

Annual Business Plan & Budget 2026-2027

District Council of Grant



Acknowledgement of Country

It is a privilege to be standing on Boandik country.

We acknowledge the contributions of Aboriginal Australians and non-Aboriginal Australians to the development of all peoples in the country we live in and share together - Australia.

Disclaimer of Name Change

Council resolved on 15 June 2026 to change its name from District Council of Grant to Southern Limestone Coast Council. This change is effective as of 1 July 2026.

This document was adopted by Council and is published prior to the change of name coming into effect. As such, it retains the District Council of Grant name and branding.



Table of Contents

Our Council	**01**
CEO Statement of Financial Stability	**03**
Introduction	**05**
Our Future	**06**
Essential Services Commission of South Australia Local Government Advice	**12**
Asset Management Plans	**13**
Significant Influences and Priorities	**13**
Continuing Services	**14**
Project Priorities for the Year	**16**
Capital Program	**19**
Funding the Business Plan	**21**
Council's Allocation of Funds	**23**
Impact on Council's Financial Position	**24**
What it Means for Ratepayers	**25**

Appendix 1:	Budgeted Financial Statements 2026-2027	**31**
Appendix 2:	Local Government Financial Indicator Definitions	**38**

Our Council

On behalf of the Elected Members, Council is pleased to present to our community the 2026-2027 District Council of Grant Annual Business Plan and Budget.

The Annual Business Plan and Budget sets out Council's proposed services, programs and projects. It aims to maintain effective services for the community and continue to progress towards the goals for the District Council of Grant as set out in our Strategic Plan 2024 - 2034.

Council Major Capital spend in 2026-2027 includes:

- $4,233,500 on our transport and infrastructure program, including upkeep on our local roads, road construction, resheeting, and resealing;
- $250,000 on Town entrance Signs and Street Furniture;
- $400,000 on Playground Strategy implementation for Tarpeena;
- $243,000 on the Shelly Beach Boardwalk;
- $200,000 on a Pilot Coastal Protection Initiative;
- $192,640 on Community Wastewater Management Schemes (CWMS);
- $149,000 on the Mount Gambier Regional Airport;
- $70,000 on preliminary restoration works on the Tarpeena Hall;
- $1,084,000 on maintaining and renewing Council's fleet of vehicles, including trucks, trailers, mowers and cars;
- $102,000 on the Information and Communications Technology Program; and
- $10,797,000 on the Mount Gambier and District Saleyards, including $10,200,000 on the Saleyards Transformation Project. This project is envisaged to be a multi-year project in part funded by the State Government.

We are also investing in our community with the following key projects:

- $232,109 to donations and sponsorships with Council donating to many community events and offering grant programs to assist community organisations and clubs;
- $60,000 for the 2026 Local Government Elections;
- $58,096 to year 3 of 3 contribution to Telstra for mobile towers;
- $50,000 on Brand Identity Update implementation;
- $30,000 to the development of an Art Strategy;
- $30,000 to promote a coordinated "visitor economy – lobster experience" campaign which includes a cash-preferred theme to promote the lobster season; and
- $25,000 to Coastal Adaptation Strategy recommendations and actions, in addition to the $200,000 pilot initiative listed above.

In order to achieve these projects, Council is proposing a rate revenue increase of 6.00% (excluding new property growth). This results in a budgeted deficit of $14,000.

Council has carefully considered the delivery of services to the community against rate increases. This Annual Business Plan and Budget maintains services with consideration to current world conditions and being mindful of cost of living conditions pressures by our ratepayers.



Kylie Boston
Mayor

Your Elected Members



Mayor Kylie Boston



Karen Turnbull | Deputy Mayor
Tarpeena Ward



Bruce Bain
Central Ward



Katherine Greene
Central Ward



Megan Dukalskis
Central Ward



Gavin Clarke
Central Ward



Peter Duncan
Central Ward



Barry Kuhl
Central Ward



Rodney Virgo
Port MacDonnell Ward



Brad Mann
Central Ward

CEO Statement of Financial Sustainability

The Annual Business Plan and Budget for 2026-2027 will continue the delivery of the objectives contained in our Strategic Plan 2024- 2034.

Council's financial strategy is based on achieving a long-term financial management position that is able to deliver consistent planned services, manage debt, and support growth and asset renewal. This year's Annual Business Plan and Budget gives consideration to the current economic environment and the consequent pressures on our communities; as a result, there has been considerable effort made to balance the needs of our ratepayers with sustained investment in infrastructure and services.

This year, we intend to invest over $5.6 million in renewing our key assets to deliver services and maintain our infrastructure including roads to a standard that meets our community's expectations. These projects have been identified as priority projects based on Council's Asset Management Strategy, the condition of individual assets and community needs assessment, together with reference to Council's Long Term Financial Plan (LTFP) and net funds available.

In May 2026, Qantas ceased operations out of the Mount Gambier Regional Airport, resulting in a loss of $132,000 in expected revenue for Council. Throughout the budget consultation period, savings were made across a range of Council areas to adjust for this and Council's expected deficit for 2026-2027 was additionally reduced from $35,000 to $14,000. These savings have allowed Council to further maintain its financial sustainability and to continue to deliver on priority projects.

In accordance with Section 122 (4)(b) of the Local Government Act 1999, the information contained within the Annual Business Plan and Budget demonstrates financial sustainability. Pages 19-20 of the Annual Business Plan and Budget articulate the Capital Works Program while pages 21-27 outline how revenue is received, where funds are spent, the impact on Council's financial position and a synopsis of Council's rating strategy

The content of these pages sets out the practices of the District Council of Grant to operate in a financially sustainable way.

The Local Government Association has defined financial sustainability where Council's long term financial performance and position is sustainable with planned long term services, infrastructure levels and standards being met without unplanned increases in rates or disruptive cuts to services. Council in 2026-2027 is maintaining current services levels and committing to asset renewal consistent with that forecast in the long term financial plan.

Being financially sustainable means:

- Having the ability to provide consistent services into the future;
- Maintaining assets at an appropriate level in line with Asset Management Plans;
- Ensuring loan indebtedness considers the financial impact intergenerationally;
- New infrastructure provided to meet community expectations, balanced against increases in costs; and
- Adequate debt, debtor and treasury management.

Future generations should not have to bear the cost of decisions to delay maintenance and renewal of assets.

In short, the principle of financial sustainability is that each generation 'pays their way' for the services and assets they consume. Therefore, funding must be matched to the longevity of the project (short or long term).

CEO Statement of Financial Sustainability

Council measures financial sustainability through three indicators: Operating Surplus Ratio, Net Financial Liability Ratio and Asset Renewal Funding Ratio. The LTFP shows that Council remains financially sustainable in the long term and continues to operate within these financial indicator target measurement ranges. In short, Council has the means to adequately renew assets and continue providing services.

Key Financial Indicators - Long Term Financial Plan	2024 Plan Year 1	2025 Plan Year 2	2026 Plan Year 3	2027 Plan Year 4	2028 Plan Year 5	2029 Plan Year 6	2030 Plan Year 7	2031 Plan Year 8	2032 Plan Year 9	2033 Plan Year 10
Operating Surplus / (Deficit) ($'000)	(154)	184	39	(360)	(1)	202	146	319	316	366
Operating Surplus Ratio (%)	(0.8)	1.0	0.2	(1.8)	(0.0)	0.9	1.1	1.4	1.4	1.6
Net Financial Liabilities ($'000)	(7,708	(4,126)	575	(1,104)	(1,889)	(2,643)	(3,185)	(3,535)	(3,610)	(3,615)
Net Financial Liabilities Ratio (%)	(42)	(22)	3	(5)	(9)	(12)	(15)	(16)	(16)	(15)
Asset Renewal Funding Ratio (%)	100	100	100	100	100	100	100	100	100	100

In February 2024, Council received the report from the Essential Services Commission of South Australia providing independent advice regarding Councils long-term financial position. The advice confirming Council's financial sustainability and an extract of the report is shown on page 12.

