

District Council of Grant

Annual Business Plan & Budget

2023 - 2024



A Progressive and Caring Council

A landscape photograph showing a grassy field in the foreground, a fence line, and a line of trees in the background. A vibrant rainbow is visible in the sky, arching from the right side towards the center. The sky is a mix of blue and orange, suggesting a sunset or sunrise. A solid blue rectangular box is overlaid on the left side of the image, containing white text.

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.

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1. Our Council

On behalf of Elected Members we present to our community the 2023-24 District Council of Grant Annual Business Plan.

The Annual Business Plan sets out Council's proposed services, programs and projects for 2023-24. It aims to maintain effective services for the community and continue progress towards the long term objectives for the District Council of Grant as set out in our Strategic Management Plan 2020-2030.

Council Major Capital spend in 23-24 includes:

- \$3,759,771 on our transport and infrastructure program. This amount includes upkeep on our local roads, road construction, resheeting, proposed BMX track construction and kerbing
- \$87,560 on Community Building projects
- \$46,000 on Community Wastewater Management Systems (CWMS)
- \$65,000 on the Saleyards
- \$356,000 on Administrative building projects
- \$305,000 on Information and Communications Technology Program

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

- \$25,000 review of our Strategic Management Plan
- \$40,000 integrated strategy around natural assets, subject to matching grant funding.
- \$40,000 Local Heritage Survey
- \$80,000 Playground Strategy

To cover all this Council is proposing a rate revenue increase of 7.6% (excluding new property growth) which is 0.3% lower than that of the March 2023 quarter Consumer Price Index (CPI) and 0.3% less than forecast in the Long Term Financial Plan resulting in a budgeted deficit of \$154,000. Council has consciously made the increase in rates less than CPI due to the cost pressures faced by ratepayers.

Council unfortunately does not have any involvement in property valuations and understands that some people may have concerns regarding their property valuation. I would like to refer our community to Council's rating policy (FINPOL 19) which is available on our website for options available to you with regards to objections and questions regarding property valuations.

A significant amount of work has been undertaken to ensure the least impact on ratepayers. I wish to emphasise that if your valuation has not increased from that of the prior year, your general rates payable will decrease in line with the rate in the dollar decrease.

Council is still actively seeking Federal Government funding for the generational saleyards transformation project. The State Government funding component is secured, along with Council's own funding commitment.

Council has carefully considered delivery of services to the community against rate increases. This Annual Business Plan maintains the balance of services against costs to Council due to high CPI and cost increases to Council operations.



A handwritten signature in black ink, appearing to read 'Kylie Boston'.

Kylie Boston
Mayor

Your Elected Members



Mayor Kylie Boston



Megan Dukalskis
Deputy Mayor / Central



Brad Mann
Elected Member / Central



Katherine Greene
Elected Member / Central



Bruce Bain
Elected Member / Central



Gavin Clarke
Elected Member / Central



Peter Duncan
Elected Member / Central



Barry Kuhl
Elected Member / Central



Rodney Virgo
Elected Member / Port MacDonnell



Karen Turnbull
Elected Member / Tarpeena

2. CEO Statement of Financial Sustainability

The Annual Business Plan for 2023-2024 will continue the delivery of the objectives contained in our Strategic Management Plan 2020-2030.

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

Council in 2023-2024 has made the decision to fund a deficit budget to maintaining current services levels and committing to asset renewal greater than that forecast. Council is absorbing higher than CPI cost pressures for electricity, insurance, waste disposal and fuel with the intent of continuing to manage rate increases to 7.6% (0.3%) less than CPI, which is discussed further under "What it means for ratepayers". Council is further smoothing the cost of living pressures by electing to increase fees at levels less than CPI for example against the minimum rate, Community Waste Management Systems and Waste Management Service Charges.

We can do so because of our strong cash holding position with approximately \$6 million held in reserves at the end of April 2023.

This year, we are investing over \$5 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 assessment of individual assets and community needs assessment, together with reference to Council's Long Term Financial Plan (LTFP) and net funds available.

In accordance with Section 122 (4)(b) of the Local Government Act 1999, the information contained within the Annual Business Plan demonstrates financial sustainability. Section 8 of the Annual Business Plan articulates the Capital Works Program while Sections 9 – 10 expresses 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 2023-2024 is maintaining current services levels and committing to asset renewal greater than 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 impost intergenerationally
- New infrastructure provided to meet community expectations, balanced against increases in costs
- Adequate debt, debtor and treasury management

Future generations should not have to pay more because of decisions made by earlier generations 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).

Council measures financial sustainability through three indicators. The LTFP, pages 8 to 10, and Appendix 1 shows that Council remains financially sustainable in the long term and continues to operate within target measurement ranges meaning in short that Council has the means to adequately renew assets, provide services.

KEY FINANCIAL INDICATORS Long Term Financial Plan	2023 Plan Year 1	2024 Plan Year 2	2025 Plan Year 3	2026 Plan Year 4	2027 Plan Year 5	2028 Plan Year 6	2029 Plan Year 7	2030 Plan Year 8	2031 Plan Year 9	2032 Plan Year 10
Operating Surplus/ (Deficit) - \$'000	6	(10)	(372)	(374)	(369)	(283)	(122)	(17)	87	191
Operating Surplus Ratio - %	0%	(0)%	(2)%	(2)%	(2)%	(1)%	(1)%	(0)%	0%	1%
Net Financial Liabilities - \$'000	(1,221)	(2,415)	(889)	(91)	(1,340)	(2,581)	(3,901)	(5,213)	(6,519)	(7,818)
Net Financial Liabilities Ratio - %	(7.2)%	(14.0)%	(5.1)%	(0.5)%	(7.1)%	(13.2)%	(19.2)%	(24.9)%	(30.1)%	(34.9)%
Asset Renewal Funding Ratio %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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.



