaide Road, Mannum SA 5238

Cambrai Office
Main Street, Cambrai SA 5353

Morgan & Districts Community Hub
Corner Fourth & Eighth Streets, Morgan SA 5320