Finally, I can confirm that there are sufficient funds available to maintain Council's activities, programs, projects, and service standards. Council is sustainable and continues to operate in a solvent and responsible manner.



Gary Button
Chief Executive Officer

Introduction

The District Council of Grant is the southernmost local government area in South Australia. It is bounded to the south and west by the Southern Ocean, the Victorian Border to the east and Wattle Range Council to the north and west. The Council encircles the local government area of the City of Mount Gambier.

The Council area is predominantly rural with a number of small townships, servicing a population of 9,223 and covering an area of 189,700 hectares. The district contains some of the richest and most productive agricultural land in South Australia. Dairying, beef, sheep production, wool, seed and grain production, forestry and horticulture are the predominant agricultural activities.

The fishing industry, in particular the southern rock lobster industry based out of Port MacDonnell, is a significant contributor to the economy of the area. Forestry production and related secondary industries of logging and milling are major economic and employment generating activities.

The Annual Business Plan and Budget sets out the Council's proposed services, programs and projects for 2026-2027. It aims to maintain effective services for the community and continue progress towards the goals for the District Council of Grant as set out in the Strategic Plan 2024 - 2034.

Specific objectives for the year are consistent with Council's Long Term Financial Plan and Asset Management Plans to ensure the long term sustainability of Council's financial performance and position.

The Annual Business Plan and Budget has been prepared on the basis of maintaining an appropriate level of services to the community, without imposing an unrealistic rate burden on ratepayers. The provision of services by Council is a reflection of meeting both Council's obligations under legislation and the community's desire for services and facilities.



Our Future

Council adopted its Strategic Plan 2024-2034 in August 2024. The Strategic Plan identifies key issues and projects which will provide for a range of services and facilities while ensuring the ongoing sustainability of Council.

When developing the Strategic Plan, Council identified its vision as:

We are a district of welcoming, inclusive and vibrant coastal and rural communities within the Limestone Coast.

With a pristine environment, relaxed rural lifestyle, quality services and a prosperous local economy, this is a great place to live, conduct business and a welcoming destination to visit and stay.

Council is committed to providing best value to its customers and community in the manner that it carries out its duties, functions, responsibilities and obligations. The goals, detailed on the following pages 7 to 11, were set by Council to realise its vision.

The current version of the Strategic Plan is available to the public at Council's Principal Office and online at www.dcgrant.sa.gov.au.

The Annual Business Plan and Budget supports Council's suite of corporate plans to deliver the goals outlined in the Strategic Plan. It is also an important link in how Council measures success and tracks progress against those goals and priorities, as shown in the yearly cycle below.

Strategic Plan 2024-2034

Council's long-term vision, strategy and goals for the community

Actions

The actions allocated to be completed each financial year

Annual Business Plan & Budget

The yearly allocation of resources to support Council's activities and services

Annual Report

The progress report against Council's strategic actions achieved each financial year



Goal 1: Community

A connected, inclusive, resilient and engaged community

Short Term Focus Area	• Develop a contemporary Community Development Plan to support our community to thrive • Explore the viability of a shared use space at Port MacDonnell for community groups, students and outreach services • Develop a Reconciliation Action Plan in partnership with First Nations people to acknowledge Boandik heritage and advance reconciliation • Work with the community to identify actions to improve the management and quality of community halls and sport facilities • Review Council's Disability Access and Inclusion Plan to identify priorities and deliver 'quick wins' to support people of all abilities to meaningfully participate in community life
Long Term Focus Areas	• Implement the Reconciliation Action Plan • Implement the Disability Access Inclusion Plan • Develop a Shared Spaces Strategy which considers open space, community facilities and playgrounds
Advocacy Focus Areas	• Advocate to relevant governments for improved local healthcare, childcare and aged care • Advocate to the state government for improved local education options that align to industry needs • Advocate to the state government to adopt positions from our Strategic Land Use Priorities Project in the Limestone Coast Regional Plan, including key zoning and growth initiatives that protect and enhance our rural lifestyle • Advocate to the state government, consistent with the Limestone Coast Local Government Association (LCLGA) Advocacy Agenda



Goal 2: Economy

A growing and vibrant economy, optimising our diverse primary industries and unique natural assets

Short Term Focus Areas	• Seek funding to deliver the Mount Gambier & Districts Livestock Exchange 2030 Transformation Project to unlock the economic potential of the saleyards • Develop a plan for sustainable growth and tourism to clarify Council's approach supporting the local economy • Deliver a camping initiative that provides infrastructure and systems for camping on Council land to boost tourism while protecting our natural assets • Develop a Mount Gambier Regional Airport Master Plan to identify opportunities for economic growth, advocacy and resilient infrastructure
Long Term Focus Areas	• Deliver the Mount Gambier Regional Airport Master Plan • Provide enabling tourism elements, such as signage or picnic tables, at tourist destinations on Council land
Advocacy Focus areas	• Collaborate and/or partner with other Councils, government agencies and tourism operators in the region to boost tourism, and better manage eco-tourism and tourism in natural areas • Advocate for development of a new industrial park (zone) at Glenburnie to support and amplify primary industry • Advocate to the state government to adopt positions from our Strategic Land Use Priorities Project in the Limestone Coast Regional Plan, including key zoning and growth initiatives that maintain our unique character and protect our primary production land, water and natural assets • Seek to collaborate with others in the region to identify actions to attract migrants to live and work in the area to support local industry needs • Advocate to the state government, consistent with the Limestone Coast Local Government Association (LCLGA) Advocacy Agenda



Goal 3: Environment

A sustainable district that values the natural qualities and heritage that underpin our health, liveability and economy

Short Term Focus Areas	• Participate in the Local Government Association of SA (LGA) Net Zero Accelerate Program to reduce Council's carbon emissions • Facilitate a Local Heritage Survey Project to identify our local heritage places • Prepare a plan with input from key stakeholders to understand the risk to the community and environment from coastal erosion and inundation • Review Council Community Wastewater Management Schemes (CWMS) to ensure they meet community and industry needs, including tenure for Glenelg River Shacks • Assess options or pilot expanded Council green waste recycling services to support community waste reduction • Develop a waste management strategy to identify ways to increase waste reuse or recycling from Council operations and waste services including hard waste collections
Long Term Focus Areas	• Build on LGA Net Zero programs to transition Council's operations to Net Zero emissions • Identify actions to move beyond 'Net Zero' Council emissions • Implement risk mitigation responses that support adaptation to coastal erosion and inundation • Deliver improvements to Community Wastewater Management Schemes (CWMS) • Deliver a waste management strategy including improvements to green and hard waste recycling services
Advocacy Focus areas	• Advocate to the state government to adopt positions from our Strategic Land Use Priorities Project in the Limestone Coast Regional Plan, including key zoning and growth initiatives that protects our natural assets, character and heritage • Work with key first line response organisations to support community preparedness for extreme weather events • Advocate to the state government, consistent with the Limestone Coast Local Government Association (LCLGA) Advocacy Agenda



Goal 4: Infrastructure

Reliable and contemporary infrastructure that meets the needs of our community, industry and visitors

Short Term Focus Areas	• Review the service levels of Council roads to direct investment where most effective • Develop a plan that identifies a cycling and walking network improvements to support community and tourist use • Complete the Pelican Point shared path from Carpenter Rocks Tavern to the foreshore to support accessibility and tourism • Commence delivery of the Inner Townships Master Plan with community and business to improve the standard, amenity, greening, access and activation of our towns
Long Term Focus Areas	• Implement the findings of the Council road service level review • Implement the Cycling and Walking Trails Master Plan • Continue to implement the Inner Townships Master Plan
Advocacy Focus Areas	• Advocate to the state government for improved state managed roads to support travel efficiency and safety • Advocate for an improved regional energy and water distribution networks that support community and industry needs, sustainable growth and innovation • Advocate for improved access to reliable telecommunication networks that support our region's community and industry needs • Advocate for better access to our region via state bus lines or rail • Advocate to the state government to adopt positions from our Strategic Land Use Priorities Project in the Limestone Coast Regional Plan, including key zoning and growth initiatives that promotes appropriate infrastructure • Advocate to the state government, consistent with the Limestone Coast Local Government Association (LCLGA) Advocacy Agenda • Build a business case to advocate for a Mount Gambier bypass that improves the efficiency of freight and industrial travel