Darryl Whicker
Chief Executive Officer





3. Introduction

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

The Council is predominantly rural with a number of small townships, we serve a population of 8,636 and covers an area of 189,700 hectares. The area contains some of the richest and most productive agricultural land in South Australia. Dairying, beef, and 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 is a significant factor in the economy of the area. Port MacDonnell is acknowledged as the "Southern Rock Lobster Capital of Australia". Forestry production and related secondary industries of logging and milling are major economic and employment generating activities.

The Annual Business Plan sets out the Council's proposed services, programs and projects for 2023-24. It aims to maintain effective services for the community and continue progress towards the long term objectives for the District Council of Grant as set out in our Strategic Management Plan 2020-2030.

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.

4. Our Future

The Plan 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.

Council adopted its 2020-2030 Strategic Management Plan (SMP) in September 2020. The SMP 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 Plan in full, Council identified its vision as being:



"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 an exciting destination to visit and stay."

and mission as:



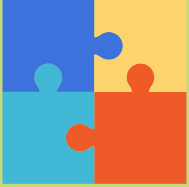
"To provide a range of services which meet the environmental, social and economic needs of our community."

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 following goals were set by Council to realise this objective:

GOALS

OUTCOMES

Develop Vibrant & Connected Coastal & Rural Communities



- Inclusive communities that provide a sense of belonging for community members and foster a sense of 'a place where you want to be'
- A strong sense of feeling connected to the individual community in which they live or feel most close to
- Well-presented, attractive and maintained towns that contribute to a sense of community pride and ownership
- A community that resonates a sense of safety and security
- Retention and improvement of essential services across the district including medical and health services, Police, SES, CFS, SA Ambulance and schools
- Vibrant, successful community events that are meaningful to locals as well as attracting visitors from outside the district
- Empowered, well-managed and sustainable sporting clubs and community groups
- A range of varied community assets that support health and well being for all
- Embracing diversity within our community
- A high standard of reliable power, water and telecommunications across the district
- A high level of volunteer participation
- Prevention, mitigation and management of public health risks in accordance with Council's responsibilities under the South Australian Public Health Act
- A community engaging in a healthy lifestyle through utilisation of facilities and programs that promote health and wellbeing

Support a Prosperous Local Economy



- A prosperous local economy built around successful businesses and industry providing local employment opportunities and attracting investment that contributes to the sustainability and enhancement of the district
- A sustainable population supporting sustainable businesses and services
- Wide-recognition of the attractiveness of the district for new and further investment in local industries and businesses
- A proactive and progressive Council that endeavours to support economic development and reduce excessive impost to doing business
- A well-run, well-appointed local airport that serves as a gateway for domestic and national movement into and out of the region which meets community, business and tourist expectations/needs

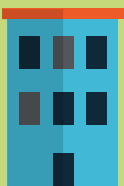
- Continued on-going investment and innovation in local industry supporting opportunities that contribute to greater diversification of our local economy
- Development of new industries as well as industries that value add to our existing industries
- Successful Mount Gambier and District Saleyards that effectively supports livestock transactions for the region
- The district being recognized as an attractive tourist destination in its own right as a place to visit and stay another day

Retain & Enhance our Natural & Built Environments



- Preservation of the district's unique natural environment for current and future generations
- Delivery of effective mechanisms that promote and manage sustainable use of natural assets
- Development that is sympathetic to the characteristics and heritage of the district
- A natural environment that is accessible in a managed way, without adverse impact
- A Community that is environmentally aware and working to minimise environmental impact
- Protection and enhancement of the unique natural and built and heritage characteristics of the district
- Effective environmental management that ensures the natural beauty, characteristics and bio diversity of the district are retained
- A community that is prepared-for, and adaptable to, a changing climate, extreme weather events and natural disasters
- Best practice planning and development policies in accordance with relevant legislation, economic and community needs

Provide Quality Services & Infrastructure



- A road network that services the needs of community, visitors and local business and our predominant industries
- Sustainability in service provision to provide assurance to our community
- A road network that services the needs of community, visitors and local business and our predominant industries
- Sustainability in service provision to provide assurance to our community
- Services that cater to the needs of our community
- Provision of a high standard of customer experience and service

Lead & Engage with our Communities



- Council is implementing measures to realise improvements to productivity and cost reduction
 - Council is meeting its legislative obligations and policy review schedule
-
- Having the trust and confidence of the community
 - Advocating passionately for the region and communities with all levels of Government and other Stakeholders
 - A Council united in seeking to provide the best outcomes
 - The brand values of Council are maintained and Council's reputation is enhanced amongst community and other stakeholders
 - Being proactive in engaging with the community on important issues and opportunities
 - Being responsive to community needs, issues and concerns
 - A genuine desire to engage with community through accessibility openness, and a willingness to listen and consider
 - Transparency in decision making
 - Being accessible with a genuine willingness to listen to and acknowledge community and stakeholders issues, concerns and ideas
 - Providing opportunities for all stakeholder groups within the community to engage with Council
 - Meeting service standards in accordance with Council's Customer Service Charter

Strategies that Council will undertake to achieve these objectives can be found in the Strategic Management Plan. The current version being available to the public for inspection at the Council Office or on the website at <http://www.dcgrant.sa.gov.au>.



Asset Management Plans

Sound asset management is the key to financial sustainability. There is clearly 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. It will be exposed to financial risk over the longer term if budget processes have little regard for ongoing costs associated with the maintenance and renewal of these assets beyond the current budget period. 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 2023-24 Annual Business Plan. These include:

- COVID-19 Pandemic
- Requirements to maintain infrastructure assets at acceptable standards
- The level of State and Commonwealth Government grant funding
- Fees/charges imposed by the State Government including the waste levy
- Cost of compliance with State Government reporting and accountability requirements
- CPI (7.9% March 2023 Adelaide)
- LGPI (local government price index) (6.4% March 2023)
- Employee Enterprise Agreements
- Continued increases in utility costs
- Unprecedented rise in fuel costs of 15%
- ESCOSA review \$40,000
- 10% increase in insurance costs
- 30% increase in electricity costs
- 20% increase in waste disposal costs
- The level of capital and operational services required across the district
- Sustainable settings of Council's Long Term and Strategic Planning documents

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

- General rate revenue is planned to provide for operating expenses.
- 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.

