

THE RURAL CITY OF MURRAY BRIDGE

ANNUAL BUSINESS PLAN & BUDGET

2025-26

Draft for Public Consultation



GROWING. THRIVING. STRONG



ACKNOWLEDGEMENT OF COUNTRY



We acknowledge the Ngarrindjeri people as the traditional owners of this land on which we meet and work. We respect and acknowledge their spiritual connection as the custodians of this land and that their cultural heritage beliefs are still important to the living people today.

We recognise the living culture and combined energies of the Ngarrindjeri people, our global pioneers and community members today for their unique contribution to the life of our region.

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MAYOR AND CEO MESSAGE



This year is another important one for our community as we keep moving towards our shared vision of a thriving community. Council is focused on what really matters - our places, people, strong partnerships and being well prepared for growth is at our forefront. This Annual Business Plan and Budget sets out the key steps we're taking now to support both our current and future communities—making sure we're ready for what's ahead and set up to grow well, together.

The 2025–26 Annual Business Plan and Budget marks the second year of implementing our 2024–2028 Strategic Plan. It outlines the services, programs, and projects we'll deliver this year to support our community to be growing, thriving and strong.

We will continue preparing for growth by focusing on enabling well-planned and connected communities. Alongside this we will enhance both our built and natural environments while creating opportunities for our community and economy.

The plan also highlights our core services we know are important to you - like maintaining public spaces, hosting community events, and delivering key community programs. Our capital works program will invest in renewing and upgrading infrastructure, including roads, buildings, footpaths, and open spaces.

Council recognises the cost of living pressures facing our communities, and just like many households, Council continues to experience rising costs in doing business and providing services. As a result we have developed a draft budget that seeks to balance and manage those rising costs whilst still delivering on the services we know you value. In addition, and following an extensive community engagement process on Rating, Council has listened to you and determined to retain its existing rating structure.

The Draft Budget considers that the Valuer-General has on average lifted property values by 7.5% throughout the Rural City of Murray Bridge. To ease the burden on rate payers, Council is proposing to reduce the existing rate in the dollar by 2%. The result is an overall 4.8% average rates increase for existing rate payers.

We look forward to working with our community, partners, and stakeholders to bring this plan to life and continue shaping our communities as a place where you can live well and thrive.

We welcome your feedback on our Draft Annual Business Plan and Budget.

Wayne Thorley
Mayor

Heather Barclay
Chief Executive Officer

CURRENT ECONOMIC CLIMATE

In its December 2024 Economic Briefing, the South Australian Centre for Economic Studies noted the global economy had continued to grow, but at a “lackluster pace.” High rates of capacity utilisation, subdued productivity and early interest rate increases have acted as a brake on activity.

Whilst interest rate increases have generally been effective in reducing the supply driven inflation experienced over 2022 to 2024, inflation has still only recently dipped into the target range. This persistence has been largely driven by continued elevated service inflation as goods prices have largely stabilised.

Geopolitical challenges present with supply chains and commodity prices potentially disrupted as they escalate, driven by protectionist trade and investment policies such as tariff introductions, production redirection and uncomfortably high exposure to assets that may be overvalued.

SA Centre For Economic Studies | Economic Briefing Dec 2024 – Australian Economy

“The Australian economy grew very weakly with Gross Domestic Product (GDP) growing by just 0.8% to September 2024.....domestic demand growth has been subdued, constrained by weak household spending. There has not been much growth in business investment either, and it has fallen to government expenditure to drive domestic demand growth instead....This weakness in household consumption is the consequence of painful cost-of-living challenges because over the last few years household incomes have not grown enough to keep up with inflation and households have eventually had to cut spending in response....There has been little growth in labor productivity over the last decade and this continues. This is problematic for the Australian economy because productivity growth is one of the key sources of improvement on living standards.”

“Despite these challenges, the labor market remains strong....employment rose by 2.9 per cent through the year to October, outpacing population growth. There has been a rise in the unemployment rate, to 4.1 per cent, but this is lower than was expected earlier in the year. The participation rate rose to a record high of 67.2 per cent in October, driven by both favorable employment conditions and households seeking additional work.”

“The inflation rate has fallen considerably in response to rises in interest rates and the Reserve Bank of Australia has been hesitant to over cut with rate reductions until it has seen convincing evidence that inflation is returning to its target band in a sustained way.”

As these financial and economic impacts materialise in front of our eyes resulting in new challenges across the diverse macro-economic environment, forecasting the economic outlook is difficult at best. Now that the Consumer Price Index (CPI) is within the target range the challenge in front of policy makers, both nationally and internationally, will be to navigate these complexities without triggering a severe economic downturn.

While the economic environment will affect everyone, there are several groups within our communities that will be impacted to a greater extent such as newly unemployed, low-income earners and many businesses. Council will continue to monitor and identify economic impacts on our financial performance and budgeting, and account for these through our financial planning strategies while ensuring we continue to deliver core services to our communities.

PROVIDE YOUR FEEDBACK

The Rural City of Murray Bridge is seeking your feedback on the Draft Annual Business Plan & Budget 2025-26.

The Draft Annual Business Plan & Budget has been developed to ensure the proposed mix of services, programs, and projects aligns with our strategic plans and the needs of our community, while also considering capacity to pay rates.

We value your input, and your feedback will play a key role in shaping the direction of the Council over the next 12 months. We encourage the community to share their views on the proposed services, projects, and programs outlined in this plan.

Community consultation commences on Thursday 15 May 2025 and closes at 5.00pm Thursday 5 June 2025.

Online submissions can be made via our community engagement website letstalk.murraybridge.sa.gov.au

Written submissions are welcomed via post or email:

Rural City of Murray Bridge
PO Box 421
Murray Bridge SA 5253

or

council@murraybridge.sa.gov.au

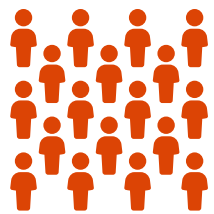
Verbal submissions can be made at the Council's Special Meeting on Wednesday 4 June 2025 at 7:00 PM. Each speaker will be allocated a maximum of five minutes to make their submission and the meeting will be held for at least one hour.

To register your interest in making a verbal submission please contact council via 8539 1100 or council@murraybridge.sa.gov.au.

OUR RURAL CITY



RURAL CITY SNAPSHOT



POPULATION
23,257

1,002KM
ROADS
498KM SEALED
504KM UNSEALED



1,832KM²
COUNCIL
AREA



1,429
LOCAL
BUSINESS



11,114
LOCAL JOBS



43

MEDIAN AGE



5%

FIRST NATIONS PEOPLE

PARKS, RESERVES,
PLAYGROUNDS



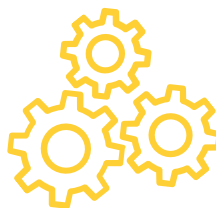
162

13%
BORN OVERSEAS



**FOOTPATHS/
VERGE**
350KM

25%
TRADE
QUALIFICATION



COUNCIL MEMBERS

Council includes a Mayor and nine Councillors who are responsible for a variety of functions in accordance with the Local Government Act 1999 and other legislation.



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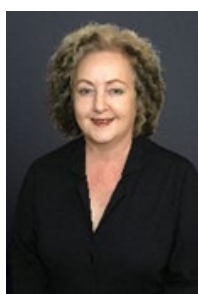
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COUNCIL MEETINGS

Council meetings are held each month, generally on the second Monday, at 7 pm in the Council Chamber, Local Government Centre, 2 Seventh Street, Murray Bridge. Meetings dates can be found on Council's website www.murraybridge.sa.gov.au.

Council and Committee agendas are posted online three clear days prior to the scheduled meeting.

Minutes from the Council and Committee meetings are posted online five days following the meeting.

A register of items considered in confidence is updated following each Council meeting and is posted online within five days following the meetings.

COMMUNITY ENGAGEMENT

Let's Talk is an easy, safe and convenient online platform and way for you to contribute your ideas and opinions about key projects being considered by Council throughout the year. Shape your community and share your thoughts at anytime from anywhere.

Visit the Let's Talk website letstalk.murraybridge.sa.gov.au and register your details to join the conversation and view the range of projects Council is consulting on. We will keep you in the loop and update you on projects and community engagement activities throughout the year.

STRATEGIC PLANNING



STRATEGIC PLANNING FRAMEWORK

Council's Strategic Planning Framework sets out how our suite of Strategic Management Plans together provide direction, key moves, data and resources to deliver the vision of Thriving Communities.

STRATEGIC PLAN

4 YEAR TIME-FRAME

Identifies our **strategic focus** for the next four years and **provides direction** for decision making and how we prioritise our resources and effort.

Our Strategic Management Plans are supported by subject specific plans and strategies that help to identify and prioritise projects, actions or initiatives including those to be considered as part of the Annual Business Plan and Budget process. These plans and strategies are adjusted over time to reflect the direction of the Strategic Plan.

LONG TERM FINANCIAL PLAN

10 YEAR TIME-FRAME

Ensures we can **deliver** services, maintain our assets and achieve our strategic focus in a **financially sustainable manner**.

Council has endorsed a Structure Plan to help guide the future growth and development of our regional city. It identifies what land, services and infrastructure are required to support this growth and helps to prioritise projects for funding and advocacy actions.

ASSET MANAGEMENT PLANS

10 YEAR TIME-FRAME

Supports effective and data driven **management and care** of our **community assets**.

Under the Local Government Act 1999, Council is required to undertake public consultation on its Draft Strategic Management Plans. Council's Community Engagement Policy and Framework provides guidance for and principles of open and effective engagement.

ANNUAL BUSINESS PLAN AND BUDGET

1 YEAR TIME-FRAME

Secures **resources** and **identifies the work** to deliver the Strategic Plan over a 12 month period.

COMMUNITY PLAN 2016 - 2032

The Community Plan 2016 – 2032 reflects our community's aspirations and sets out a shared vision of **Thriving Communities**.

The Plan was developed through an extensive community engagement process in 2015 where over 3,500 comments and ideas were shared culminating in the vision. Council is committed to the delivery of this Plan over 16 years, through four strategic plans and 16 Annual Business Plans and Budgets.



The four Community Plan themes define what our Thriving Communities will see and experience. They are:

GREAT PEOPLE AND LIFESTYLE

Where people are friendly, living well and enjoying all the region has to offer.