Goal 5: Council

A strategic and financially sustainable Council that values its people and delivers quality services

Short Term Focus Areas	• Develop a Human Resource Strategy to enable staff development, job satisfaction, flexible working conditions, rapid recruitment, transition to retirement and corporate health programs • Deliver an update to Council's website and explore digital transactions or applications to improve communication and customer service • Review Council processes to provide a streamlined experience for community and business enquiries and applications • Provide work experience, traineeships, civic education and leadership opportunities to encourage our young people to be involved in Council • Review Council's procurement policy to support local business and sustainable procurement choices
Long Term Focus Areas	• Undertake a major corporate software upgrade to improve workplace efficiency, collaboration, flexibility and data security • Maintain focus on core Council business such as roads, buildings, waste and community services • Maintain good working conditions and safety culture
Advocacy Focus Areas	• Explore opportunities to share resources between councils in the region to provide better value services to our community • Collaborate with Victorian councils and government to support cross-border access, economy and our community who live or work across states • Attract external funding and partnerships for major projects to enable their delivery



Essential Services Commission of South Australia Local Government Advice

The Essential Services Commission of South Australia (ESCOSA) is the state's independent economic regulator and advisory body.

They have 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 (SMP's) and on the proposed revenue sources, including rates, which underpin those plans.

Council is obliged under the Local Government Act 1999 (LGA Act) to publish this advice and its response, if applicable, in its 2026-2027 Annual Business Plan and Budget, and subsequent plans until the next cycle of the scheme. It does not need to publish the attachment to the advice (these will be available with the advice on the Commissions website) nor is it compelled under the LGA Act to follow this advice.

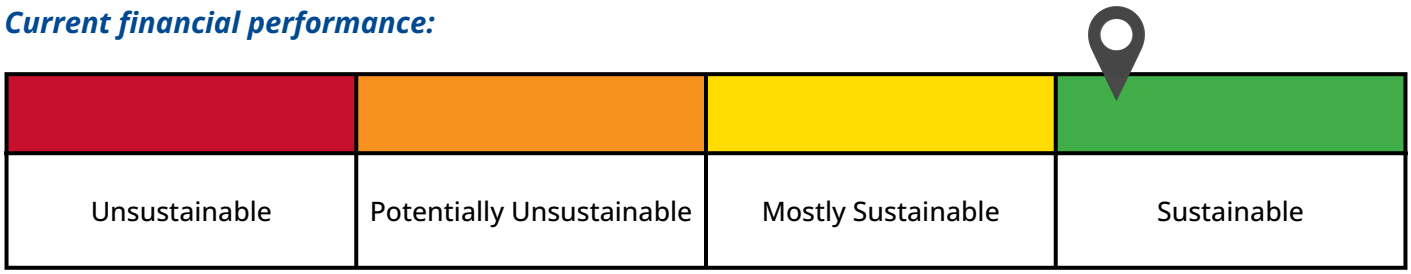
ESCOSA's Findings

Below is a summary of the District Council of Grant's financial sustainability performance and the Commission's Risk Assessment.

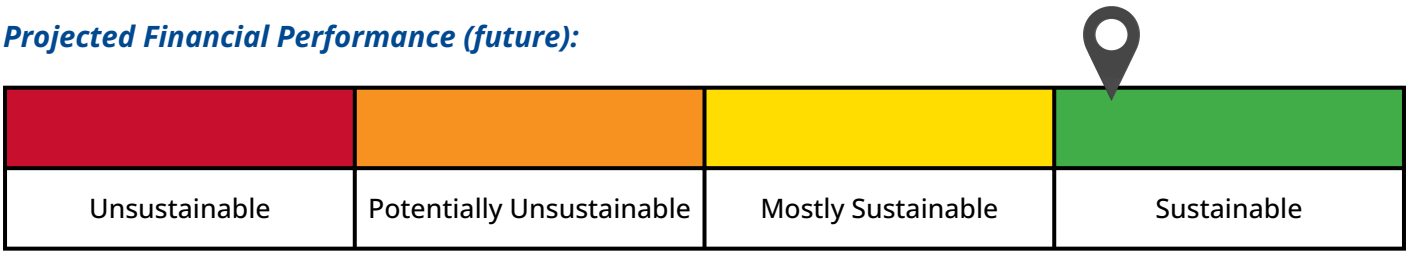
Excerpt from ESCOSA Local Government Advice to District Council of Grant February 2024:

The Essential Services Commission finds the District Council of Grant's current and projected financial performance sustainable, taking into account the Councils future performance outcomes an reliant on the moderate forecast in expense growth, and the planned increases in average rates income per property of 3.4% p.a over the next 10 years.

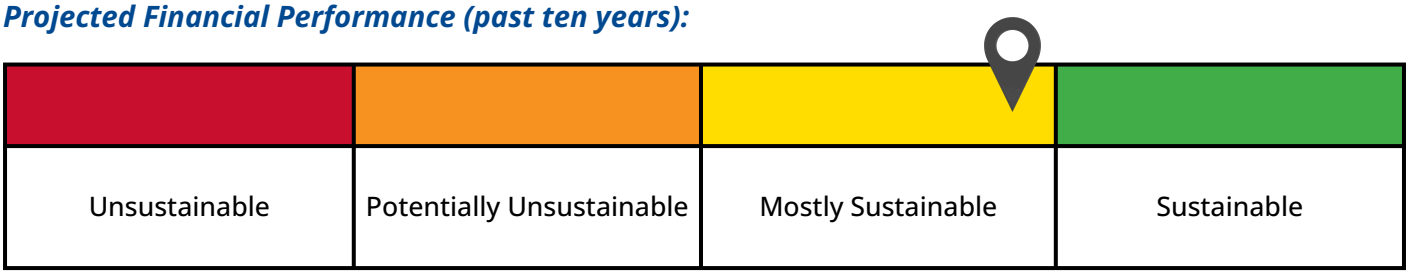
Current financial performance:



Projected Financial Performance (future):



Projected Financial Performance (past ten years):



Asset Management Plans

Sound asset management is the key to financial sustainability. There is a direct link between the development and implementation of Council's Asset Management Plans (AMPs) and its Long Term Financial Plan.

Council expends considerable funds on the acquisition and management of assets. Ongoing costs associated with the maintenance and renewal of these assets beyond the current budget period have been considered, minimising financial risk in the longer term.

It is incumbent on Council to carefully consider information about the stock of infrastructure and other assets and the contribution that current ratepayers are making to their consumption.

The AMPs help ascertain likely future maintenance and renewal needs and guide consideration of infrastructure needs to meet future community service expectations. Costs inherent in Council's AMPs are reflected in Council's Long Term Financial Plan and both of these documents are integral to, and will be heavily influenced by, the Strategic Management Plan.

Significant Influences and Priorities

A number of significant factors have influenced the preparation of Council's 2026-2027 Annual Business Plan and Budget. These include:

- Current and anticipated fuel prices,
- State of the economy,
- Requirements to maintain infrastructure assets at acceptable standards,
- Continued increases in utility costs,
- The level of State and Commonwealth Government grant funding,
- Fees and charges imposed by the State Government, including the waste levy,
- Cost of compliance with State Government reporting and accountability requirements,
- CPI (4.9% March 2026, Adelaide),
- LGPI (Local Government Price Index) (4.3% March 2026),
- Employee Enterprise Agreements,
- The level of capital and operational services required across the district, and
- Sustainable settings of Council's Long Term and Strategic Planning documents.

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

- General rate revenue has made consideration of ratepayers economic climate,
- Maintenance and renewal of existing assets will be a matter of priority to ensure that the range and level of services being provided by Council's infrastructure is maintained at a reasonable level.

A challenge for the District Council of Grant is to prioritise expenditures to meet the demand for services and facilities. Given the asset intensive nature of Council activities, assessing the long term capacity of the community to fund ongoing maintenance and rehabilitation of infrastructure assets is a crucial consideration.