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

- Regulatory activities e.g. maintaining the voters roll and supporting the Elected Members;
- 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 assessment;
- Various environmental health services.

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

Community Development



Libraries and Rural Transaction Centres



Public Health and Safety

Animal Management Services



Economic Development



Community and Sporting Facilities



Environmental Plans and Projects

Community and Cultural Development

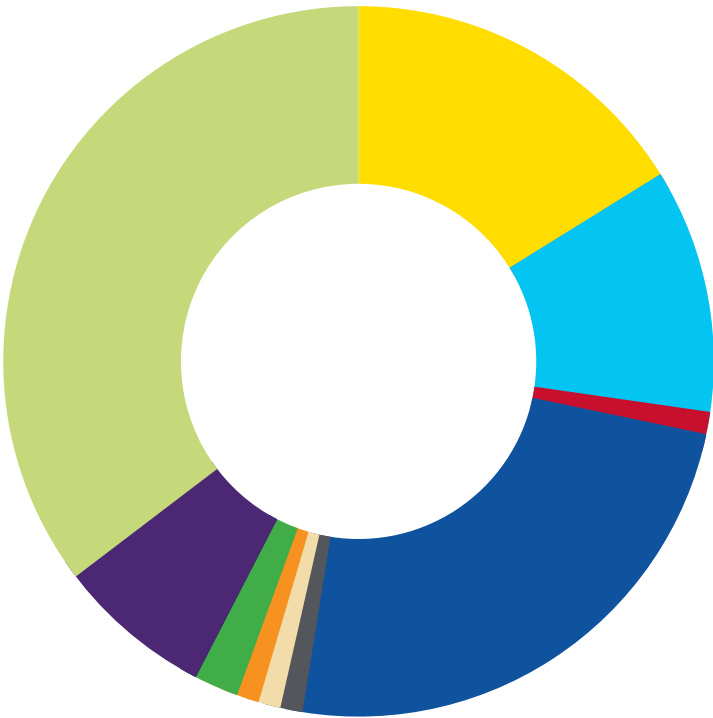


The Council also provides a number of facilities or services that attract a separate fee. These provide important benefits while also generating revenue for services and projects of benefit to the District Council of Grant, these include:

- 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
- Rubbish Dump/Waste Transfer Station fees
- Mobile Food Vending Licence fees
- Fish buyers licences
- Private works carried out for ratepayers and other government departments

The Annual Business Plan 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 below:



EXPENSE BY ACTIVITY		
	Administration	16%
	Agricultural Services	0%
	Economic Affairs N.E.C.	11%
	Health	1%
	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 2023/2024
Administration	\$3,032,938
Agricultural Services	\$8,000
Economic Affairs N.E.C.	\$2,108,729
Health	\$266,158
Housing & Community Amenities	\$4,480,143
Mining,Manufacturing & Const	\$217,135
Other Purposes N.E.C.	\$127,519
Protection Of The Environ Nec	\$99,500
Public Order & Safety	\$416,151
Social Security & Welfare	\$63,230
Sport & Recreation	\$1,304,313
Transport & Communication	\$6,520,628
TOTAL	\$18,644,443



Council's planned priorities for project expenditure in 2023-24 are set out in the table below.

Capital Works Program 2023/24

Program / project	Total Budget
BUILDING PROGRAM	\$ 444,060
Community buildings projects	\$ 87,560
Strategic Objective: Develop Vibrant & Connected Coastal & Rural Communities	
Port MacDonnell Public Convenience Foreshore West Plumbing Renewal	\$ 5,000
Port MacDonnell - Sea Parade - West of Jetty Replacement of Playground Structure	\$ 15,843
Nene Valley Replacement of Slide	\$ 16,017
Access Inclusion Advisory Panel including Changing Places Facility, Beach Access & Saleyards	\$ 50,000
Mount Schank Public Conveniences - Renewal Works	\$ 700
Administrative buildings projects	\$ 356,500
Strategic Objective: Provide Quality Services & Infrastructure	
Depot Building Works	\$ 10,000
Council Office - General Office Refurbishment (Painting and Carpet) (Year 2 of 3)	\$ 60,000
2 Wraps to decorate the Council entrance way	\$ 3,500
Council Office - Office Refit - All staff under one roof	\$ 200,000
Council Office - Air Conditioning Replacement	\$ 3,000
Port MacDonnell Community Complex - Relining Gallery, Lighting & Painting	\$ 70,000
Airport - Shed to house generator	\$ 10,000
Structures and Furniture	\$ 64,700
Strategic Objective: Provide Quality Services & Infrastructure	
Council Offices - Furniture Replacement	\$ 10,000
Tarpeena Fire Warning Sign (50% funded Timberlink)	\$ 19,000
Purchase of 400 new bins	\$ 17,700
Pontoon Replacement - Port MacDonnell	\$ 15,000
Port MacDonnell Dump - New Gate for Existing Second Entrance	\$ 3,000
INFORMATION AND COMMUNICATIONS TECHNOLOGY PROGRAM	\$ 305,000
Technology upgrades	
Strategic Objective: Provide Quality Services & Infrastructure	
Council Chambers - Audio and Visual Replacements	\$ 5,000
Hardware Replacement - Including Server Upgrades	\$ 200,000
Implementation of new Payroll System	\$ 60,000
Mount Gambier Airport - Security Upgrade / Replacement	\$ 20,000
Mount Gambier Saleyards - IT Upgrade	\$ 20,000