People thrive when they experience great people and lifestyle.

VALUED ENVIRONMENT

Well cared for river, green spaces and built and natural environment that people value and love.

People thrive when they spend time in a valued environment.

DYNAMIC ECONOMY

Where people, business and industry are seizing opportunities to learn, earn and grow.

People thrive when they participate in a dynamic economy.

CONNECTED COMMUNITIES

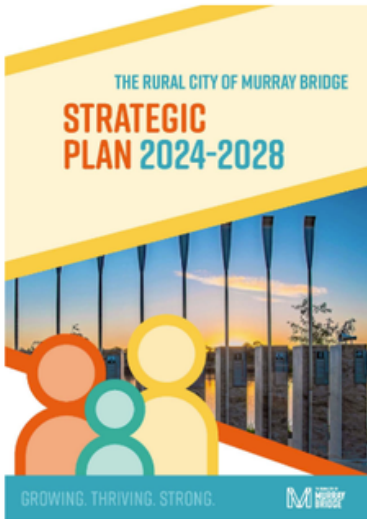
Where people get involved, contribute to, and are supported by the community around them.

People thrive when they belong to connected communities.

STRATEGIC PLAN 2024 - 2028

Our Strategic Plan identifies Council's strategic focus for the next four years and provides direction for decision making and how we prioritise our resources and effort.

The Strategic Plan 2024-2028 sets out how Council will actively prepare for the growth of our rural city, a critical phase toward our shared vision of Thriving Communities.



The plan was shaped by an extensive community engagement process involving over 900 people. We clearly heard our community say they want well planned growth that complements our rural and river lifestyle.

The direction of the plan reflects the community's ideas and spirit. As we actively manage growth over this four-year period, we will strive to maximise opportunities for our community and economy and ensure our built and natural environment and lifestyle is enhanced.

The plan includes four focus areas, each describing what our community will experience, our broad direction to guide effort and decisions and the key moves we know we will make.

Over the next four years we will focus on:

1

ACTIVATING OUR RURAL CITY AND ATTRACTING PEOPLE AND INDUSTRY

2

CONNECTING PEOPLE AND PLACES

3

ENHANCING OUR PLACES AND SPACES

4

SUPPORTING OUR COMMUNITIES

BUDGET SUMMARY



BUDGET SNAPSHOT

Council is proposing an overall operating budget of \$73.4m in 2025-26. This includes \$63.3m in delivering our services and key projects, \$9.4m on renewal of community assets and \$710k on enhancing community assets.

Council intends to raise a net sum of \$39.1m from rates. Following the return of property valuations by the Valuer-General, Council has determined to decrease the rate in the dollar by 2%.

The resultant average residential rate for existing rate payers will be \$2,297 with combined average impacts across all rate differentials with the exception of vacant land. The differential rate for vacant land is proposed to increase from 30% to 50% above the base rate to encourage development to increase housing supply and contribute to the community's growth.

Council, like community experiences cost pressures associated with the rising cost of services and materials. As a result Council has worked hard to prepare a draft budget that seeks to reduce and manage those costs to minimise the impact on ratepayers. Some mechanisms to absorb increases in operational costs include the introduction of efficiency targets to off-set cost pressures associated with key services areas, like Lerwin Residential Care and Waste Management. Efficiency targets in 2024-25 of \$165K have been achieved and the target set in this draft budget is \$350K.

After taking into account the Valuer General's average lift in property values by 7.5% throughout the Rural City of Murray Bridge, the mechanisms included in the draft budget to manage and absorb cost pressures and the focus by Council to ease that burden on rated properties by reducing the existing rate in the dollar by 2%, the Draft Annual Business Plan and Budget for 2025-26, proposes to deliver an Operating Deficit of \$1.26m.

RATE IN THE DOLLAR DECREASE

The Annual Business Plan and Budget 2025-26 has been prepared based on the retention of the existing rating structure and a 2% decrease in the rate in the dollar. this results in a balanced cash funding statement, reflecting:

- Cash flow requirements for maintaining Councils current Asset Portfolio
- Focus on planning, capturing and capitalising on growth and strategic opportunities as they present for the Rural City of Murray Bridge.

KEY BUDGET OUTCOMES

In the development of the 2025-26 Budget, consistent with Councils financial planning strategies we have reviewed asset funding levels to ensure cost increases and asset renewal pressures are appropriately considered. As a result of the review we are proposing a budget of \$9.4m for asset renewal. In addition, an allocation of \$710k for new assets and significant upgrades has been identified.

Furthermore, we have identified a range of additional budget adjustments in 2025-26 which Council have included in the draft budget:

- Increases in open space maintenance due to past and current enhancement projects and operating model adjustments
- Increases in asset condition assessments to support infrastructure sustainability into the long term future
- Increase in technology costs to implement future efficiencies and increase in services
- Increases in waste collection and disposal costs
- Resources to ensure that our organisation remains fit for purpose - agile, efficient, and capable of meeting the needs of our growing community.

BUDGET SNAPSHOT

LONG TERM FINANCIAL PLAN

As part of our financial planning process and the development of the Annual Business Plan and Budget, we will review and update our Long Term Financial Plan (LTFP).

This review helps provide a high level of certainty in our ability to meet the ongoing costs of services and capital works whilst ensuring our financial sustainability is maintained over a 10-year planning horizon. This review also considers our funding approaches for asset renewals, new assets and significant upgrades including our approach to borrowings.

Council will be seeking to update, consult and adopt a new Long Term Financial Plan following the adoption of the 2025-26 Annual Business Plan and Budget.

The financial statements in the appendix shows Councils level of forecast debt, which is held consistent over the life of the current endorsed plan on the back of asset condition assessment, a strategic approach to enhancement and growth and efficiency focused operations across the early years of the plan spanning 2023-24 to 2026-27. An updated LTFP will be produced following adoption of the Annual Business Plan and Budget.

HOW IS YOUR MONEY SPENT?

As per Council's Comprehensive Statement of Income, expenditure for 2025-26 is budgeted at \$63.3m.

This is inclusive of:

- \$32.3m on Employee Costs to deliver Services
- \$17.9m on Materials and Contractors to deliver Services (this includes \$930k on Key Projects)
- \$12.2m of Depreciation
- \$900k on Financing Costs

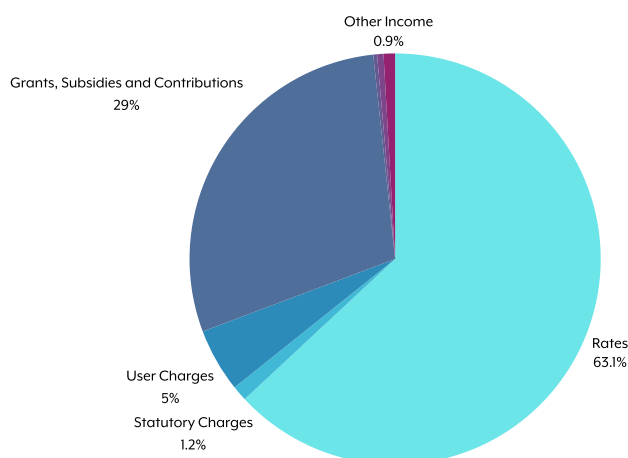
As an outcome of significant work in the asset management of Council's assets, moving to a condition-based renewal programs and Asset Management Portfolio Plan, Council has budgeted to spend \$9.4m on the renewal and replacement of existing assets, ensuring an Asset Renewal Funding Ratio of 100%.

The difference between Asset Expenditure and Depreciation (\$2.8m) effectively ensures the operating deficit is limited to a reporting number and does not transform into a cash-flow deficit.

HOW IS THE PLAN FUNDED?

The main source of income for Council is rate revenue which makes up 63% of total revenue for 2025-26 with other sources being:

- Grants, subsidies and contributions
- User charges
- Statutory charges
- Other income
- Reimbursements and investments



OUR BUDGET AT WORK

For each \$100 of expenditure the following amount will be spent on the services provided:



\$2

BUSINESS UNDERTAKINGS/
OTHER EXPENSES



\$42

COMMUNITY SUPPORT/
CULTURAL SERVICES



\$4

ECONOMIC DEVELOPMENT



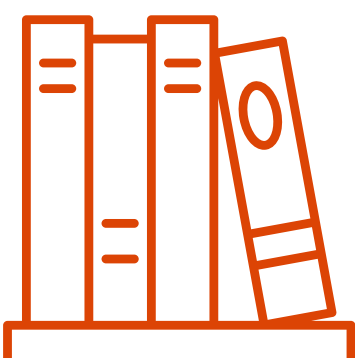
\$7

REGULATORY SERVICES



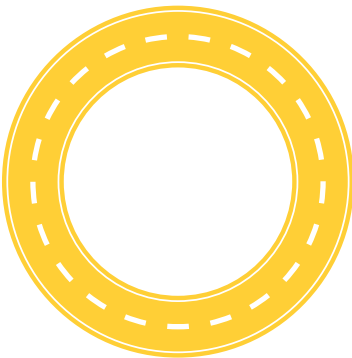
\$3

ENVIRONMENT



\$4

LIBRARIES



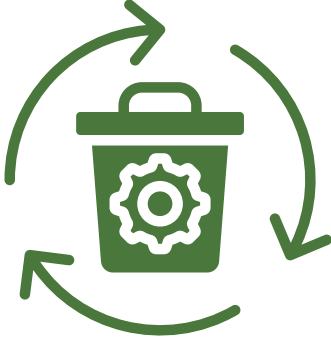
\$20

ROADS & TRANSPORT



\$10

RECREATION



\$8

WASTE MANAGEMENT

DELIVERING FOR OUR THRIVING COMMUNITIES



ACTIVELY PREPARING FOR GROWTH

Murray Bridge is a place where people can live well and thrive in an environment where jobs, education, affordable housing and a relaxed river lifestyle are accessible to all.

We are actively preparing for the growth of our rural city.

Under the State Government's Greater Adelaide Regional Plan (GARP), Murray Bridge will grow to become South Australia's largest regional city providing local jobs, services and amenities along with affordable housing.

We are here to support our communities to have access to the opportunities and benefits that a growing community brings.

Our goal is to ensure well planned and connected communities; where our built and natural environment is enhanced and we maximise opportunities for our community and economy.