Continuing Services

All Councils have basic responsibilities under the Local Government Act comprising:

- Regulatory activities e.g. compliance, authorised officers, bylaws, and fines;
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area;
- Management of basic infrastructure including roads, footpaths, parks, public open space, street lighting and storm-water drainage;
- Street cleaning and rubbish collection;
- Development planning and control, including building safety assessments; and
- Various environmental health services.

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



Council also provides a number of facilities or services that attract a separate fee. These provide important functions while also generating revenue for services and projects of benefit to the District Council of Grant. These include:

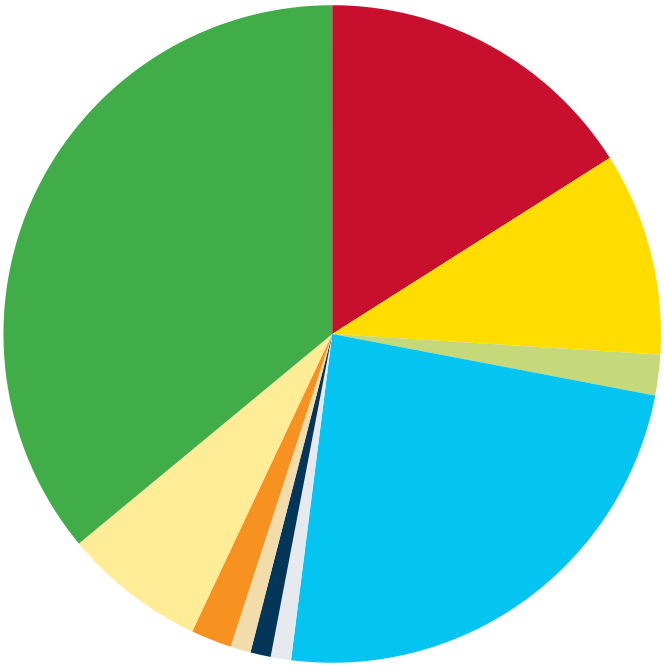
- Animal management
- Property information searches
- Development applications
- Airport fees, including passenger levy, hangar rental and aircraft operating licence fees
- Saleyard user charges
- Leases and licences associated with use of council buildings and property
- Road rents
- Cemetery charges
- Waste Transfer Station fees
- Food Organics/Green Organics collection
- Mobile Food Vending Licence fees
- Fish buyers licences
- Private works carried out for ratepayers and other government departments

The Annual Business Plan and Budget does not propose to reduce service levels or staffing, it will increase the service level provided to residents by a higher injection of funds in the road maintenance area.

Details of ongoing services provided to the community and activities of Council are shown in the graph on page 15.

Continuing Services

EXPENSE BY ACTIVITY	
Administration	16%
Agricultural Services	0%
Economic Affairs N.E.C.	11%
Health	2%
Housing & Community Amenities	24%
Mining, Manufacturing & Const	1%
Other Purposes N.E.C.	1%
Protection Of The Environ Nec	1%
Public Order & Safety	2%
Social Security & Welfare	0%
Sport & Recreation	7%
Transport & Communication	35%



Summary by Category	
Category	**Budget 2026-2027**
Administration	$3,456,000
Agricultural Services	$12,000
Economic Affairs N.E.C.	$2,223,000
Health	$408,000
Housing & Community Amenities	$5,270,000
Mining, Manufacturing & Construction	$317,000
Other Purposes N.E.C.	$111,000
Protection Of The Environ Nec	$57,000
Public Order & Safety	$514,000
Social Security & Welfare	$71,000
Sport & Recreation	$1,522,000
Transport & Communication	$7,598,000
TOTAL	**$21,559,000**

Project Priorities for the Year

Council's planned priorities for project expenditure in 2026-2027 are set out in the tables below.

BUILDING PROGRAM	$1,421,749
Community Buildings Projects **Strategic Objective:** A connected, inclusive, resilient and engaged community	$1,421,749
PMCC AC Unit Replacement	$29,249
Mount Gambier AC Units	$11,000
Street Furniture (Port MacDonnell Foreshore Bins & Seating)	$50,000
Town Entrance Signs (Design, Construct & Install) (Inner Towns Master Plan)	$200,000
Playground Strategy Implementation for Tarpeena	$400,000
Tarpeena Hall - Preliminary Restoration Works	$70,000
Shelly Beach Boardwalk	$243,000
Coastal Innundation Trial	$200,000
Little Blue / Sinkholes Master Plan Implementation	$100,000
Shared Hub Community Complex - Preparation detailed plans, tender ready package and quantity surveyor	$50,000
Community Complex internal front door	$8,500
Office Refurb - Training Room Carpet	$10,000
DMK Oil Shed Port MacDonnell	$20,000
DAIP Projects	$40,000
Commercial Street Depot Refurbishment	$40,000

INFORMATION AND COMMUNICATIONS TECHNOLOGY PROGRAM	$102,000
Technology Upgrades **Strategic Objective:** A strategic and financially sustainable Council that values its people and delivers quality services	
Fortigate 81F for main office backups (HA SPare) (Main Site router failure would take out connection to all sites)	$7,000
New backup server (Hardware due for replacement)	$50,000
ClickShare for all meeting rooms (Ease of video conferencing from laptops)	$15,000
Chambers portable meeting setup (for Smaller meetings within chambers)	$10,000
PMCC Wireless Access Points (Increase wireless coverage in complex)	$10,000
PMCC additional cameras (Increase camera Coverage)	$10,000

TRANSPORT INFRASTRUCTURE PROGRAM	$4,233,500
Road Re-Sheeting Projects **Strategic Objective:** Reliable and contemporary infrastructure that meets the needs of our community, industry and visitors	$4,233,500
Kilsby Road (SLRP)	$1,000,000
Edmund Street (Development ½ Funded)	$320,000
Airport Road - Reconstruct & Seal 1314m x 7m seal 8m Formation	$285,116
Albinia Terrace East Tarpeena - Reconstruct and Seal 85m x 5m x 300mm	$19,503
Mosquito Terrace Tarpeena - Reconstruct and Seal 40m x 5m x 300mm	$12,273
Henry Street Tarpeena - Reconstruct and Seal 126m x 5m x 300mm	$31,776
Aldridge Road Mount Schank - Rip and Relay 1673m x 6m x 12	$22,789
Carba Road Wye - Resheet 812m x 4m x 200mm	$44,864
Carney Lake Road Dismal Swamp - Rip & Relay 2470m x 6m x 6	$31,453
Clover Estate Road Mingbool - Resheet 1554 x 5m x 200mm	$87,838
Hinton Road Suttontown - Reconstruct and Seal 1246m x 8m Formation 7m x 300mm Seal	$242,042
Moores Road Resheet 1201m x 4m x 150mm	$44,864
Quarry Road Tarpeena - Resheet 508m x 6m x 200mm	$44,864
Old Rocks Road Kongorong - Resheet 2656 x 6m 250m	$125,905
Red Hill Road Mil-Lel - Rip and Relay 1559m	$22,789
Sporer Road Wepar - Reseet 1612m x 4m x 200mm	$87,838
Swaffers Road - Mount Schank Rip and Relay 3304m x 6m	$55,578
Vorwek Road Yahl - Reconstruct and Seal	$319,662
Boundary Road - Rip and Riplay 3304m x 6m	$125,268
Dismal Swamp Road - Rip and Riplay 2000m x 6m x 250mm	$127,968
Panels Road - Rip and Relay 2000m x 6m x 150mm	$125,236
Norman Road - Rip and Riplay 2000m x 6m x 250mm	$127,936
Louden Hill - Rip and Relay 800m x 6m x 150mm	$73,106
Pudneys Road - Rip and Riplay 600m x 6m x 150mm	$54,830
Reseals	$800,000