TRANSPORT INFRASTRUCTURE PROGRAM	\$ 3,759,771
Road resheeting projects	\$ 1,498,574
Strategic Objective: to Provide Quality Services & Infrastructure	
Brown Rd Resheet 1400 x 6x .150 mm (Telfords Quarry)	\$ 51,411
Croyle Rd Rip & Relay 1500 x 5	\$ 16,521
Tartwaup Rd Resheet 1500 x 6 x .150mm & Rip & Relay 2800 meters	\$ 63,348
Mulwalla Rd Rip & Relay 1550x 6x	\$ 17,894
Vickery Rd Rip & Relay 2200 x 6	\$ 21,303
Bayley Rd Rip & Relay 2600 x 6	\$ 22,610
Megaw Rd Rip & Relay 4100 x 6	\$ 37,388
Rust Rd Resheet 2000 x 6 x .150 mm	\$ 78,692
Bobs RD Rip & Relay 1400 x 6	\$ 16,233
Mt Meredith Resheet 2000 x 6 x 150 mm	\$ 75,869
Tervoerts Rd Rip & Relay 2500 x 6	\$ 19,866
Telfords Rd Rip & Relay 2300 x 6	\$ 21,551
Reseals	\$ 800,000
Bailey Rd (Tarpeena) Resheet 1600 x 6 x .150mm	\$ 67,959
Gums Rd Rip & Relay 3000 x 6	\$ 27,936
Magpie Swamp Rd Resheet 1900 x 6 x .150mm	\$ 65,466
Port Mac Bike track resurfacing	\$ 70,000
Bishop Rd (Attamurra Rd to Preece Rd) Rip & Resheet 1200 meters	\$ 12,326
Preece Rd (Qworrolong to Bishop Rd) 0	\$ 12,201
Road Construction Projects	\$ 2,121,991
Strategic Objective: to Provide Quality Services & Infrastructure	
Tilley Rd Rconstruct 1800 x5x .150 mm (Bones Rd)	\$ 55,926
Slaughterhouse lane Rconstruct 1600 x 5 x ..150 mm (Smiths Quarry)	\$ 46,841
Shared Path Mil-Lel	\$ 148,568
Construct Car park for Donovans Hall Construct Car park for Donovans Hall	\$ 33,000
Lewis Ave Rconstruct 600 x 8x .200 mm (Telfords Quarry)	\$ 96,251
Henningesen Rd Rconstruct 1400 x 8x .200 mm (Telfords Quarry)	\$ 197,001
Rabbitters RD Rconstruct 1700 x 8x .200 mm	\$ 210,202
Kirby Rd Rconstruct 2100 x 6 x .150 mm (Ponda)	\$ 75,337
Hollis Road Reconstruct & Seal 1200 x 8 x .250mm	\$ 180,196
Sisters Rd Reconstruct 1600 x 9 x .200mm	\$ 210,259
Wandilo Forest Rd Rconstruct 3200 x 9x .250 mm (Ponda Rd)	\$ 627,845
Woodlands Rd Reconstruct 1600 x 8x .200 mm (Telfordsa Quarry)	\$ 203,803
Dycer Rd Junctions Reconstruct Dycer Rd junctions leading on to Peweenaa Rd	\$ 21,762
Port MacDonnell BMX Track	\$ 15,000
Footpath & Kerbing Projects	\$ 139,206
Strategic Objective: to Provide Quality Services & Infrastructure	
Kingsley Rd Kerb & Channel 130 meters of Kingsley Rd from Riddoch Highway	\$ 115,364
Survey work for Tarpeena Survey eastern side for Kerb & Channell	\$ 23,842
COMMUNITY WASTEWATER MANAGEMENT SYSTEMS	\$ 46,000
CWMS	
Strategic Objective: to Provide Quality Services & Infrastructure	
Cape Douglas CWMS - Replacement Pumps	\$ 8,000
Allendale East CWMS - Electrical Upgrade	\$ 10,000
Donovans CWMS - Replacement Pumps	\$ 7,000
Tarpeena CWMS - Replacement Pumps	\$ 3,000
Port MacDonnell CWMS - Replacement Pumps and Non Return Valve Installation	\$ 18,000

Mount Gambier Saleyards	\$ 65,000
Saleyards	
Strategic Objective: To support a Prosperous Local Economy	
Truck Wash upgrade hoses & piping	\$ 10,000
Fencing - Partial Replacement of Laneway Fencing	\$ 10,000
Lighting In the Sheep Yards	\$ 25,000
Fume Ducting in the Canteen	\$ 10,000
Flooring Replacement in Admin Building (Possible Asbestos)	\$ 10,000
FLEET MANAGEMENT AND PLANT REPLACEMENT PROGRAM	\$ 1,680,240
Fleet management	\$ 880,240
Strategic Objective: to Provide Quality Services & Infrastructure	
Toyota Hilux 4x4 Dual Cab Utility	\$ 42,000
Toyota Hilux 4x4 Dual Cab Utility	\$ 45,240
Toyota Hilux 4x4 Dual Cab Utility x3	\$ 121,000
Toyota Hilux 4x4 Dual Cab Utility x3	\$ 121,000
Toyota 4 x 2 Dual cab	\$ 29,000
Toyota 4 x 2 Dual cab	\$ 29,000
Toyota 4 x 2 Dual Cab	\$ 29,000
Ford Everest MY SUV	\$ 55,000
Hyundai TL Tuscon	\$ 34,000
Nissan Dual cab	\$ 35,000
Toyota Hilux 4x4 Dual Cab Utility x3	\$ 120,000
Toyota Hilux 4x4 Dual Cab Utility x2	\$ 80,000
Ford Ranger XLS	\$ 45,000
Tractor	\$ 80,000
4WD Motorbike	\$ 15,000
Plant replacement	\$ 800,000
Strategic Objective: to Provide Quality Services & Infrastructure	
Isuzu 10 Metre Giga CXZ455 Tipping Tgruck	\$ 270,000
Isuzu 10 Metre Giga CXZ455 Tipping Tgruck	\$ 270,000
AJ Stiock Tipping Trailer (10m)	\$ 90,000
AJ Stiock Tipping Trailer (10m)	\$ 90,000
Water Truck	\$ 40,000
Ladder for Emulsion Tank	\$ 15,000
Fuel Tank Self bunded Diesel Fuel	\$ 25,000
Total capital works program budget \$ 6,364,771	