OUR TOP 10 FOCUS AREAS

1 FREIGHT

including transport plan for Murray Bridge, freight bypass and a possible future airport

2 PUBLIC TRANSPORT

inter and intra-city

3 STRUCTURE PLAN AND CODE AMENDMENTS

to support industry and residential growth and strategic employment land investment

4 INDUSTRY INVESTMENT AND ATTRACTION

advocacy and attracting global and national investment

5 GROWTH INFRASTRUCTURE/INVESTMENT PLAN

and delivery mechanism - aligned to GARP/PDI act

6 OPEN SPACE, SPORT & RECREATION

including a multi sport complex & regional stadium, regional swimming centre and continued funding for delivery of open space enhancement

7 PUBLIC HOUSING UP-LIFT

and worker affordable housing options

8 HEALTH & WELLBEING

including integrated community, wellbeing plan and advocacy for hospital expansion

9 EDUCATION & TRAINING OPTIONS

(skills centre/university) to support job's growth

10 MANAGING CLIMATE AND ENVIRONMENT

riverbank collapse and erosion, tree canopy and heat, power and water management

ACTIVELY PREPARING FOR GROWTH

To support well planned growth and connected communities, Council has several priorities over the next 12 months.

We will work on a Stormwater Management Plan for Murray Bridge to provide clear visibility of the stormwater requirements for any future developments.

We are supporting our community to be job ready with the Murraylands Skills Centre and Murray River Study Hub to continue to grow.

We will develop an Open Space Masterplan to provide a long-term vision for how our green and open spaces are protected and enhanced and help meet community needs as the area grows and changes.

We will update the Community Infrastructure Model to enable Council, government and developers to plan and deliver well timed infrastructure that includes sport, recreation and community facilities.

We will start planning for a Multi-Sport Complex and Regional Stadium.

We are partnering and advocating with governments and service providers to meet the current and future needs of our communities.

We will begin developing an Investment and Attraction Plan to encourage businesses to establish in Murray Bridge and create employment opportunities for our growing community.



OPERATING EXPENDITURE

Services		Annual Budget (000s)
Business Undertakings	Business Undertakings	\$517
	Business Undertakings Total	\$517
Community Support and Services	Aged Care Services	\$18,688
	Community Support	\$1,990
	Public Order and Safety	\$932
	Services to Family and Children	\$572
	Community Service Other	\$2,582
	Community Support Total	\$24,764
Cultural Services	Cultural Services	\$1,222
	Cultural Services Total	\$1,222
Economic Development	Economic Development	\$2,748
	Economic Development Total	\$2,748
Environment	Agricultural Services	\$20
	Environment and Coastal Protection	\$492
	Stormwater Management	\$442
	Street Maintenance	\$1,000
	Environment Total	\$1,954
Libraries	Libraries	\$2,272
	Libraries Total	\$2,272
Other Expenses	Other Expenses	\$906
	Other Expenses Total	\$906

Services		Annual Budget (000s)
Recreation	Recreation Other	\$4,578
	Parks and Gardens	\$87
	Sports and Recreation	\$1,562
	Recreation Total	\$6,190
Regulatory Services	Other Regulatory Services	\$1,305
	Planning and Building	\$2,818
	Regulation Services Total	\$4,123
Roads and Transport	Bridges and Culverts	\$9
	Footpath and Kerbing	\$236
	Roads - Formed	\$140
	Roads - Sealed	\$11,932
	Traffic Management	\$209
	Roads and Transport Total	\$12,525
Waste Management	Green Waste Collection and Disposal	\$965
	Ordinary Solid Waste Collection and Disposal	\$2,239
	Other Waste Management	\$361
	Recycling Collection and Disposal	\$1,415
	Waste Disposal Facilities	\$181
	Waste Management Total	\$5,161
TOTAL 2025-26 SERVICES EXPENDITURE		\$62,384
Key Projects		\$929
TOTAL 2025-26 OPERATING EXPENDITURE		\$63,313

KEY PROJECTS

	Project Name	Income	Expenditure	Nett
VALUED ENVIRONMENT	Community Land Management	-	\$25,000	\$25,000
	Asbestos Management Register	-	\$18,000	\$18,000
	Stormwater Management Plan	\$70,000	\$70,000	\$0
	MB East CWMS Education and Compliance	-	\$20,000	\$20,000
GREAT PEOPLE AND LIFESTYLE	Regional Public Health Plan	-	\$5,000	\$5,000
	Desexing Program	\$5,000	\$10,000	\$5,000
DYNAMIC ECONOMY	Murraylands Skills Centre	\$265,000	\$285,000	\$20,000
	Events Grants	-	\$262,500	\$262,500
	Major Events Program	\$50,000	\$203,000	\$153,000
	Land Division Coordinator	-	\$175,000	\$175,000
	Riverfront Activation Grants	-	\$20,000	\$20,000
	Quick Wins Grants	-	\$80,000	\$80,000
	Future City Program	\$300,000	\$300,000	\$0
	Service Standards	-	\$65,000	\$65,000
	HR Information System - Scoping	-	\$15,000	\$15,000
CONNECTED COMMUNITIES	Wellbeing Hub Services	-	\$20,000	\$20,000
	Rhyme Climb & Grind	-	\$16,000	\$16,000
	Sport & Recreation Facilities	-	\$30,000	\$30,000
		\$690,000	\$1,619,500	\$929,500

CAPITAL PROJECTS

Capital projects are presented in two categories **Capital Renewal** and **Capital Enhancement**.

Capital Renewal projects are prioritised using Council's Asset Management Portfolio Plan (AMPP) and other individual Asset Management Plans. The AMPP focuses on our \$565m of infrastructure assets, which are central to supporting service delivery and the assets the community experiences day to day including buildings, civil and transport, open space, stormwater and water supply and waste water. In addition to the AMPP the IT Asset Management Plan and Plant and Fleet Asset Management Plans assist in the delivery of Council's Services.

Capital Enhancement projects are projects to construct new or significantly upgrade existing infrastructure and buildings to meet our growing community's needs.



In 2025-26 we will be delivering a total capital works program of \$10.1m including \$9.4m on renewal and \$710k on enhancement.

Key infrastructure projects in this year's budget include:

- **Footpath expansion** to improve walkability and access
- **Progression of the Swanport Road Master Plan**
- **Lighting upgrades on Wharf Hill**
- **Improvements to local sport and recreation facilities**
- **Infrastructure focus for East Side**

Further details on capital projects can be found over the page and at Appendix 8.

CAPITAL PROJECTS

	Project Name	Renewal	Enhance
VALUED ENVIRONMENT	Footpath Expansion Program	-	\$390,000
	Wharf Hill Lights	-	\$55,000
	Open Space Renewal Program	\$1,659,000	-
	Stormwater Renewal Program	\$649,000	-
	Water & Wastewater Renewal Program	\$29,000	-
GREAT PEOPLE AND LIFESTYLE	Swanport Road Master Plan Implementation	-	\$200,000
	Cemetery Columbarium	-	\$35,000
DYNAMIC ECONOMY	Infrastructure Renewal Program	\$4,444,000	-
	Plant & Fleet Renewal Program	\$1,349,000	-
	Building Renewal Program	\$445,000	-
	Fixtures Furniture Equipment	\$140,000	-
	IT Renewal Program	\$271,176	-
CONNECTED COMMUNITIES	Sport & Recreation Facilities	-	\$30,000
	Lerwin Facilities Renewal Program	\$391,848	
		\$9,378,024	\$710,000

RATES, LEVIES & OTHER CHARGES



RATES AND REBATE POLICIES

Council intends to raise a net sum of \$39.1m from rates in 2025-26. The increase in rates income is made up of growth of 2%, property value increases of 7.5% and a rate in the dollar decrease of 2%. The resultant impact is an average rate increase for existing rate payers of 4.8%.

The Rural City of Murray Bridge owns infrastructure and assets (such as roads, drains, footpaths and buildings) with a current written down value of approximately \$377m. This includes all capitalisation assets excluding land. These assets deteriorate over time through wear and tear and must be replaced or renewed at appropriate intervals in order to prolong their useful lives and continue delivering services to our community.

The rate revenue will provide necessary funding to maintain the infrastructure and assets and ensure existing services are continued. Council is mindful of the impact on ratepayers and is committed to developing options to ease the rate burden through increased funding from other sources and introducing operational efficiencies.

WHAT ARE RATES?

Rates are a principal source of funding for Council services representing approximately 63% of the total operating revenue. Rates are levied as a tax on property in accordance with the provision of the Local Government Act. They are not a service or user charge, but a tax based on property value. As rates are levied on the value of property, those with higher valued properties pay more than those with lower valued property.

HOW YOUR RATES ARE CALCULATED

The amount of rates paid is determined by the valuation of each property in the Council area. The Council apportions the rates across the community by applying different rates in the dollar to each category of property, the largest category being residential property.

Council endeavours to apportion the rate across the community in an equitable fashion. Rates are calculated by multiplying the value of a property (as assessed by the Valuer-General), by the 'rate in the dollar', which is calculated by dividing the sum of rates required by the Council, by the total valuation of properties in the Council area.

In the 2025-26 Annual Business Plan and Budget, it is proposed to decrease the rate in the dollar for all categories of land use except vacant land.

DIFFERENTIAL RATE (CENTS IN THE DOLLAR)

In the 2025-26 Annual Business Plan and financial statements, there is a proposed decrease of 2% in the rate in the dollar for all land use categories, with the exception of the vacant land differential rate which is proposed to increase from 30% to 50% of the base rate to encourage development to increase housing supply and contribute to the community's growth.

As a result the differential rates for land use categories will be as follows:

• Residential	0.0051411
• Commercial	0.0082257
• Industrial	0.0071976
• Primary Production	0.0046270
• Vacant Land	0.0077117
• Other	0.0051411

RATE COMPARISONS

The average (mean) residential rate for existing ratepayers of the Rural City of Murray Bridge in 2025-26 will be \$2,297.

RATING POLICY

Section 147 of the Local Government Act 1999 provides Council with the delegation to rate all land within the Rural City of Murray Bridge, except for land specifically exempt, such as crown land and land occupied by Council. Council reviews its Rating Policy annually to ensure that it is fair and equitable to all.

The Rating Policy is currently out for public consultation as part of the Annual Business Plan and Budget consultation process. You can find the updated policy via our [Let's Talk](#) platform.

HOW LAND IS VALUED

Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates.