COMMUNITY WASTEWATER MANAGEMENT SYSTEMS (CWMS)	$192,640
Strategic Objective: A sustainable district that values the natural qualities and heritage that underpin our health, liveablity and economy	
Allendale Treatment Plant on SCADA	$30,120
Pelican Point Treatment Plant on SCADA	$30,120
Replace Multismart controller with SCADApackRTU	$50,400
Cape Douglas Pumps and Hardware	$7,000
CWMS Flowmeters	$15,000
SCADA Upgrade (Upgrade SCADA and migrate from ClearSCADA to ignition SCADA. System is no longer supported and needs to be moved)	$60,000

MOUNT GAMBIER REGIONAL AIRPORT	$149,000
Strategic Objective: A growing and vibrant economy, optimising our diverse primary industries and unique natural assets	
Resealing Runway overlay - Defer 26/27	
Prefab Toilet (Helifarm - CFS - Covered by Lease)	$25,000
Water Truck Filling "Water Stand"	$20,000
4x4 Dual Cab Utility x1	$52,000
4x4 Dual Cab Utility x1	$52,000

MOUNT GAMBIER & DISTRICT SALEYARDS	$10,797,000
Strategic Objective: A growing and vibrant economy, optimising our diverse primary industries and unique natural assets	
Saleyards Transformation Project	$10,200,000
Team Leader Vehicle	$52,000
Mower	$45,000
Rebuild of Yards (Staged approach)	$500,000

FLEET MANAGEMENT AND PLANT REPLACEMENT PROGRAM	$1,084,000
Fleet Management **Strategic Objective:** A strategic and financially sustainable Council that values its people and delivers quality services	$1,084,000
Spray Unit Refurbishment	$50,000
Bob Cat	$100,000
Dual Axle Trailer (Gates (Rubbish & Small Plant)	$10,000
Plant Trailer	$25,000
Water Tanker	$55,000
Linemarker	$30,000
SUV	$58,000
Compact SUV	$42,000
Mower - Lawn Tractor	$10,000
Rangers Vehicle	$50,000
Kubota Front Mower	$45,000
Volvo Front End Wheeled Loader	$275,000
Isuzu Medium Truck with Tipper Body	$230,000
4x4 Dual Cab Utility x1	$52,000
4x4 Dual Cab Utility x1	$52,000
Total Capital Works Program Budget	$17,979,889

Capital Program

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

From time to time due to Council's dynamic environment, such as the addition or withdrawal of grant funding, state government decisions, extreme weather events or change of focus, the Plan and the activities included may need to the amended.

This Annual Business Plan and Budget outlines a total capital expenditure budget of $17,980,000. $5,561,000 will be used to renew existing assets and $12,419,000 will be spent on new / upgraded assets.

Saleyards Transformation Project

The Mount Gambier and District Saleyards Transformation Project was identified as a short term focus area under the Economy goal within Council's Strategic Plan 2024-2034.

The Annual Business Plan and Budget outlines a capital spend of $10,200,000 on the Saleyards Transformation Project. Council has additionally secured $2,700,000 in funding from the State Government

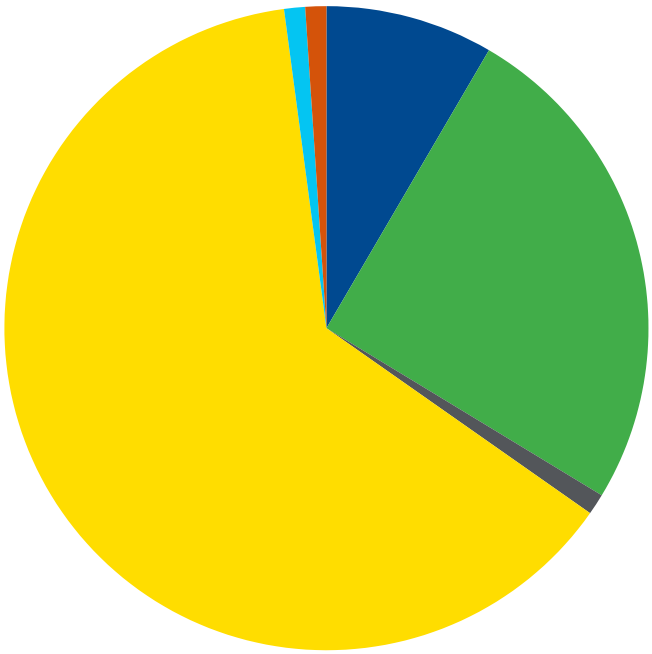


Capital Program

The below graph shows where Council is allocating its capital spend for the 2026-2027 financial year.

COUNCIL'S CAPITAL ALLOCATION

Building & Structures	8%
Infrastructure - Transport	24%
Infrastructure - Other	1%
Plant, Machinery & Equipment	60%
IT & Furniture & Fittings	1%
Infrastructure - Common Effluent	1%



Category	2024-2025 Replacement Cost	% of Total Assets	2026-2027 Capital Expenditure	% of Proposed Capital Expenditure
Land	$20,284,000	9%	$ -	% -
Buildings & Structures	$40,173,000	18%	$1,421,000	8%
Infrastructure - Transport	$137,835,000	53%	$4,234,000	24%
Infrastructure - Stormwater	$1,453,000	1%	$ -	% -
Infrastructure - Common Effluent (CWMS)	$15,373,000	7%	$193,000	1%
Infrastructure - Other	$4,032,000	2%	$10,946,000	62%
Plant, Machinery & Equipment	$9,717,000	4%	$1,084,000	6%
IT & Furniture & Fittings	$268,000	0%	$102,000	1%
TOTAL	**$229,135,000**		**$17,980,000**	

Funding the Business Plan

In delivering services and programs contained within this Annual Business Plan and Budget, Council is targeting an operating deficit of $14,000 in 2026-2027 as a result of:

Operating Revenues	$21,545,000
Less: Operating Expenditure	$21,559,000
Net Operating Deficit	$14,000

Council's annual operating revenue is not considered sufficient to meet expected operating expenditure for the 2026-2027 year.

Council has however maintained surplus in previous years which allows Council to keep rates low this financial year and still remain sustainable.



Funding Sources

Council is granted the power to acquire funds under Section 133 of the Local Government Act 1999.

Sources of funds include property rates, service charges, statutory and user charges, income from investments, commercial activities together with grants and subsidies.

Statutory Charges set by State Government

These are fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications. Revenues will generally off-set the cost of the service.

User Pay Charges set by Council

These comprise charges for the Council's fee based facilities such as Community Wastewater Management Schemes (CWMS), Mobile Garbage Bin Collection (MGB), Mount Gambier & District Saleyards and Mount Gambier Regional Airport.

Most of the above mentioned facilities operate on a self-funded basis where revenues are offset by costs and any balance is kept in a reserve account.

Grants & Partnerships

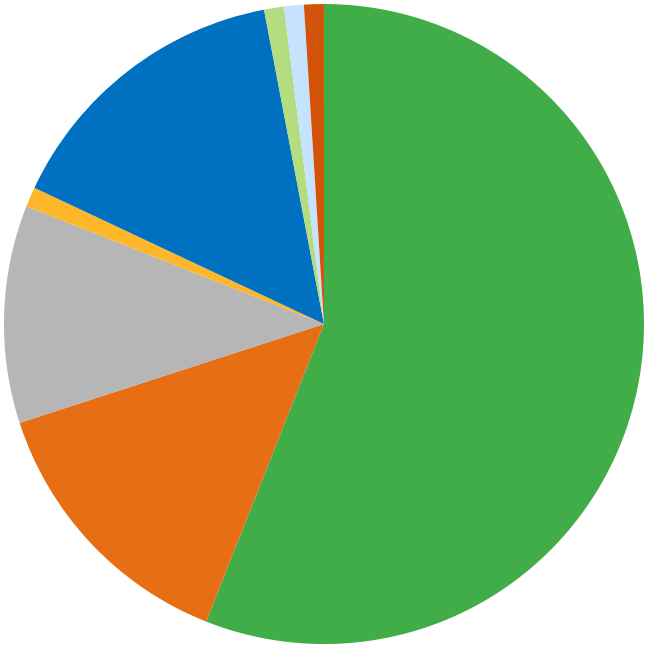
The Council normally seeks to attract as much grant funding as possible from other levels of government, and major projects of wider State benefit are usually jointly funded in partnership with the State Government and other relevant parties.