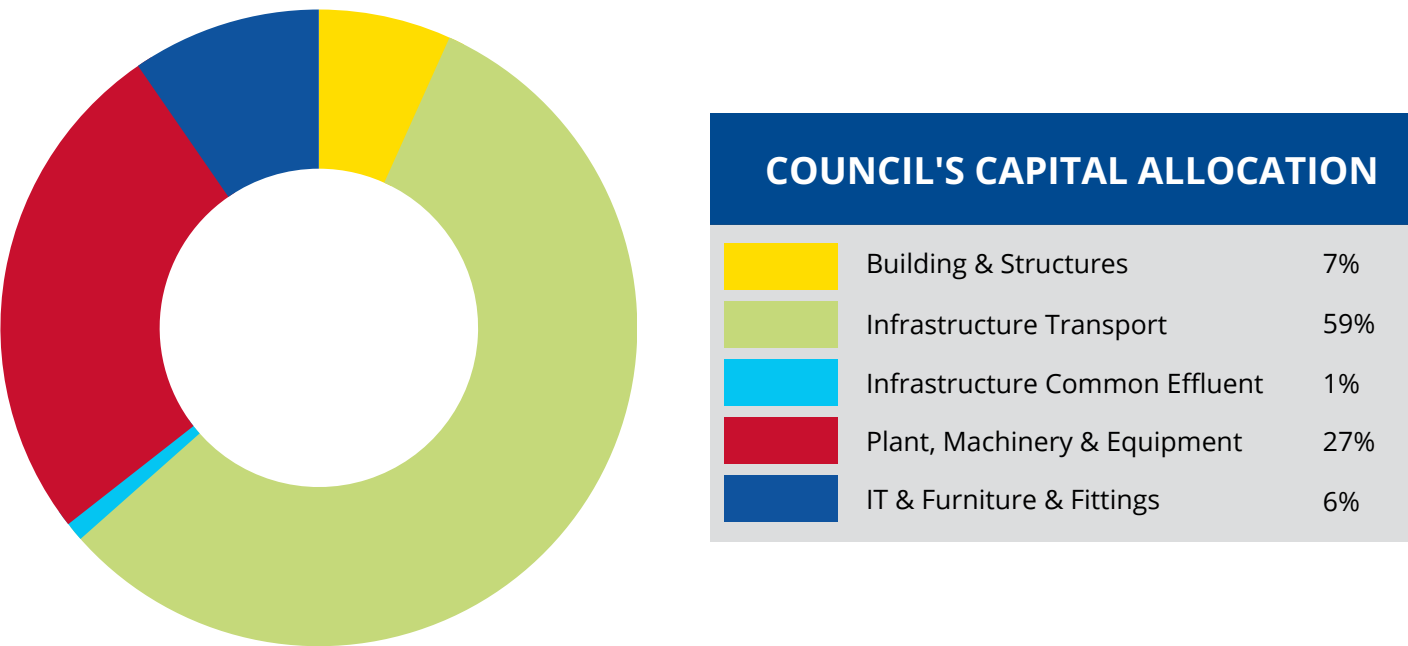


Capital Program

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

The order in which projects are undertaken may change due to changing circumstances. Also, from time to time due to our dynamic environment such as the addition or withdrawal of grant funding, state government decisions, extreme weather events or change of focus, the Plan and the activities included may need to be amended.

The graph below shows where Council is proposing to allocate its capital spend for the 2023-2024 financial year.



Category	2021/22 Replacement Cost	% of Total Assets	Draft 2023/24 Capital Expenditure	% of Proposed Capital Expenditure
Land	\$ 14,914,000	7%	\$ -	0%
Buildings & Structures	\$ 44,020,000	20%	\$ 444,060	7%
Infrastructure Transport	\$ 128,177,000	59%	\$ 3,759,771	59%
Infrastructure Stormwater	\$ 1,235,000	1%	\$ -	0%
Infrastructure Common Effluent	\$ 12,984,000	6%	\$ 46,000	1%
Infrastructure Other	\$ 5,317,000	2%	\$ -	0%
Plant, Machinery & Equipment	\$ 9,001,000	4%	\$ 1,745,240	27%
IT & Furniture & Fittings	\$ 915,000	0%	\$ 369,700	6%
	\$ 216,563,000		\$ 6,364,771	

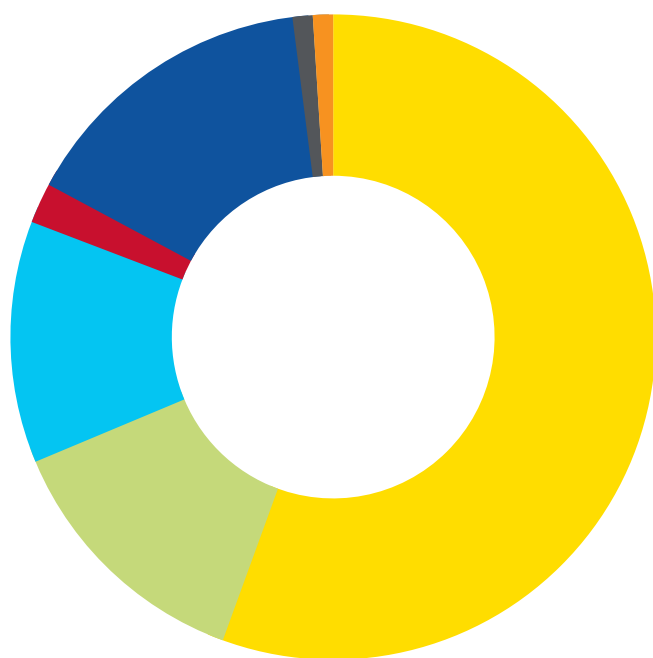
Funding the Business Plan

In delivering services and programs contained within this Annual Business Plan, Council is targeting an operating Deficit of \$154,000 in 2023-2024 as a result of

Operating Revenues	\$18,490,000
Less: Operating Expenditure	\$18,644,000
Net Operating Deficit	\$ 154,000

Council's annual operating revenue is not considered sufficient to meet expected operating expenditure for the 2023-2024 year. Council is comfortable with this because the deficit is the result of some one off project expenditure and has operated with net surplus for 3 of the last 4 financial years.