Property valuations in the Rural City of Murray Bridge have increased during the 2025-26 year by an average of 7.5% which when coupled with growth of 2% enables Council to decrease the rate in the dollar for all land use categories by 2% with the exception of vacant land.

The amount each ratepayer contributes is based on their property valuation as assessed by the Valuer-General.

SEPARATE RATES, SERVICE CHARGES AND REBATE OF RATES

MINIMUM RATE

Council considers it equitable for all rateable properties to make a contribution to the cost of administering the Council's activities and maintaining the physical infrastructure that supports each property.

Council therefore sets a minimum rate each year. This minimum rate will increase by 2.2% in 2025-26 to \$1,176 per annum compared to \$1,151 in 2024-25, an increase of \$25.

REBATES

Council is required to provide mandatory rebates under sections 160 to 165 of the Local Government Act 1999 in relation to land used for:

- Health services
- Community services
- Religious purposes
- Public cemeteries
- Educational institutions

In addition, Council may provide discretionary rebates under Section 166.

RATE REMISSIONS, RATE POSTPONEMENTS, RATE REBATES AND RATE CAPPING

Sections 159 to 166 and Section 182 of the Local Government Act 1999 permits Council, upon written application from the ratepayer and/or various community groups, to consider rebate remissions, rate postponements, rate rebates or rate capping on land use for specific purposes. Each of these are subject to specific terms and conditions.

RATE CAPPING

Rate capping is a benefit available on application where a rate increase exceeds 15%, or 10% for age pensioners, and this increase is not a result of capital improvements (e.g., home extension or upgrade, etc.) or a change in land use (e.g. from vacant to residential).

POSTPONEMENT OF RATES FOR SENIORS

Ratepayers who have a State Seniors Card (or ratepayers who have applied and are eligible for a State Seniors Card) may apply to postpone payment of their rates on their principal place of residence.

Seniors must pay the first \$500 rates charged each year but can postpone payment of any amount above this. Pensioners or self-funded retiree concessions can further reduce the amount required to be paid each year.

You can access a copy of the Rates Financial Hardship Policy in person from the Local Government Centre or alternatively you can access it online at <https://www.murraybridge.sa.gov.au/council/administration/council-documents/councilpolicy>.

FOR MORE INFORMATION

Contact Council's Rates Officer via 8539 1100 or email council@murraybridge.sa.gov.au

OTHER LEVIES AND CHARGES

COMMUNITY WATER & WASTEWATER MANAGEMENT SYSTEMS (CWMS)

The CWMS Schemes at Riverglen and Woodlane are funded separately and the cost of running these schemes has been examined with the view to arriving at a sustainable charge that when applied, not only funds the day to day operations of the schemes, but also provides the ability to fund the whole of life costs. Council recovers the cost of operating and maintaining water and sewerage schemes at Riverglen and Woodlane.

For 2025-26 the service rates and charges for CWMS will be:

- Riverglen Commercial \$744 + 0.289530 cents in the dollar
- Riverglen Allotments \$744 + 0.059270 cents in the dollar
- Woodlane \$950 + 0.146350 cents in the dollar

RIVERGLEN

<140kL \$2.251 per kL
140kL - 520 kL \$3.214 per kL
>520 kL \$3.482 per kL

WOODLANE

<130kL \$0.00 per kL
>130kL \$3.482 per kL

SOLID WASTE MANAGEMENT

NEW GARBAGE COLLECTION SERVICE

The supply of household garbage bins to new properties will incur a one off charge of \$100 per bin in 2025-26 (\$98 in 2024-25).

REPLACEMENT BINS

Replacement of lost, damaged or stolen bins will incur a service charge of \$100 per bin in 2025-26 (\$98 in 2024-25).

ADDITIONAL GARBAGE COLLECTION SERVICE

The supply of an additional garbage bin to a property in which a service is provided will incur a service charge of \$165 per bin in 2025-26 (\$162 in 2024-25).

KERBSIDE RECYCLING AND GREEN WASTE SERVICE

A service charge of \$105 will be applied in 2025-26 (\$103 in 2024-25) for the provision of a kerbside recycling service. An additional \$66 (\$65 in 2024-25) will be applied to Murray Bridge properties that receive the green waste service.

REGIONAL LANDSCAPE (FORMALLY NRM) LEVY

Included on your rates notice is a separate levy that Council collects on behalf of the Murraylands and Riverland Landscape Board. Council does not set the levy, retain this income nor determine how it is spent.

For information about how the levy is used please go to: www.landscape.sa.gov.au/mr/home

The Regional landscape levy, set by the Landscape Board, is a SA Government tax imposed under the Landscape South Australia Act 2019. Council is obliged to collect the levy on behalf of the SA Government with no net gain to Council. The levy is based on the capital value of land and is shown as a separate line on the rates notice. The Landscape Board have proposed that the levy applicable to the Rural City of Murray Bridge will increase from \$918k to \$958k, an increase of 4.4%. To recover this amount a charge of 0.015573 cents in the dollar will be applied.

MEASURING OUR PERFORMANCE



OUR COMMITMENT TO TRACKING PROGRESS

We are committed to tracking and reporting on our progress against the Strategic Plan.

We will use our established reporting framework to inform the community and stakeholders of our performance in delivering services, projects and other initiatives to meet the needs of our growing communities.

This framework provides for financial and non-financial performance measurement and aims to align reporting with delivery of strategic outcomes, encourage continuous improvement, support financial sustainability and comply with legislative requirements.

Our reporting includes:

ANNUAL REPORT

A comprehensive report of the projects, services and activities that Council has delivered across the rural city throughout the preceding year.

PROGRESS REPORTS

Regular reporting that updates progress against the services and projects funded in the Annual Business Plan toward delivery of the Strategic Plan.

FINANCIAL REPORTING

Regular reporting that provides analysis of our actual financial performance and impacts of this performance and other financial decisions made during the reporting period.

COMMUNITY ENGAGEMENT AND EXPERIENCE REPORTS

Reports and activities that measure, track and gain reliable information about community needs, attitudes, expectations and experience of service delivery, facilities and the organisations strategic direction.

We will continue to reflect on and adjust the way we report and share information to support effective and open communication with our community.

PERFORMANCE INDICATORS

We will monitor the following indicators to evaluate our performance in delivering the goals outlined in this **Annual Business Plan and Budget**. A summary of progress will be included in our **Quarterly Progress Reports**.

	Indicator	Measure	Annual Target
VALUED ENVIRONMENT	Waste to Landfill	tonnes	<4,200
	Green Organics for Compost	tonnes	>1,800
	Recycled Waste	tonnes	>1,600
	Stormwater Harvested	megalitres	>80
	Number of KW generated (LGC)	number	>110,000
	Number of KW generated (Lerwin)	number	>130,000
	Number of non-compliant wastewater system investigations	number	no target
	Hours Spent Removing Graffiti	hours	<300
GREAT PEOPLE AND LIFESTYLE	Number of hours volunteers are undertaking as a dollar value	dollars	>1,000,000
	Number of registered RCMB volunteers	number	>250
	Number of Food Hygiene Inspections	number	>100
	Number of Over 65 people supported to live independently in the community	number	>250

PERFORMANCE INDICATORS

	Indicator	Measure	Annual Target
GREAT PEOPLE AND LIFESTYLE	Number of Gallery Visitors	number	>6,000
	Gallery's Public Program Activities	number	>10
	Total Number of Gallery Exhibitions	number	>8
	PA+FC Total Theatre Auditorium attendances	number	>12,000
	PA + FC Programs by State & National producers & presenters	number	>10
	Library Visitation - Physical	number	>40,000
	Library Visitation - Digital	number	>5,000
	Number of Items Loaned from the Library (Physical)	number	>80,000
	Number of Items Loaned from the Library (Digital)	number	>30,000
	Number of Events	number	>20
DYNAMIC ECONOMY	Consents Granted - Building	number	>400
	Consents Granted - Planning	number	>200
	Percentage of decisions within timeframe - Building	percentage	>95%
	Percentage of decisions within timeframe - Planning	percentage	>90%
	Number of Visitors to the VIC	number	>10,000
	Visitor Information Centre revenue	dollars	>\$16,000

PERFORMANCE INDICATORS

	Indicator	Measure	Annual Target
CONNECTED COMMUNITIES	Website Analytics – Page Views	number	>362,500
	Website Analytics – Total Audience	number	>130,500
	Social Media Analytics – Facebook Followers	number	>10,000
	Social Media Analytics – Facebook Reach	number	>100,000
	Social Media Analytics – Instagram Followers	number	>1,700
	Social Media Analytics – Instagram Reach	number	>8,000
	LinkedIn Followers	number	>1,200

KEY FINANCIAL INDICATORS

To support Council in achieving its goal of financial sustainability, a set of LGA-approved financial indicators is provided. All indicators are forecast to remain within their target ranges throughout the 10-year term of the Council’s Long Term Financial Plan.

ASSET RENEWAL FUNDING RATIO %

This indicator aims to determine if assets are being renewed and replaced in an optimal way.

ADJUSTED NET FINANCIAL LIABILITIES

This indicator measures how much the Council owes others, after accounting for money it holds, has invested, or is owed. Managing debt responsibly ensures the Council can meet its obligations without needing to cut services or raise rates excessively. The target is for net financial liabilities to be between zero and the equivalent of one year’s operating revenue.

UNDERLYING OPERATING SURPLUS/(DEFICIT) %

This indicator reflects the difference between a Council’s income and expenses for the period. Long-term financial sustainability requires that, on average, expenses remain below revenue over time. A consistent operating surplus indicates sustainable performance. The target is to achieve a breakeven or better operating result over any five-year period.

Indicator	2024-25 Forecast	2025-26 Draft Budget
Asset renewal funding ratio %	123.3%	100%
Adjusted net financial liabilities	60.4%	55.6%
Underlying operating surplus/(deficit)%	-3.8%	-2%

PROGRESS UPDATE

ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA

The Commission finds the Rural City of Murray Bridge’s current and projected financial performance is sustainable as it anticipates population growth. The Council demonstrates sound operating performance, reasonable use of borrowings and a measured focus on the renewal of its assets, following significant infrastructure and service expansion, leveraged by substantial grant funding.

Under the new Local Government Advice Scheme established through the Local Government Act 1999, the Essential Services Commission has released advice for the first 15 of SA’s 68 councils. Under the Scheme, the Commission is an advisory body, providing advice to all Councils across a four-year cycle.