Funding the Business Plan

A breakdown of Council's sources of funds, shown as proportions of the total operating revenues, is depicted below.

COUNCIL'S SOURCE OF FUNDS

Rates - General	56%
Rates - Other	14%
User Charges	11%
Statutory Charges	1%
Grants & Subsidies	15%
Interest	1%
Reimbursements	1%
Other Revenue	1%



Council's Source of Funds	
Category	**Budget 2026-2027**
Rates - General	$11,987,000
Rates - Other (CWMS, Garbage, RL Levy)	$2,913,000
User Charges	$2,396,000
Statutory Charges	$332,000
Grants & Subsidies	$3,180,000
Interest	$241,000
Reimbursements	$259,000
Other Revenue	$237,000
TOTAL	**$21,545,000**



Council’s Allocation of Funds

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

The Plan aims to contribute to the long term financial sustainability of the Council through prudent and responsible financial management.

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

Depreciation consumes 23% of Council's funds which should be then invested into capital spending.

The following chart and table provide a breakdown of the services for which expenditure is planned in 2026/2027.

COUNCIL'S ALLOCATION OF FUNDS	
Depreciation	23%
Employee Costs	41%
Materials, Contractors & Other Expenses	36%
Finance Costs	0%



Council’s Allocation of Funds	
Category	**Budget 2026-2027**
Employee Costs	$8,842,000
Finance Costs	$70,000
Depreciation	$4,890,000
Materials, Contractors and Other Expenses	$7,757,000
TOTAL	**$21,559,000**

Impact on Council's Financial Position

After taking into account planned net outlays on existing and new assets in 2026-2027, Council's net financial liabilities are expected to be $1,790,000.

Net financial liabilities are a key indicator of the Council's financial position. It measures total liabilities less financial assets (ie. what the Council owes to others, less money the Council has or is owed). The expected level of net financial liabilities represents 8.31% of budgeted operating revenue.

This compares with a long-term targeted level for this indicator of less than 100% of operating revenue.

Council is planning on expending 150.67% on the renewal and replacement of existing assets as compared with what our adopted Asset Management Plans prescribe.

Key Financial Indicators	Adopted Targets	2026-2027 Budget	2026-2027 Long Term Financial Plan	2025-2026 Revised Budget
Operating Surplus Ratio	0%-10%	(0.06%)	0.42%	1.52%
Net Financial Liabilities Ratio	0%-100%	8.31%	15.52%	(36.17%)
Asset Sustainability Ratio	90%-100%	150.67%	100%	122%

For more details on the calculation method for key financial indicators, see Appendix 2 on page 37.



What it Means for Ratepayers

As depicted in the table on page 22, 'Councils Source of Funds' the primary source of income for Council is the property based tax – 'Council rates'. Our revenue for 2026-2027 includes $11.987M to be raised from general rates. This equates to 56% of Council's operating revenue.

Council's Plan proposes a 6.0% rate increase for the 2026-2027 year (excluding new property growth). The actual amount payable by any individual ratepayer may be more or less than this, depending on the movement in capital value of their property (relative to the average).

In setting the rates for the 2026-2027 financial year, Council has considered the need to keep rate increases as low as possible whilst also considering the implementation of the following plans and issues:

- Long Term Financial Plan that sets the overall financial objectives for Council for the next 10 years;
- Asset Management Plans that set capital works, maintenance and renewal programmes for Council's asset and infrastructure;
- The resources required to deliver the Council services as detailed in the 2026-2027 Annual Business Plan and Budget;
- Changes in valuation and how the impact can be minimised in setting rate levels;
- The increased use of "user pays" cost recovery systems; and
- Volatility of the economy.

Council spends considerable time modelling the effect of valuation and rate increases on individual rate payers whilst at the same time ensuring it can raise sufficient funds to achieve a positive operating result and a balanced budget.

How $100 of your rates will be spent

Category	Budget 2026-2027
Governance & Administration	$16.03
Agricultural Services	$0.06
Economic Affairs N.E.C.	$10.31
Health	$1.89
Housing & Community Amenities	$24.45
Mining,Manufacturing & Const	$1.47
Other Purposes N.E.C.	$0.51
Protection Of The Environ Nec	$0.27
Public Order & Safety	$2.39
Social Security & Welfare	$0.33
Sport & Recreation	$7.06
Transport & Communication	$35.23
TOTAL	**$100.00**





Rating Strategy

Method Used to Value Land

Council will continue 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 share across all ratepayers because property value is a genuine indicator of wealth. Capital value also closely approximates the market value of a property and provides the best of overall property values. These valuations are provided by the Valuer General to Council.

Capital Valuation Movements

Capital values across the whole district for 2026-2027 have increased by $207.7M (3.8%) from last year. There has been an increase in all land use categories other than light industrial as shown below.

Local Government Code	No. of Properties	2025-2026 Capital Value	Proposed 2026-2027 Capital Value	$ Increase	% Increase
Non Rateable	401	115,726,078	119,704,731	3,978,653	3.44%
CV - Residential	2739	1,466,668,314	1,591,262,332	124,429,018	8.48%
CV - Commercial - Shop	22	8,577,988	8,603,864	25,876	0.30%
CV - Commercial - Other	77	44,451,593	45,492,138	1,040,545	2.34%
CV - Industry - Light	4	4,774,529	3,774,804	-999,725	-20.94%
CV - Industry - Other	46	49,031,421	72,704,300	23,672,879	48.28%
CV - Primary Production	2428	3,672,582,546	3,697,279,202	24,696,656	0.67%
CV - Vancant Land	462	91,751,100	122,077,000	30,325,900	33.05%
CV - Other	65	14,348,371	14,919,949	571,578	3.98%
Total Valuation	**6247**	**5,578,744,832**	**5,675,818,320**	**207,741,380**	**3.80%**

The following table depicts average valuations for properties across the district and their respective increases in rates compared against the prior year, noting these figures are exclusive of any service charges:

Land Use	Year	Cents in the $	Average valuation ($)	Average Rates ($)	No. of Properties	Average Increase ($)	Average Increase (%)
Residential Category (a)	2025-26	0.221590	543,210	1,241	2,700	114.00	9.19%
	2026-27	0.227401	580,965	1,355	2,739		
Commercial Categories (b), (c) & (d)	2025-26	0.221590	535,652	1,302	99	67.00	5.15%
	2026-27	0.227401	546,424	1,369	99		
Industrial Categories (e) & (f)	2025-26	2.221590	1,098,081	2,512	49	1,048.00	41.72%
	2026-27	0.227401	1,529,582	3,560	50		
Primary Production Category (g)	2025-26	0.199680	1,505,328	3,009	2,440	112.00	3.72%
	2026-27	0.204669	1,522,767	3,121	2,428		
Vacant Land Category (h)	2025-26	0.221590	222,697	685	412	91.00	13.28%
	2026-27	0.227401	264,236	776	462		
Other Category (i)	2025-26	0.221590	220,744	388	65	31.00	7.99%
	2026-27	0.227401	229,538	419	65		

Rating Methodology

Council is proposing to utilise differential rating according to land use of the property, pursuant to the *Local Government Act 1999* s156(1)(c).

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 areas, particularly as it relates to the various sectors of the business and wider community. This satisfies the requirements of the Local Government Act 1999 s153(2).

Differential general rates will apply to all rateable land within the area based upon the capital value of the land varied by reference to the use of the land.

Differential general rates imposed by Council are separate and distinct from service charges imposed for the Community Wastewater Management System and Mobile Garbage Bin collection. Details of service charges are provided further in this document.

For the 2026–2027 financial year, Council is proposing to raise differential general rate revenue of $11.987M. The following tables show the proportion of differential general rates raised by category of land use.