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



COUNCIL'S SOURCE OF FUNDS

■	Rates General	55%
■	Rates Other	13%
■	User Charges	12%
■	Statutory Charges	2%
■	Grants & Subsidies	15%
■	Interest	1%
■	Reimbursements	0%
■	Other Revenue	1%

Councils Source of Funds	
Category	Budget 2023/2024
Rates General	\$10,232,016
Rates Other (CWMS, Garbage, RL Levy)	\$2,436,466
User Charges	\$2,287,390
Statutory Charges	\$330,350
Grants & Subsidies	\$2,814,386
Interest	\$126,000
Reimbursements	\$71,600
Other Revenue	\$192,200
TOTAL	\$18,490,408

User Pay charges set by Council



These comprise charges for the Council's fee based facilities such as CWMS, Garbage Collection, Saleyards and 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.

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.

Grants and 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.

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

The plan aims to contribute to the long term financial sustainability of the Council through prudent and responsible financial management that will result on its operating expenses being less than its operating revenue, thereby producing a positive operating result. This current budget does not achieve this due to many cost drivers increasing by more than CPI and Council electing to maintain current service levels and capital investment. Long Term Financial Plan forecasts what needs to be done to turn this around.

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

Depreciation consumes 28% of Council's funds which should be then invested into capital spending.

This Annual Business Plan outlines a total capital expenditure budget of \$6,665,000. \$5,143,000 will be used to renew existing assets and \$1,222,000 will be spent on new / upgraded assets.

The following chart and table provide a breakdown of the services for which expenditure is planned in 2023-24.





COUNCIL'S ALLOCATION OF FUNDS

■	Finance Costs	1%
■	Depreciation	27%
■	Employee Costs	39%
■	Materials, Contractors & Other Expenses	33%

Councils Allocation of Funds	
Category	Budget 2023/2024
Employee Costs	\$7,193,000
Finance Costs	\$128,000
Depreciation	\$5,083,000
Materials, Contractors & Other Expenses	\$6,240,000
TOTAL	\$18,644,000



10.

Impact on Council's financial position

After taking account planned net outlays on existiing and new assets in 2023-24, Council's net financial liabilities are expected to be (\$1,666,000).

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 -9.01% 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 in expending 127% on the renewal and replacement of existing assets as compared with what our adopted asset management plans prescribe. This is greater than anticipated as was 2022/23 budgeted figures as a direct result of the Local Government Roads and Community Infrastructure (LRCI) grant funding received which was untied. Council has spent and will continue to spend this on advancing asset renewal strategies.

All indicators should be viewed on average over a 5 year period. A graph is shown on page 21 detailing Council's spend for the 5 years.

Key Financial Indicators							
	Adopted Targets	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	Average
Operating Surplus Ratio	-10%-10%	1.20%	-2.70%	6.30%	-1.17%	-0.83%	0.56%
Net Financial Liabilities Ratio	0%-100%	-14%	1%	-14%	-10.80%	-9.01%	-9.362%
Asset Sustainability Ratio	90%-100%	84%	97%	102%	162%	126.72%	114.34%

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

11. What it means for rate payers

As depicted in the table above "Councils Source of Funds" the primary source of income for Council is the property based tax – "Council rates". Our revenue for 2023-24 includes \$10.232 m to be raised from general rates. This equates to 55% of Council's operating revenue.

Council's plan has a 7.6% rate increase for the 2023-24 year (excluding new property growth). The actual increase 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 2023-24 financial year Council 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 2023-24 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.

Council uses a differential rating system, land use is the factor to applied to differential rates. In applying differential rates, Council has considered and is satisfied that the rating system addresses the issues of consistency and comparability across all Council areas.

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

How \$100 of your rates will be spent

Governance & Administration	\$	16.27
Economic Affairs	\$	11.31
Health	\$	1.43
Housing & Community Amenities	\$	24.03
Mining, Manufacturing & Construction	\$	1.16
Other Purposes	\$	1.02
Public Order and Safety	\$	2.23
Sport & Recreation	\$	7.00
Transport & Communication	\$	35.55



property
valuation



rate in the
dollar



Service Charges

Landscape Levy



RATES
PAYABLE



Rating Strategy

Method used to value land



Council intends to 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 is provides the best of overall property values.

Capital Valuation Movements



Proposed capital values across the whole district for 2023-24 have increased by \$1.289million (33.10%) from last year. There has been a significant increase in residential and primary production. Split by land use category values have changed as follows:

Local Government Code	Number of Propeties	2022-23 Capital Value	Proposed 2023-24 Capital Value	\$ Increase	% Increase
Non Rateable	410	71,675,411	100,219,423	28,544,012	39.82%
CV - Residential	2645	956,478,085	1,193,905,842	237,427,757	24.82%
CV - Commercial - Shop	20	6,423,377	7,111,134	687,757	10.71%
CV - Commercial - Other	74	34,961,037	35,571,388	610,351	1.75%
CV - Industry - Light	4	3,128,000	3,402,706	274,706	8.78%
CV - Industry - Other	45	40,816,223	44,788,407	3,972,184	9.73%
CV - Primary Production	2460	2,708,363,965	3,715,407,658	1,007,043,693	37.18%
CV - Vacant Land	411	60,620,417	70,300,300	9,679,883	15.97%
CV - Other	68	11,294,285	12,051,982	757,697	6.71%
Total Valuation	6137	3,893,760,800	5,182,758,840	1,288,998,040	33.10%