Councils are long-term businesses with ongoing service provision obligations and long-lived assets. From an overall community perspective, it is important that Council rates be set at levels as low as sustainably possible while:

- providing the standard and breadth of services that ratepayers value, and
- ensuring that Councils have robust, long-term asset management, financing and operational plans which allow them to manage their assets efficiently and effectively over the long term, so as to sustain the delivery of those services and minimise their lifetime cost

The advice is based on information available to the Commission as at 15 February 2023.

The Commission recommends the Rural City of Murray Bridge make 11 changes to its Strategic Management Plans to ensure its financial sustainability and provide confidence to ratepayers that they are paying the right level of rates for Council services.

The advice comes in response to April 2022 changes to the Local Government Act giving the Commission advisory powers to SA’s 68 Councils which inform their decisions on rates and give ratepayers and other stakeholders an independent assessment of Council’s plans. The scheme provides advice only and is expected to add value across communities.

ESCOSA RECOMENDATION	RURAL CITY OF MURRAY BRIDGE PROGRESS
Continue to review its inflation forecasts in its budget and forward projections each year.	<p>This is in line with our annual long term financial plan review and formulation of the annual business plan and budget. The 2025-26 budget is predicated on an acknowledgment of the 2.2% CPI for Adelaide assumption, and includes impacts from such items as recent Infrastructure Revaluations and the subsequent uplift on Depreciation; cost increases above CPI on services such as Insurance and Waste Disposal; and organisational alignments for changing service provision requirements.</p> <p>All rate increases have been in consideration of cost of living pressures within the community and striking the correct balance to manage the additional cost pressures direct to Council delivering services to the same community. The Long Term Financial Plan aligns CPI forecast to that of the South Australian Centre for Economic Studies.</p>

ESCOSA RECOMENDATION	RURAL CITY OF MURRAY BRIDGE PROGRESS
<p>Review employee expense projections and better explain the need for a projected peak in costs in 2026-27 in its updated long-term financial plan.</p>	<p>This is in line with our annual long term financial plan review and formulation of the annual business plan and budget. The employee expense peak is in reference to the currently legislated compulsory superannuation guarantee peaking at 12% in 2026-27.</p>
<p>Consider coordinating annual updates of its budget and business plans for annual updates to its long-term financial plan to provide more transparency to the community on the longer-term impacts of its short-term decisions.</p>	<p>An updated LTFP will be produced following adoption of the Annual Business Plan.</p>
<p>Continue to report cost savings and efficiencies in its future budgets, to show efficiencies across its operations and service delivery.</p>	<p>Savings of \$1.065m were achieved in the 2023-24 Financial year, and verified by an independent review completed by BDO. In the 2024-25 financial year the original target of \$165k has been achieved and reported by the 3rd quarter budget review, with a further \$600k of saving delivered, resulting in favourable adjustment of the operating result forecast. RCMB has an ongoing commitment not only in the 2025-26 Annual Business Plan and Budget where it is expecting and reporting to deliver \$350k of savings and efficiencies, and the on-flowing impacts incorporated and reported within the Long Term Financial Plan.</p>
<p>Review its asset management plans, particularly plant and fleet assets, to ensure they cover a period of 10 years.</p>	<p>A fulsome review and update of all the Infrastructure and Asset Management plans have been conducted, together with a Facilities Asset Management Plan for the more complex Lerwin Residential Care facility.</p>
<p>Update its asset condition assessments, valuations, and useful life estimates in its asset management plans, to ensure they contain the most current information available</p>	<p>During the 2024-25 Financial Year RCMB updated and adopted its Asset Management Portfolio Plans. This compliments the existing and recently updated Facilities Asset Management Plan for the Lerwin Residential Care facility and Information Technology Asset Management Plan.</p> <p>The 2025-26 Annual Business Plan and Budget sees the incorporation of additional resource allocations on an ongoing basis (\$80k annually) to facilitate and deliver Asset Conditions Assessments and Valuations to compliment the annual review, and periodic updates of all Asset Management Plans, ensuring asset information is current and accurate going forward.</p>
<p>Include more detail about the renewed, new, or upgraded capital spending on infrastructure to better align and provide transparency between asset management and long-term financial plans.</p>	<p>Greater project detail is included in the annual business plan and budget and Long Term Financial Plan with both renewal and enhancement assumptions and allocations reported for the life of the plan.</p>

ESCOSA RECOMENDATION	RURAL CITY OF MURRAY BRIDGE PROGRESS
<p>Continue to update existing and complete new asset management plans with a focus on considering the community's desired service levels, capital spending requirements, and alignment with long-term financial plan projections.</p>	<p>A fulsome review and update of all the Infrastructure and Asset Management plans have been conducted, together with a Facilities Asset Management Plan for the more complex Lerwin Residential Care facility.</p>
<p>Report estimated average annual change for rates and other charges, together with how much of annual revenue it expects to collect, in its annual business plan, to provide greater clarity and transparency to its ratepayers.</p>	<p>The average change for rates and separate charges are all aligned to changes with reference to CPI and an estimation of growth impact. This is depicted in the annual business plan and budget document with the clear intent to limit the rate burden on the ratepayers. The Long Term Financial Plan aligns CPI forecast to that of the South Australian Centre for Economic Studies.</p>
<p>Review the rateable property growth forecasts in its budget each year to ensure they do not create a need for additional rate increases to generate the same level of projected revenue.</p>	<p>The Rural City of Murray Bridge is a growth Council and although we feel the growth estimates in the Long Term Financial plan are conservative, they are reviewed annually with the most recent data available. Within the 2025-26 Annual Business Plan and Budget there has been a focus on projects that harness growth opportunities, further justifying all growth assumptions in forecasts. This has been further demonstrated with a realignment of services to include a 4th portfolio "Growth & Economic Development" who provide expert insight to inform these forecast assumptions.</p>
<p>Review and consider limiting further rate increases to reduce cost-of-living pressure on the community.</p>	<p>This is apparent with our continual reduction of the rate in the dollar over the last several years to limit the average increase of rates across all differentials with a reference to the March Adelaide CPI reading. This is demonstrated by the fact over the past 5 years (including the 2024-25 Annual Business Plan and Budget) the overall cumulative impact has been less than that of CPI.</p>

APPENDICES



RURAL CITY OF MURRAY BRIDGE & LERWIN

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

APPENDIX I

Segment Reporting Statement of Comprehensive Income						
	Lerwin 2024-25 Budget	Lerwin Draft Budget 2025-26	Council 2024-25 Budget	Council Draft Budget 2025-26	Consolidated 2024-25 Budget	Consolidated Draft Budget 2025-26
INCOME	\$'000	\$'000	\$'000	\$'000		
Rates	0	0	36,300	39,073	36,300	39,073
Statutory Charges	0	0	765	746	765	746
User Charges	1,874	2,063	949	1,025	2,823	3,088
Grants, subsidies and contributions	9,829	10,517	7,709	7,484	17,538	18,001
Investment income	98	96	83	99	181	195
Reimbursements	6	36	354	303	360	339
Other income	27	0	801	580	828	580
Net gain - JV & associates	0	0	30	31	30	31
Total Income	11,834	12,712	46,991	49,341	58,825	62,053
EXPENSES						
Employee costs	8,108	10,215	20,318	22,051	28,426	32,266
Materials, contracts and other expenses	4,012	2,645	15,658	15,278	19,670	17,923
Depreciation, amortisation and impairment	714	743	11,381	11,475	12,095	12,218
Finance costs	199	196	694	710	893	906
Total Expenses	13,033	13,799	48,051	49,514	61,084	63,313
OPERATING SURPLUS / (DEFICIT)	(1,199)	(1,087)	(1,060)	(173)	(2,259)	(1,260)
Amts received spec for new or upgraded assets	0	0	7,826	0	7,826	0
NET SURPLUS / (DEFICIT)	(1,199)	(1,087)	6,766	(173)	5,567	(1,260)

RURAL CITY OF MURRAY BRIDGE

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

APPENDIX 2

	2024-25 Forecast	2025-26 Proposed Budget	Variance
INCOME	\$'000	\$'000	\$'000
Rates	36,300	39,073	2,773
Statutory Charges	765	746	(19)
User Charges	2,823	3,088	265
Grants, Subsidies and Contributions	17,538	18,001	463
Investment Income	181	195	14
Reimbursements	360	339	(21)
Other Income	828	580	(248)
Net gain - joint ventures & associates	30	31	1
Total Income	58,825	62,053	3,227
EXPENSES			
Employee costs	28,426	32,266	(3,840)
Materials, contracts and other expenses	19,670	17,923	1,747
Depreciation, amortisation and impairment	12,095	12,218	(123)
Finance costs	893	906	(13)
Total Expenses	61,084	63,313	(2,229)
OPERATING SURPLUS / (DEFICIT)	(2,259)	(1,260)	999
Amts received spec for new or upgraded assets	7,826	-	(7,826)
Physical resources received free of charge	-	-	-
Net Gain/Loss on Disposal or Revaluation of Assets	-	-	-
NET SURPLUS/(DEFICIT)	5,567	(1,260)	(6,827)
Revaluation reserve Adjustments	-	-	-
Shares of Other Comprehensive Income	-	-	-
Total Other Comprehensive Income	0	0	0
TOTAL COMPREHENSIVE INCOME	5,567	(1,260)	(6,827)