Land Use	2025-2026	% of Total General Rates	2026-2027	% of Total General Rates
Primary Production	7,342,888	65.26%	7,577,498	63.21%
Other	3,909,184	34.74%	4,409,502	36.79%
	11,252,073		11,987,000	



Council reviewed its basis of rating to ensure all ratepayers are contributing in accordance with taxation principles. As a result, Council will apply the following cents in the dollar for the differential land use categories.

- **Residential**

$0.227401 cents in the dollar for rateable properties with a land use category(A) (Residential)

- **Commercial (Shop, Office, Other)**

$0.227401 cents in the dollar for rateable properties with a land use of categories (b) (Commercial - Shop), (c) (Commercial - Office), and (d) (Commercial - Other).

- **Industrial (Light, Other)**

$0.227401 cents in the dollar for rateable properties with a land use of category (e) (Industry - Light) and (f) (Industry - Other).

- **Primary Production**

$0.204669 cents in the dollar for rateable properties with a land use category of (g) (Primary Production). Primary Production rate has been set at 10% less than the Residential cents in the dollar. The reduced differential rate is to acknowledge the importance and significance of Primary Production to our community and the significant valuation increases it has incurred over the past few years.

- **Vacant Land**

$0.227401 cents in the dollar for rateable properties with a land use category of (h) (Vacant Land).

Minimum Rate

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

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

The minimum rate in 2026-2027 is proposed to be $740 ($700 in 2025-2026). This represents an increase of $40 (5.71%) on the minimum rate applied in 2025-2026. Overall, the minimum rate will be applied to approximately 14.96% of all rateable properties, well within the maximum of 35% allowed for in the *Local Government Act 1999*.

Payment of Rates

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

- 1st - 4 September 2026
- 2nd - 4 December 2026
- 3rd - 5 March 2027
- 4th - 4 June 2027

Annual Services Charge

Community Wastewater Management Schemes

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

Community Wastewater Management Schemes are an essential service and Council should be recovering costs associated with running the schemes.

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

- $800 for each occupied property unit ($755 in 2025-2026) (5.96% increase)
- $680 for each unoccupied property unit ($645 in 2025-2026) (5.43% increase)

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

Regional Landscape Levy

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

For the 2026-2027 financial year Council is required to collect on behalf of the Limestone Coast Landscape Board an amount of $765,986.

Council will for 2026-2027 impose a separate rate against rateable properties, as detailed below, based on the land use of the land and will forward the amount to the Board to fund its activities:

- Residential: $97.00
- Commercial: $147.00
- Industrial: $235.00
- Primary Production: $430.00

Mobile Garbage Bin Collection

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

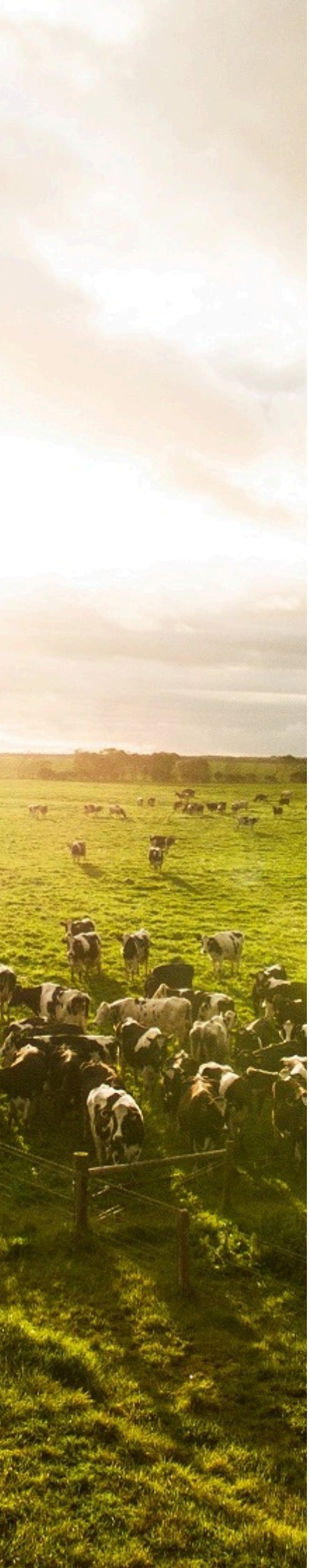
Charges for Mobile Garbage Bin services for 2026-2027 will be $330 ($315 in 2025-2026) (4.76% increase).

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

Rebate of Rates

Council has determined that rebates of rates will be granted when the applicant satisfies the requirements for mandatory rebates under the *Local Government Act 1999* s159 to 165. Applications for discretionary rebates lodged under s166 of the Act will be considered under Council's Rate Rebate Policy.

The Act acknowledges that there are particular land uses that are economically disadvantaged and provide local community benefit and therefore must be offered rate relief in order to be sustainable. Some rebates under the Act are applied as a mandatory requirement however further discretionary provisions allow for Council to determine whether other desirable land uses may be offered rate relief.



Appendix 1

Budgeted Financial Statements
2026-2027

DISTRICT COUNCIL OF GRANT
BUDGET 2026/2027

STATEMENT OF COMPREHENSIVE INCOME

2025/2026 Budget Review 3		2026/2027 LTFP	2026/2027 BUDGET
$'000	**INCOME**		$'000
14,029	Rates	**14,647**	14,901
427	Statutory Charges	**342**	332
2,450	User Charges	**2,537**	2,396
2,504	Grants Subsidies and Contributions - Operating	**2,391**	2,511
647	Grants Subsidies and Contributions - Capital	**669**	669
486	Investment Income	**210**	241
166	Reimbursement	**101**	259
245	Other	**220**	237
20,954	TOTAL INCOME	**21,117**	21,546
	EXPENSES		
8,162	Employee Costs	**8,448**	8,842
7,571	Materials, Contracts and Other Expenses	**7,419**	7,757
86	Finance Costs	**240**	70
4,817	Depreciation, amortisation & impairment	**5,098**	4,890
20,637	Total Expenses	**21,205**	21,559
318	**OPERATING SURPLUS/(DEFICIT)**	**(88)**	(14)
-	Asset Disposal and fair value adjustments	-	-
829	Amounts received specifically for new or upgraded assets	-	3,364
1,147	**Net Surplus / (Deficit)**	**(88)**	**3,350**
	Other Comprehensive Income		
	Amounts which will not be reclassified subsequently to operating result		
-	Changes in revaluation suplus - I,PP&E	3,503	-
-	Total amounts which will not be reclassified subsequently to operating result	3,503	-
-	**Total other comprehensive income**	3,503	**-**
1,147	**TOTAL COMPREHENSIVE INCOME**	3,415	**3,350**

DISTRICT COUNCIL OF GRANT
BUDGET 2026/2027

CASH FLOW STATEMENT

2025/2026 Budget Review 3 $'000 Inflows (Outflows)		2026/2027 LTFP	2026/2027 BUDGET $'000 Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES		
	Receipts		
14,029	Rates	14,647	14,901
427	Statutory Charges	342	332
2,450	User Charges	2,537	2,396
2,504	Grants Subsidies and Contributions	2,391	2,511
486	Investment Income	210	241
166	Reimbursement	101	259
245	Other	220	237
	Payments		
(8,162)	Employee Costs	(8,448)	(8,842)
(7,571)	Materials, Contracts and Other Expenses	(7,419)	(7,757)
(86)	Finance Costs	(240)	(70)
4,487	**Net Cash provided by (or used in) Operating Activities**	**4,341**	**4,207**
	CASH FLOWS FROM INVESTING ACTIVITIES		
	Receipts		
647	Grants utilised for capital purposes	669	669
829	Amounts received specifically for new or upgraded assets	-	3,364
0	Repayments of Loans by Community Groups	24	0
673	Sale of Assets	222	368
	PAYMENTS		
(5,188)	Capital Expenditure on renewal/replacement of assets	(3,939)	(5,561)
(2,331)	Capital Expenditure on new/upgraded assets	(7,632)	(12,419)
(5,370)	**Net Cash provided by (or used in) Investing Activities**	**(10,656)**	**(13,579)**
	CASH FLOWS FROM FINANCING ACTIVITIES		
	RECEIPTS		
-	Proceeds from Loans	3,000	3,000
	PAYMENTS		
(328)	Repayment of Loans	(458)	(328)
(328)	**NET CASH USED IN FINANCING ACTIVITIES**	2,542	2,672
(1,211)	**NET INCREASE (DECREASE) IN CASH HELD**	(3,773)	(6,699)
11,104	**CASH AT BEGINNING OF YEAR**	8,394	9,893
9,893	**CASH AT END OF YEAR**	4,621	3,194