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

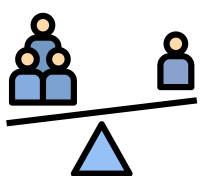
Land Use	Year	Cents in the \$	Average Valuation (\$)	Average Rates (\$)	Number of Propeties	Average Increase (\$)	Average Increase (%)
Residential	2022-23	\$ 0.26070	367,311	1,009	2604		
Category (a)	2023-24	\$ 0.21129	451,382	1,013	2645	3.69	0.4%
Commercial	2022-23	\$ 0.26070	381,857	1,129	99		
Categories (b), (c), (d)	2023-24	\$ 0.21129	454,069	1,038	94	-91.47	-8.1%
Industrial	2022-23	\$ 0.26070	783,464	2,184	56		
Categories (e) & (f)	2023-24	\$ 0.21129	983,492	2,096	49	-88.21	-4.0%
Primary Production	2022-23	\$ 0.234600	1,097,392	2,588	2468		
Category (g)	2023-24	\$ 0.190068	1,510,328	2,875	2460	287.42	11.1%
Vacant Land	2022-23	\$ 0.26070	141,306	589	429		
Category (h)	2023-24	\$ 0.21129	171,047	607	411	18.2	3.1%
Other	2022-23	\$ 0.26070	163,685	336	69		
Category (i)	2023-24	\$ 0.21129	177,235	309	68	-27.32	-8.1%

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 Waste Management. Details of service charges are provided further in this document.

For the 2023-24 year Council is proposing to raise differential general rate revenue of \$10.232m. The following tables show the proportion of differential general rates raised by category of land use.

Land Use	2022-23		2023-24		% of total General Rates
Primary Production	6,386,799	67.02%	7,073,152		69.13%
Other	3,142,491	32.98%	3,158,864		30.87%
	9,529,290		10,232,016		

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 2023-2024 is \$650 (\$635 in 22/23).

This represents an increase of \$15 (2.36%) on the minimum rate applied in 2022-2023. Overall, the minimum rate will be applied to approximately 21.78% of all rateable properties well within the maximum of 35% allowed for in the Local Government Act 1999.

Payment of Rates

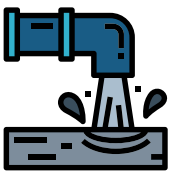


The Council has resolved that the payment of all rates will be in four equal or approximately equal instalments due on:-

- 1st - 1 September 2023
- 2nd - 1 December 2023
- 3rd - 1 March 2024
- 4th - 7 June 2024

Annual Services Charge

Community Waste Water Management Systems



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 Waste Water Management Schemes are an essential services and Council should be recovering costs associated with running the schemes. Council is increasing the fee for these services by less than CPI as a result of the economic pressures faced by ratepayers. At the same time Consultants have been engaged to carryout conditional assessments and whole of life costings on the schemes which will influence the future charges.

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

- \$695 for each occupied property unit (\$665 in 2022-23) (4.51% Increase)
- \$590 for each unoccupied property unit (\$565 in 2022-23) (4.42% Increase)

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

Waste Management



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

Charges for Waste Management for 2023-2024 will be:

- Bin Service: \$285.00 (\$270 in 2022-23) (5.56% 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.

It is estimated that disposal costs for Council will increase by 20% if this is to occur ratepayers will see a significant increase in the service charges to cover these increased costs into the future.

Regional Landscaping Levy



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

For the 2023-24 financial year Council is required to collect, on behalf of the Limestone Coast Landscape Board an amount of \$685,647 (a 9.40% increase on 2022-23)

Council will for 2023-2024 impose a separate rate against rateable properties based on the land use of the land and forward the amount to the Board to fund its activities.

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 ss159 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.



A photograph of a dense forest with tall, slender trees and a thick canopy of green leaves. A solid blue rectangular overlay covers the lower half of the image, containing the title and appendix information. A thin yellow vertical line runs down the right side of the page.

Appendix 1

Budgeted Financial Statements 2023-24

DISTRICT COUNCIL OF GRANT
DRAFT BUDGET 2023/2024

STATEMENT OF COMPREHENSIVE INCOME

2022/2023 Budget Review 3		2023/2024 BUDGET
\$'000	INCOME	\$'000
11,709	Rates	12,668
314	Statutory Charges	330
1,836	User Charges	2,287
2,662	Grants Subsidies and Contributions	2,814
221	Investment Income	126
110	Reimbursement	72
212	Other	192
17,064	TOTAL REVENUES	18,490
	EXPENSES	
6,853	Employee Costs	7,193
5,422	Materials, Contracts and Other Expenses	6,240
164	Finance Costs	128
4,825	Depreciation, amortisation & impairment	5,083
17,263	Total Expenses	18,644
(199)	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(153)
-	Net gain (loss) on disposal or revaluation of assets	-
987	Amounts specifically for new or upgraded assets	440
-	Physical resources received free of charge	-
788	TOTAL COMPREHENSIVE INCOME	287

**DISTRICT COUNCIL OF GRANT
DRAFT BUDGET 2023/2024**

CASH FLOW STATEMENT

2022/2023 Budget Review 3		2023/2024 BUDGET
\$'000		\$'000
Inflows		Inflows
(Outflows)		(Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
16,843	Operating Receipts	18,364
221	Investment Receipts	126
	PAYMENTS	
(12,275)	Operating payments to suppliers & employees	(13,433)
(164)	Finance Payments	(128)
4,626	Net Cash provided by (or used in) Operating Activities	4,929
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
987	Grants specifically for new or upgraded assets	440
0	Repayments of Loans by Community Groups	0
1,008	Sale of Assets	818
	PAYMENTS	
(5,225)	Capital Expenditure on renewal/replacement of assets	(5,143)
(1,905)	Capital Expenditure on new/upgraded assets	(1,222)
(5,135)	Net Cash provided by (or used in) Investing Activities	(5,107)
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
-	Proceeds from Borrowings	-
	PAYMENTS	
(408)	Repayment of Borrowings	(422)
(408)	NET CASH USED IN FINANCING ACTIVITIES	(422)
(917)	NET INCREASE (DECREASE) IN CASH HELD	(599)
6,585	CASH AT BEGINNING OF YEAR	5,668
5,668	CASH AT END OF YEAR	5,069