RURAL CITY OF MURRAY BRIDGE

BALANCE SHEET

AS AT 30 JUNE 2026

APPENDIX 3

	Actual 2023/24 Audited	2024-25 Forecast	2025-26 Proposed Budget	Variance
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	1,232	2,552	2,572	20
Cash and cash equivalents - Restricted	2,665	2,673	2,166	(507)
Rates Receivable	1,005	1,205	1,265	60
General Debtors & Other Receivables	1,068	508	508	20
Prepayments & Accrued Revenue	650	306	306	10
Inventories	983	596	396	(200)
Non-Current Assets Held for Sale	856	-	-	-
Total Current Assets	8,459	7,840	7,213	(597)
Non Current Assets				
Equity Accounted Investments	781	811	842	31
Fixed Assets	421,023	428,799	426,669	(2,130)
Work in Progress	3,214	1,754	1,754	-
Total Non Current Assets	425,018	431,364	429,265	(2,099)
Total Asset	433,477	439,204	436,478	(2,696)
LIABILITIES				
Current liabilities				
Trade Payables	2,444	2,117	1,939	(178)
Deposits/Trusts/Payments Rec'd in Advance	13,224	11,542	10,042	(1,500)
Rates Paid in Advance	734	702	737	35
Current Loan Liabilities	8,933	4,041	5,781	1,740
Employee Entitlements (LSL)	2,080	2,163	2,211	48
Employee Entitlements (AL)	2,192	2,280	2,330	50
Other Employer Entitlements	350	364	372	8
Other Current Liabilities (accruals)	894	589	639	50
Total Current Liabilities	30,851	23,798	24,051	253
Non Current Liabilities				
Non Current Loan Liabilities	10,865	18,042	16,302	(1,740)
Employee Entitlements (LSL)	915	952	973	21
Total Non Current Liabilities	11,780	18,994	17,275	(1,719)
Total Liabilities	42,631	42,791	41,325	(1,466)
NET ASSETS	390,846	396,413	395,153	(1,260)
EQUITY				
Accumulated Surplus / (Deficit)	113,876	109,834	115,401	5,567
Asset Revaluation Reserves	281,012	281,012	281,012	-
Surplus/(Deficit)	(4,042)	5,567	(1,260)	(6,827)
TOTAL EQUITY	390,846	396,413	395,153	(1,260)

RURAL CITY OF MURRAY BRIDGE

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

APPENDIX 4

	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
Actual 2023/24 Audited	\$'000	\$'000	\$'000
Balance at end of previous reporting period	113,876	278,868	392,744
Net Surplus/(Deficit)	(4,042)		(4,042)
Transfer to Reserves		2,144	2,144
Transfer between reserves			-
Balance at end of the reporting period	109,834	281,012	390,846
2024-25 Forecast			
Balance at end of previous reporting period	109,834	281,012	390,846
Net Surplus/(Deficit)	5,567	-	5,567
Transfer to Reserves	-	-	-
Transfer between reserves	-	-	-
Balance at end of the reporting period	115,401	281,012	396,413
2025-26 Proposed Budget			
Balance at end of previous reporting period	115,401	281,012	396,413
Net Surplus/(Deficit)	(1,260)	-	(1,260)
Transfer to Reserves	-	-	-
Transfer between reserves	-	-	-
Balance at end of the reporting period	114,141	281,012	395,153

RURAL CITY OF MURRAY BRIDGE

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2026

APPENDIX 5

	Actual 2023/24 Audited	2024-25 Forecast	2025-26 Proposed Budget	Variance
Cash Flows from Operating Activities	\$'000	\$'000	\$'000	\$'000
Receipts				
Operating Receipts	52,996	58,714	60,427	1,713
Investment Receipts	337	181	195	14
Payments				
Operating Payments to Suppliers and Employees	(47,539)	(48,132)	(50,050)	(1,918)
Finance Payments	(671)	(958)	(971)	(13)
Net Cash provided by (or used in) Operating Activities	5,123	9,805	9,601	(204)
Cash Flows From Investing Activities				
Receipts				
Amounts Received Specifically for New/Upgraded Assets	1,121	6,144	-	(7,826)
Sale of replaced Assets	865	-	-	-
Sale of Surplus Assets	95	856	-	(856)
Distributions Received from Equity Accounted Council Businesses	71	-	-	-
Repayments of loan by Community Groups	7	-	-	-
Payments				
Expenditure on Renewal/Replacement of Assets	(7,291)	(9,430)	(9,378)	52
Expenditure on New/Upgraded Assets	(4,261)	(8,981)	(710)	8,271
Capital Contributed to Equity Accounted Council Businesses	(71)	-	-	-
Net cash provided by (or used in) Investing Activities	(9,464)	(11,411)	(10,088)	(359)
Cash Flows from Financing Activities				
Receipts				
Proceeds from Borrowings	9,725	11,218	4,041	(7,177)
Proceeds from Aged Care Facility Deposits	2,771	2,809	2,880	71
Payments				
Repayments of Borrowings	(7,090)	(4,943)	(4,041)	902
Repayment of Aged Care Facility Deposits	(3,109)	(2,160)	(2,880)	(720)
Net Cash provided by (or used in) Investing Activities	2,297	6,924	0	(6,924)
Net Increase (Decrease) in Cash Held	(2,044)	5,318	(487)	(5,805)
Cash & Cash Equivalents at beginning of period	1,951	(93)	5,225	5,318
Cash & Cash equivalents at end of period	(93)	5,225	4,738	(487)

RURAL CITY OF MURRAY BRIDGE

UNIFORM PRESENTATION OF FINANCES

FOR THE YEAR ENDED 30 JUNE 2026

APPENDIX 6

	Actual 2023/24 Audited	2024-25 Forecast	2025-26 Proposed Budget	Variance
Operating Activities	\$'000	\$'000	\$'000	\$'000
Operating income	50,631	58,825	62,053	3,228
less: Operating expenses	57,774	61,084	63,313	(2,229)
a - Operating Surplus/(Deficit)	(7,142)	(2,259)	(1,260)	999
Capital Activities				
Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of existing Assets	7,291	9,430	9,378	52
less: Depreciation, Amortisation and impairment	12,181	12,095	12,095	-
less: Proceeds from Sale of Replaced Assets	865	-	-	-
b - Net Outlays on Existing Assets	(5,755)	(2,665)	(2,717)	52
Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets	4,261	8,981	710	8,271
less: Amounts received specifically for New and Upgraded Assets	1,121	6,144	-	6,144
less: Proceeds from Sale of Surplus Assets	865	856	-	856
c - Net Outlays on New and Upgraded Assets	2,275	1,981	710	1,271
Net Lending/(Borrowing) = a - b - c	(3,662)	(1,575)	747	2,322

RURAL CITY OF MURRAY BRIDGE FINANCIAL INDICATORS FOR THE YEAR ENDED 30 JUNE 2026

APPENDIX 7

	Actual 2023/24 Audited	2024-25 Forecast	2025-26 Proposed Budget	Variance
Operating Surplus Ratio <i>Operating Surplus</i> Operating surplus before capital revenues/total income	(14.1%)	(3.8%)	(2.0%)	1.8%
Adjusted Operating Surplus Ratio Operating Surplus adjusted by advance payments made by the Federal Government Adjusted Operating Surplus before capital revenue/total income	(4.2%)	(3.8%)	(2.0%)	1.8%
Net Financial Liabilities Ratio <i>Net Financial Liabilities</i> (Total Liabilities - Financial Assets)/Total Income	71.0%	60.4%	55.6%	(4.8%)
Asset Renewal Funding Ratio <i>Net Assets Renewal</i> Net Assets 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.	114.0%	123.3%	100.0%	(23.3%)
Net Interest Ratio Net Interest Costs as a % of Total Operating Revenue	1.4%	1.5%	1.5%	(0.1%)

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Advice

Local Government Advice

Rural City of Murray Bridge

February 2023

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Enquiries concerning this advice should be addressed to:

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Glossary of terms

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

1 The Commission's key advice findings for the Rural City of Murray Bridge

The Essential Services Commission (**Commission**) finds the Rural City of Murray Bridge's (**Council's**) current and projected financial performance sustainable as it gears up for high levels of projected population growth. After a period of significant infrastructure and service expansion, leveraged by substantial grant funding, the Council appears to demonstrate sound operating performance, reasonable use of borrowings and a measured focus on the renewal of its assets.

Noting the Council's projections are somewhat reliant on its high growth assumptions and the Commission's broader observations regarding its planning and current rate levels, it is important for the Council to undertake the following steps to ensure that it budgets transparently and prudently, manages its cost base efficiently, plans its asset management needs appropriately, sets rate levels more transparently and reduces affordability risk for higher rate levels among its ratepayers.

Budgeting considerations

1. **Continue** to review its inflation forecasts in its budget and forward projections each year.
2. **Review** its employee expense projections and better explain the need for a projected peak in costs in 2026-27 in its long-term financial plan.
3. **Consider** coordination of annual updates to long-term financial plan projections with annual business plan and budget preparation to provide more transparency to the community about changes to forward projections, including rate projections, and the longer-term impacts of its short-term decisions.

Providing evidence of ongoing cost efficiencies

4. **Continue** to report its cost savings and efficiencies in its future budgets, to demonstrate its commitment to achieving cost constraint and efficiency across its operations and service delivery.

Improvements to asset management planning

5. **Review** its asset management plans (in particular, for plant and fleet assets) to ensure they cover a period of 10 years.
6. **Update** its asset condition assessments, valuations and useful life estimates where necessary in its asset management plans (noting its carpark and bridge condition assessments and recreation facility valuations are dated 2019 and 2015).
7. **Include** more detail in updates to long-term financial plan projections about the renewal and new or upgraded capital expenditure by infrastructure category (including for key projects), to provide better alignment and transparency between its asset management plans and long-term financial plan projections.
8. **Continue** to update existing asset management plans and to complete new asset management plans as indicated in the forward program (and in accordance with **Finding 5**), with a focus on consideration of the community's desired service levels, the resultant capital expenditure requirements, and alignment with long-term financial plan projections.

Reporting and containing rate levels

9. **Report** in its annual business plan the estimated average annual change for all categories of rates and other charges, together with the quantum of annual revenue it expects to collect the different categories of rates and charges, providing greater clarity and transparency to its ratepayers.
10. **Review** the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.
11. **Review** and **consider** limiting further average and minimum rate increases where possible, to reduce the affordability risk of higher rate from levels in the community.

2 About the advice

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

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

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

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

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2023-24 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.⁸ It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website⁹), nor is it compelled under the LG Act to follow the advice. The Commission thanks the Rural City of Murray Bridge for providing relevant information to assist the Commission in preparing this report.

2.1 Summary of advice

In general, the Commission finds the Rural City of Murray Bridge's current and projected financial position sustainable as it gears up for high levels of projected population growth. After a period of significant infrastructure and service expansion, leveraged by substantial grant funding, the Council

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

² Commonly referred to as asset management plans.

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

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

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

⁶ LG Act s122(1f)(a) and (1g)(a)(ii).

⁷ LG Act s122(1f)(b) and (1g)(b).

⁸ LG Act s122(1h).

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

continues to demonstrate a sound operating performance, prudent use of borrowings and a measured focus on the renewal of its assets.