DISTRICT COUNCIL OF GRANT
BUDGET 2026/2027

BALANCE SHEET

2025/2026 Budget Review 3		2026/2027 LTFP	2026/2027 BUDGET
	ASSETS		
$'000	**CURRENT ASSETS**		$'000
9,893	Cash and cash equivalents	4,621	3,194
1,406	Trade & other receivables	1,405	1,407
176	Inventories	176	176
11,475	**TOTAL CURRENT ASSETS**	6,202	4,777
	NON-CURRENT ASSETS		
60	Financial Assets	16	60
163,323	Infrastructure, Property, Plant & Equipment	179,687	176,044
163,383	**TOTAL NON-CURRENT ASSETS**	179,703	176,104
174,858	**TOTAL ASSETS**	185,905	180,881
	LIABILITIES		
	CURRENT LIABILITIES		
1,736	Trade & Other Payables	1,736	1,736
328	Borrowings	505	328
1,026	Short-term Provisions	1,026	1,026
3,090	**TOTAL CURRENT LIABILITIES**	3,267	3,090
	NON-CURRENT LIABILITIES		
508	Long-term Borrowings	5,872	3,180
181	Long-term Provisions	181	181
689	**TOTAL NON-CURRENT LIABILITIES**	6,053	3,361
3,779	**TOTAL LIABILITIES**	9,320	6,451
171,079	**NET ASSETS**	176,585	174,430
	EQUITY		
52,882	Accumulated Surplus	54,886	56,533
116,758	Asset Revaluation	120,260	116,758
1,439	Other Reserves	1,439	1,139
171,079	**TOTAL EQUITY**	176,585	174,430

DISTRICT COUNCIL OF GRANT
BUDGET 2026/2027

STATEMENT OF CHANGES IN EQUITY

2025/2026 Budget Review 3		2026/2027 LTFP	2026/2027 BUDGET
$'000			$'000
	ACCUMULATED SURPLUS		
51,735	Balance at end of previous reporting period	54,973	52,882
1,147	Net Result for Year	(87)	3,350
-	Transfer From Reserves	-	300
-	Transfer To Reserves	-	-
52,882	**BALANCE AT END OF PERIOD**	54,886	56,533
	ASSET REVALUATION RESERVE		
116,758	Balance at end of previous reporting period	116,757	116,758
-	Gain on revaluation of infrastructure, property, plant & equipment	3,503	-
-	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	-	-
116,758	**BALANCE AT END OF PERIOD**	120,260	116,758
	Other Reserves		
1,439	Balance at Beginning of Period	1,439	1,439
-	Transfer to reserve from accumulated surplus	-	-
-	Transfer from reserve to accumulated surplus	-	(300)
1,439	**BALANCE AT END OF PERIOD**	1,439	1,139
171,079	**TOTAL EQUITY AT END OF REPORTING PERIOD**	176,585	174,430

DISTRICT COUNCIL OF GRANT
BUDGET 2026/2027

UNIFORM PRESENTATION OF FINANCES

2025/2026 Budget Review 3		2026/2027 LTFP	2026/2027 BUDGET
$'000	**INCOME**		$'000
14,029	Rates	**14,647**	14,901
427	Statutory Charges	**342**	332
2,450	User Charges	**2,537**	2,396
2,504	Grants Subsidies and Contributions - Operating	**2,391**	2,511
647	Grants Subsidies and Contributions - Capital	**669**	669
486	Investment Income	**210**	241
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245	Other	**220**	237
20,954	TOTAL INCOME	**21,117**	21,546
	EXPENSES		
(8,162)	Employee Costs	**(8,448)**	(8,842)
(7,571)	Materials, Contracts and Other Expenses	**(7,419)**	(7,757)
(86)	Finance Costs	**(240)**	(70)
(4,817)	Depreciation, amortisation & impairment	**(5,098)**	(4,890)
(20,637)	Total Expenses	**(21,205)**	(21,559)
317	**Operating surplus / (deficit)**	**(88)**	**(14)**
(647)	Less: Grants, subsidies and contributions - Capital	(669)	(669)
(330)	**Adjusted Operating surplus / (deficit)**	**(757)**	**(683)**
	Net outlays on existing assets		
(5,188)	Capital expenditure of renewal and replacement of existing assets	(3,939)	(5,561)
4,817	Add back depreciation, amortisation and impairment	5,098	4,890
673	Add back proceeds from sale of replaced assets	222	368
302		**1,381**	**(303)**
	Net outlays on new and upgraded assets		
(2,331)	Capital expenditure of new and upgraded assets	(7,632)	(12,419)
647	Add back grants, subsidies and contributions - capital	669	669
829	Add back amounts received specifically for new and upgraded assets	-	3,364
(855)		**(6,963)**	**(8,386)**
(883)	**Annual net impact to financiaing activities (surplus/(deficit))**	**(6,339)**	(9,371)

DISTRICT COUNCIL OF GRANT
BUDGET 2026/2027

FINANCIAL INDICATORS

2025/2026 Budget Review 3		2026/2027 LTFP	2026/2027 BUDGET
$'000			$'000
318	**Operating Surplus** *Being the Operating Surplus (Deficit) before Capital Amounts*	(88)	(14)
1.52%	**Operating Surplus Ratio** Operating Surplus Total Operating Income *This ratio expresses the Operating Surplus as a percentage of Total Operating Income*	-0.42%	-0.06%
(7,580)	**Net Financial Liabilities** *Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses*	3,278	1,790
-36.17%	**Net Financial Liabilities Ratio** Net Financial Liabilities Total Operating Income *Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses. These are expressed as a percentage of total operating revenue.*	15.52%	8.31%
122.00%	**Asset Sustainability Ratio** Net Asset Renewals Infrastructure & Asset Management Plan required expenditure *Net Asset Renewals Expenditure is defined as Net Capital* Expenditure on the renewal and replacement of existing assets, and excludes new Capital Expenditure on the acquisition of additional assets	100.00%	150.67%



Appendix 2

Local Government Financial Indicator Definitions

Operating Surplus (Deficit) Ration

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

Council's target is to achieve an operating surplus ration between (0%) deficit and (0%) surplus.

Council's 2026-2027 Budget aims to achieve an operating surplus ration of (0.06%) which indicates that Council is operating within its long term targets. Sufficient cash reserves are available to fund Council's activities, programs and projects.

Net Financial Liabilities

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

Council's target is to maintain its net financial liability between zero and $21.545M (total operating revenue). Council's 2026-2027 Budget aims to achieve a net financial liability of $1.790M indicating that Council is in a strong financial position. This indicates that Council is operating within its long term targets and in a sustainable financial position.

There is capacity to undertake additional borrowings for future projects if the need arises.

Net Financial Liabilities Ratio

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

Council's target is to maintain its net financial liability ratio between zero and 100%.

Council's 2026-2027 Budget aims to achieve a net financial liability ratio of 8.31%.

This indicates that Council is operating within in its long term targets and in a sustainable financial position.

Asset Renewal Funding Ratio

This ratio indicates whether the Council is renewing or replacing existing non-financial assets at the rate of consumption. On occasions the Council will accelerate or reduce asset expenditures over time to compensate for prior events or invest in assets by spending more now so that it costs less in the future to maintain.

Council's target is to maintain its asset sustainability ratio between 90% and 110%.

Council's 2026-2027 raft Budget aims to achieve an asset sustainability ratio of 150.67%. This indicates that Council is operating above the scope of its Asset Management Plans. This is a direct result of funding received that was not anticipated in the Long Term Financial Plan and Asset Management Plans resulting in Council accelerating some capital works.



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