DISTRICT COUNCIL OF GRANT

DRAFT BUDGET 2023/2024

BALANCE SHEET

2022/2023 Budget Review 3			2023/2024 BUDGET
	ASSETS		
\$'000	CURRENT ASSETS		\$'000
5,668	Cash and cash equivalents		5,069
815	Trade & other receivables		815
140	Inventories		140
<u>6,623</u>	TOTAL CURRENT ASSETS		<u>6,024</u>
	NON-CURRENT ASSETS		
112	Financial Assets		112
147,943	Infrastructure, Property, Plant & Equipment		148,406
<u>148,055</u>	TOTAL NON-CURRENT ASSETS		<u>148,518</u>
<u>154,678</u>	TOTAL ASSETS		<u>154,542</u>
	LIABILITIES		
	CURRENT LIABILITIES		
1,687	Trade & Other Payables		1,687
507	Borrowings		507
1,034	Short-term Provisions		1,034
<u>3,228</u>	TOTAL CURRENT LIABILITIES		<u>3,228</u>
	NON-CURRENT LIABILITIES		
1,456	Long-term Borrowings		1,034
68	Long-term Provisions		68
<u>1,524</u>	TOTAL NON-CURRENT LIABILITIES		<u>1,102</u>
<u>4,752</u>	TOTAL LIABILITIES		<u>4,330</u>
<u>149,926</u>	NET ASSETS		<u>150,212</u>
	EQUITY		
49,011	Accumulated Surplus		49,298
99,756	Asset Revaluation		99,756
1,159	Other Reserves		1,159
<u>149,926</u>	TOTAL EQUITY		<u>150,213</u>

**DISTRICT COUNCIL OF GRANT
DRAFT BUDGET 2023/2024**

STATEMENT OF CHANGES IN EQUITY

2022/2023 Budget Review 3		2023/2024 BUDGET
\$'000		\$'000
ACCUMULATED SURPLUS		
48,223	Balance at end of previous reporting period	49,011
788	Net Result for Year	287
0	Transfer From Reserves	0
0	Transfer To Reserves	0
<u>49,011</u>	BALANCE AT END OF PERIOD	<u>49,298</u>
ASSET REVALUATION RESERVE		
99,756	Balance at end of previous reporting period	99,756
0.00	Gain on revaluation of infrastructure, property, plant & equipment	0.00
0.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0.00
<u>99,756</u>	BALANCE AT END OF PERIOD	<u>99,756</u>
Other Reserves		
1,159	Balance at Beginning of Period	1,159
-	Transfer to reserve from accumulated surplus	-
0	Transfer from reserve to accumulated surplus	0
<u>1,159</u>	BALANCE AT END OF PERIOD	<u>1,159</u>
<u>149,926</u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u>150,213</u>

**DISTRICT COUNCIL OF GRANT
DRAFT BUDGET 2023/2024**

UNIFORM PRESENTATION OF FINANCES

2022/2023 Budget Review 3		2023/2024 BUDGET
\$'000		\$'000
17,064	Operating Revenues	18,490
(17,263)	less Operating Expenses	(18,644)
<u>(199)</u>	Operating Surplus / (Deficit) before Capital Amounts	<u>(154)</u>
	Less Net Outlays in Existing Assets	
5,121	Capital Expenditure on renewal and replacement of Existing Assets	5,143
(4,825)	less Depreciation, Amortisation and Impairment	(5,083)
<u>(1,008)</u>	less Proceeds from Sale of Replaced Assets	<u>(818)</u>
(712)		(759)
	Less Net Outlays on New and Upgraded Assets	
1,905	Capital Expenditure on New and Upgraded Assets	1,222
(987)	less Amounts received specifically for New and Upgraded Assets	(440)
<u>-</u>	less Proceeds from Sale of Surplus Assets	<u>-</u>
918		782
(405)	Net Lending / (Borrowing) for Financial Year	(177)

DISTRICT COUNCIL OF GRANT
DRAFT BUDGET 2023/2024

FINANCIAL INDICATORS

2022/2023 Budget Review 3		2023/2024 BUDGET
-		
\$'000 (199)	Operating Surplus <i>Being the Operating Surplus (Deficit) before Capital Amounts</i>	\$'000 (153)
-1.17%	Operating Surplus Ratio <u>Operating Surplus</u> Total Operating Income <i>This ratio expresses the Operating Surplus as a percentage of Total Operating Income</i>	-0.83%
(1,843)	Net Financial Liabilities <i>Net Financial Liabilities are defined as Total Liabilities less financial assets (excluding equity accounted investments in Council Businesses)</i>	(1,666)
-10.80%	Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Income	-9.01%
162.00%	Asset Sustainability Ratio <u>Net Asset Renewals</u> Infrastructure & Asset Management Plan required expenditure <i>Net Asset Renewals Expenditure is defined as Net Capital Expenditure on the renewal and replacement of existing assets, and excludes new Capital Expenditure on the acquisition of additional assets</i>	126.72%



Appendix 2

Local Government Financial Indicator Definitions

Ratio Descriptions

Operating Surplus (Deficit) Ratio

This ratio 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 operating result. A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense without increasing Council's level of net financial liabilities. If this amount is not required for capital expenditure it reduces the level of net financial liabilities.

Council's target is to achieve an operating surplus ratio between (-10%) deficit and 10% surplus.

Council's 2023-2024 budget aims to achieve an operating deficit ratio of 0.83% 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 \$18.441m (Total operating revenue).

Council's 2023-2024 Budget aims to achieve a net financial liability of (\$1.666m) indicating that Council is in a strong financial position. This indicates that Council is operating within in 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 2023-2024 Budget aims to indicate that a net financial liability ratio of -9.01%.

This indicates that Council is operating within in its Long Term Targets and in a sustainable financial position.

Asset Sustainability 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 2023-2024 Budget aims to achieve an asset sustainability ratio of 126.72%. 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. As per page 21 the 5 year average is slightly outside the scope of adopted targets.



The background of the page features a vibrant yellow field of wildflowers in the foreground, with a large, leafy tree and a wooden fence visible in the background under a clear blue sky.

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