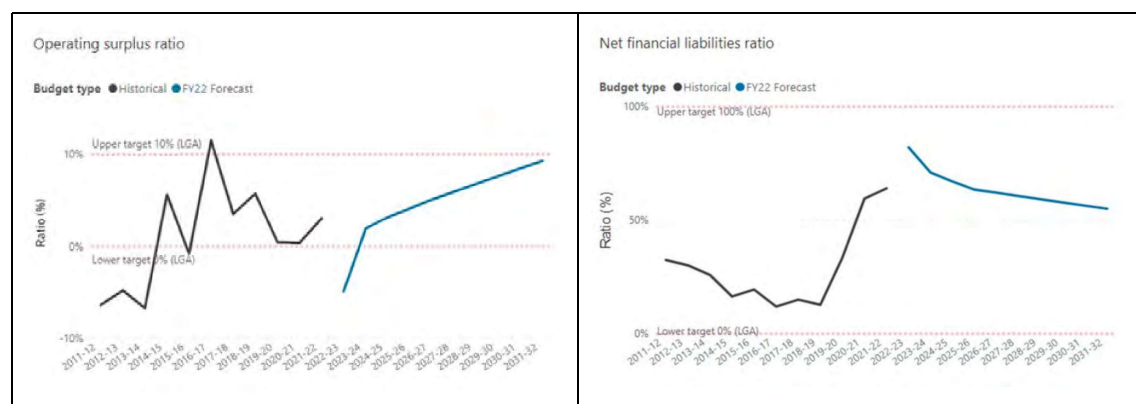
The Commission encourages the Council to continue to identify and report efficiencies and recurrent savings in its annual business plan, as it has been doing, to ensure that it continues to perform sustainably.

Large increases to rate levels in the past have resulted in comparatively higher rate levels for the Rural City of Murray Bridge¹⁰ and affordability risk for the community at these levels is apparent. The Council has planned for rate increases more aligned with inflation (with accompanying high property growth) from 2022-23, which should help to reduce this risk over time. Higher projected operating surpluses might provide the Council with the opportunity to reduce rate levels further than those it has estimated in future years (noting it is still forecasting inflation-based rate increases).

Its projections for lower capital spending on new and upgraded assets will help to reduce the chances of higher than projected rate increases for its community and support its ongoing asset and service sustainability.

The Commission has also observed several opportunities for governance improvements by the Rural City of Murray Bridge regarding the timing of its asset management plans, the transparency and integration of the annual updates to its LTFP and the rates information in its annual business plan and budget.

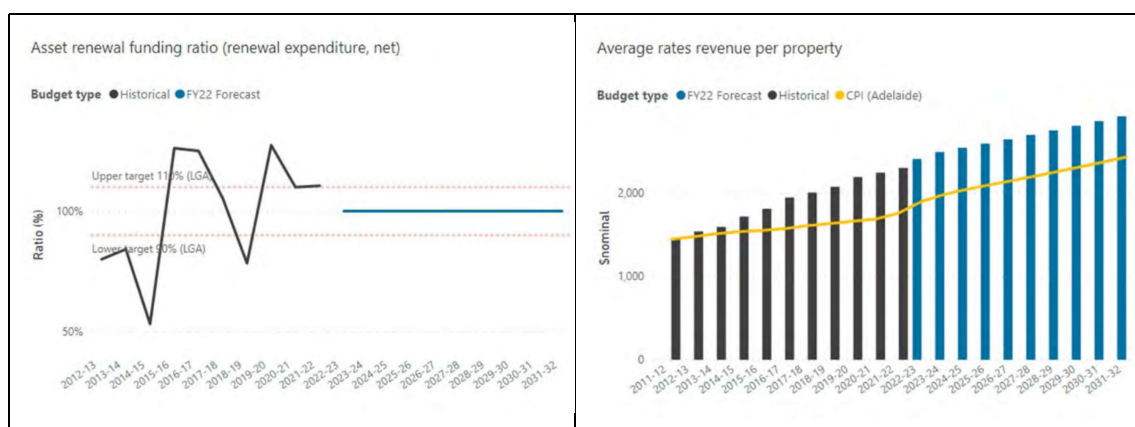
The charts below of the Rural City of Murray Bridge's past and projected operating surplus ratio, net financial liabilities ratio, asset renewal funding ratio¹¹ and average rate revenue per property, together support several the findings. The 'heat map' diagram over the page summarises the Commission's findings with reference to whether the Council has met the suggested LGA target ranges for the three main financial sustainability indicators¹² and the level of cost control and affordability risk identified for the Council over time.



¹⁰ Refer to Councils in Focus rates data for 2019-20 available at https://councilsinfocus.sa.gov.au/councils/the_rural_city_of_murray_bridge.

¹¹ Calculated net of asset sales.

¹² The suggested LGA target range for the ratios are discussed in more detail in the attachment.



Summary of the Rural City of Murray Bridge's financial sustainability performance and the Commission's risk assessment

Financial sustainability indicators:	Last 10 years from 2011-12 (Actual performance)	2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)
Operating surplus ratio (target 0-10%)	Generally operating surpluses —>		Ratio forecast within target range —>
Net financial liabilities ratio (target 0-100%)	Ratio met historically and in forecast period —>		
Asset renewal funding ratio (target 90-110%)	Annual ratio volatility but target range met on average —>	Asset renewal spending performance and projections within target range for ratio —>	
Identified Risks:			
Cost control risk	Low risk with cost control (average opex growth per property 0.4% p.a. 11-12 to 16-17)	Increasing operating costs with infrastructure projects (average opex growth per property 2.8% p.a. 17-18 to 25-26) —>	Lower cost growth projected (average opex per property growth 0.6% p.a. 26-27 to 31-32) —>
Affordability risk	Increasing average rate levels (average per property growth 5.0% p.a. from 11- 12 to 20-21) (CPI 1.7%) —>	Moderately high rates (but lower average rate increases) —>	Lower average rate increases per property projected (average 2.2% p.a. growth from 22-23 to 31-32) (CPI 2.8%) —>

- Ratio outside suggested LGA target range or higher risk
- Ratio close to suggested LGA target range or medium risk
- Ratio within suggested LGA target range or lower risk

2.2 Detailed advice findings

The next sections summarise the Commission's more detailed advice findings regarding the Rural City of Murray Bridge's material changes to its 2022-23 plans (compared with the previous year's plans), its

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

In providing this Advice, the Commission has followed the approach it previously explained in the *Framework and Approach – Final Report* (August 2022) (F&A). The attachment explores these matters further.¹³

2.2.1 Advice on material plan amendments in 2022-23

The Council updated its inflation assumptions in its LTFP to account for higher inflation, which results in an aggregate increase of around 6 percent to its 2021-22 LTFP forecasts for these revisions.¹⁴ The Commission notes that the Council's stated assumptions for indexation in its 2022-23 LTFP are reasonable, albeit low in the current inflationary environment,¹⁵ but that there is associated uncertainty around the forecasts. Notwithstanding the need for the Council to endeavour to find savings in real terms to reduce any inflationary impact on its community, it would be appropriate for it to:

1. **Continue** to review its inflation forecasts in its budget and forward projections each year.

The Council increased its forecast operating income (in nominal terms) by a total by \$33.0 million or 7.5 percent, and its operating expense estimates by \$35.9 million or 8.6 percent in its 2022-23 LTFP estimates.¹⁶ These updates reflect inflation revisions and other adjustments.

Much of the increase to operating expense forecasts is due to the additional \$21.3 million or 11.5 percent in 'employee expenses' projected over this period (including an 11 percent year-on-year increase in 2026-27). The Council identified that it has experienced service cost increases due to the growth of open space facilities over the previous two years, as well as additional waste collection and disposal costs.¹⁷ It has also needed to take on extra staff to meet the workload associated with the significant infrastructure works program. The higher operating expense estimates also incorporate revisions to finance costs associated with borrowings for the timing of infrastructure projects and higher interest costs.

The adjustments appear generally reasonable but the extent of the increase in 'employee expenses' projections do warrant further review and explanation, and therefore, the Commission considers that it would be appropriate for the Rural City of Murray Bridge to:

2. **Review** its employee expense projections in its long-term financial plan and better explain the need for higher costs, including a projected peak in costs in 2026-27 in its long-term financial plan.

For the past two years, the Council has updated its LTFP in September after its adoption of its annual business plan and budget in July for the coming financial year. The updates to the LTFP form a Council agenda item (in an ordinary public meeting) and the Council then provides a link to the agenda item on its website after its consideration and endorsement.¹⁸

¹³ The attachment will be available on the Commission's website with the main body of the advice.

¹⁴ Based on the overlapping forecast period in both LTFPs (2022-23 to 2030-31).

¹⁵ The Council is estimating an average annual increase in the Consumer Price Index (CPI) of 2.1 percent to 2031-32, compared with 2.8 percent based on Reserve Bank of Australia (RBA) forecasts to 2024-25 (see the RBA, Forecast Table - February 2023, available at <https://www.rba.gov.au/publications/smp/2023/feb/forecasts.html>) and a return to long run averages from 2025-26 (2.5 percent).

¹⁶ As per footnote 14.

¹⁷ Rural City of Murray Bridge, *Annual Business Plan 2022-23*, June 2022, p. 14, available at https://www.murraybridge.sa.gov.au/_data/assets/pdf_file/0023/1161518/2022-23-ABP.pdf.

¹⁸ Noting, at the time of preparing this advice, this had not occurred for the September 2022 LTFP update.

The projections over forward years include assumptions about future rate contributions, and the Commission notes that these are not consulted on by the Council (in LTFP updates), given their exclusion from its annual business plan.¹⁹ Although it is not a legislative requirement for the Council to include its long-term financial projections with its annual business plan, nor consult annually on the projections, the Commission notes that some councils still approach their budgeting in this manner. Such steps could allow the Rural City of Murray Bridge Council to consult with its community more effectively about the long-term impacts of its annual financial decisions. For this reason, the Commission considers that it would be appropriate for the Council to:

3. **Consider** coordination of annual updates to long-term financial plan projections with annual business plan and budget preparation to provide more transparency to the community about changes to forward projections, including rate projections, and the longer-term impacts of its short-term decisions.

2.2.2 Advice on financial sustainability

Operating performance

The Rural City of Murray Bridge has been in a financially sustainable position with operating surpluses since 2014-15. Accordingly, the operating surplus ratio²⁰ has generally been within the suggested LGA target range (of between zero and 10 percent) to 2021-22.

The financially sustainable position for the Council has been the result of average operating income growth of 4.4 percent per annum²¹ exceeding average operating expense growth of 3.6 percent over 2011-12 to 2020-21. Rate contributions have led the income growth, increasing by an average of 5.7 percent per annum over this period, compared with 1.7 percent in the CPI²² and 0.6 percent growth in property numbers. The associated affordability risks for the community are discussed in section 2.2.3 below. 'Grants, subsidies and contributions' income, which forms another important source of income for the Rural City of Murray Bridge, was relatively flat over this period (declining by 0.3 percent).²³

On the other side of the equation, operating expense growth in the 10 years to 2020-21 was largely concentrated in 'employee' and 'materials, contracts and other' expense growth of an average of 4.6 and 4.1 percent per annum, more than double the pace of average CPI growth (1.7 percent).²⁴

The Council has forecast increasing operating surpluses in its LTFP with the operating surplus ratio projected to reach 9.3 percent at 2031-32. The increasing surpluses are the result of operating income again exceeding operating expense growth over the forward estimates (that is, average annual growth of 4.7 percent compared with 3.0 percent from 2022-23 to 2031-32). Expenses per property are forecast to increase by 1.0 percent per annum as the Council appears to be projecting scale efficiencies

¹⁹ The draft annual business plan must be consulted on in accordance with LG Act s123 (3)(b) and (4).

²⁰ The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The suggested LGA target for councils is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019 (LGA SA Financial Indicators Paper)*, p. 6).

²¹ Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice).

²² Average annual growth in the local government price index published by the South Australian Centre for Economic Studies was similar (at 1.9 percent) as the Commission's estimated average annual CPI growth over this period. Available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

²³ Noting grants income can be volatile from year to year.

²⁴ The Commission notes the impact of the increase in the solid waste levy on councils' waste management costs, and in particular the 'materials, contracts and other' expenses over this period.

in its operations. By comparison, CPI growth is forecast (based on RBA estimates) to average 2.8 percent over this period.²⁵ The extent of the revenue growth is predicated on strong growth in property numbers forecast by the Council of an average of 2.0 percent per annum (or an average of 267 new properties each year) and the continued co-funding of infrastructure projects by grants and contributions.

The Council also indicated that it has incorporated \$0.2 million in savings into its recurrent budget from forward planning and continuous improvements.²⁶ In addition, the Adelaide Hills Region Waste Management Authority, for which the Rural City of Murray Bridge is a constituent council, will also continue to explore further opportunities for council savings through the implementation of approved shared services.²⁷ Continued operating sustainability for the Rural City of Murray Bridge relies on fiscal constraint and greater cost efficiency than the Council has achieved in the past, and the Commission encourages the it to:

4. **Continue** to report its cost savings and efficiencies in its future budgets, to demonstrate its commitment to achieving cost constraint and efficiency across its operations and service delivery.

Net financial liabilities

The Council's net financial liabilities ratio²⁸ has comfortably met the sector benchmark (between zero and 100 percent)²⁹ over the past 10 years, demonstrating that the Council has been incurring borrowings and other liabilities that its operating income can reasonably service.

The ratio trended between 12 and 34 percent between 2011-12 and 2019-20, and is estimated to increase to 82 percent in 2022-23, with much higher borrowing levels for major infrastructure projects from 2020-21. However, the Council has already expanded its operating capacity quite considerably (to fund higher borrowing levels) through relatively significant rate increases in the past.

The Rural City of Murray Bridge has forecast relatively stable borrowings of \$19.2 million over the forecast period. Over the next 10 years, the Council has forecast its net financial liabilities ratio to average 64 percent, with a slight downward trend, reflective of stable net liabilities and higher operating income growth.

Asset renewals expenditure

The Rural City of Murray Bridge has been meeting its asset renewal needs in line with its AMPs over the past 10 years with its asset renewal funding ratio³⁰ averaging 103 percent; and 110 percent in the

²⁵ Based on the RBA forecasts for the CPI (Australia-wide) to the June quarter 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26 (and not the Council's CPI forecasts which produce an average of 2.1 percent). See footnote 15.

²⁶ Rural City of Murray Bridge, *Annual Business Plan 2022-23*, June 2022, pp. 14 and 20.

²⁷ Rural City of Murray Bridge, *Annual Report 2021-22*, p. 25, available at https://www.murraybridge.sa.gov.au/_data/assets/pdf_file/0025/1244347/Annual-Report-Final-including-Attachment.pdf.

²⁸ The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The Council's target range for the ratio of below 90 percent is not too dissimilar from the suggested LGA target range for the sector (between zero and 100 percent).

²⁹ The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

³⁰ The IAMP-based method is the current industry standard whereby net asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the

five-years to 2021-22. The Council is forecast to continue to meet the ratio consistently in its projections to 2031-32 (noting that its AMPs do not actually extend over 10 years).

The Council's spending on the renewal of assets averaged \$6.4 million between 2011-12 and 2020-21 and peaked at \$9.8 million in 2019-20. Average annual spending is projected to increase to an average of \$9.8 million per annum (in nominal terms) from 2022-23 to 2031-32, following significant growth in the value of the Council's asset stock per property in recent years (and higher renewal requirements identified in its AMPs).

Under the depreciation-based asset renewal funding ratio,³¹ the Council's performance has been relatively volatile but has demonstrated average renewal spending in line with asset consumption (with the ratio averaging 93 percent from 2011-12 to 2019-20). It is also forecast to be 100 percent over the forecast period.

Its spending on new or upgraded assets averaged \$5.0 million in the 10 years to 2019-20 but spiked at \$22.8 million in 2020-21 with various significant infrastructure projects (including those co-funded with grants), either completed or underway. Expenditure on new or upgraded assets is forecast to be much lower in the forward estimates, estimated to average \$3.1 million per annum from 2022-23 to 2031-32 (in nominal terms).

In general, the Council's AMPs provide reasonable coverage of asset conditions and service level determination, which feed into the expenditure needs for renewal of assets. However, not all the AMPs cover the management and development of its infrastructure and major assets for a period of at least 10 years.³² The Council's AMPs are dated over four years only (consistent with the Council's SMP time period) although they generally still provide projections for 10 years of funding requirements for asset renewals. The exception is the *Plant and Fleet Asset Management Plan 2019-2024*, which does not include 10 years of funding projections. The Commission has also identified other areas for continuous improvement, mainly to ensure robust and accurate asset management approaches and better alignment between its asset management and financial planning outputs. Specifically, it would be appropriate for the Council to:

5. **Review** its asset management plans (in particular, for plant and fleet assets) to ensure they cover a period of 10 years.
6. **Update** its asset condition assessments, valuations and useful life estimates where necessary in its asset management plans (noting its carpark and bridge condition assessments and recreation facility valuations are dated 2019 and 2015).
7. **Include** more detail in updates to long-term financial plan projections about the renewal and new or upgraded capital expenditure by infrastructure category (including for key projects), to provide better alignment and transparency between its asset management plans and long-term financial plan projections.
8. **Continue** to update existing asset management plans and to complete new asset management plans as indicated in the forward program (and in accordance with **Finding 5**), with a focus on consideration of the community's desired service levels, the resultant capital expenditure requirements, and alignment with long-term financial plan projections.

plan. The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9).

³¹ Where asset renewal or replacement expenditure is divided by depreciation expenses.

³² As required under LG Act s122(1a)(b). See Rural City of Murray Bridge, *Plant and Fleet Asset Management Plan 2019-2024*, December 2020, pp. 17-18, available at https://www.murraybridge.sa.gov.au/_data/assets/pdf_file/0021/534414/RCMB-2019-24-Plant-and-Fleet-AMP-2020-Annual-Review-v2.pdf.

2.2.3 Advice on current and projected rate levels

The Rural City of Murray Bridge has implemented an increase of 3.5 percent to its average rates per property in 2022-23, including a 3.2 percent or \$55 increase in average residential rates and a 3.5 percent or \$35 increase in minimum rates.

The Commission could not assess the Rural City of Murray Bridge's average rate changes by other categories in 2022-23 because the annual business plan does not show the proportion of revenue it collects from each category of ratepayers, nor the average impact of the proposed changes on all categories of rates and charges. The *Local Government (Financial Management) Regulations 2011 (Regulations)* requires that, at a minimum, the annual business plan provides a statement on the average change in the expected rates for each land use category.³³ Therefore, it would be appropriate for it to:

9. **Report** in its annual business plan the estimated average annual change for all categories of rates and other charges, together with the quantum of annual revenue it expects to collect from the different categories of rates and charges, providing greater clarity and transparency to its ratepayers.

The Council's current rates are comparatively high.³⁴ Its rates revenue increased by an average of 5.7 percent per annum in the 10 years to 2020-21, which amounted to average growth in rates of 5.0 percent per property. This compares with CPI growth of an average of 1.7 percent per annum over this period.

Affordability risk at higher rate levels is apparent in the Rural City of Murray Bridge, particularly when considering the community's relatively low socio-economic indexes for areas (SEIFA) ranking regarding the community's access to economic resources.³⁵ The Council also received some concerns from the community about rate increase impacts when consulting on its annual business plan, including related to minimum rate increases.³⁶

The Commission notes that the Council appears to have considered the impact on its community from rate rises in its annual business plan³⁷ and at this stage, its LTFP does not appear to have proposed any increases to existing average rate levels in real terms. To 2031-32, the Council has planned for rates per property to increase by an average of 2.2 percent per annum. This is lower than RBA-based forecast inflation growth of 2.8 percent per annum.³⁸ Around half of the Council's projected rates revenue growth is anticipated to be due to property growth (with the Council's assumption for average annual growth of 2.0 percent to 2031-32) and the remainder is due to projected inflation impacts.

³³ Under s6(ec).

³⁴ Refer to Councils in Focus rates data by rate category and property numbers for 2019-20 available at <https://councilsinfocus.sa.gov.au/councils/council>.

³⁵ The Rural City of Murray Bridge area is ranked 12 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA of Economic Resources (2016), where a lower ranking (eg, 1) denotes relatively lower access to resources in general, compared with other areas, available at <https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20lga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&27.03.2018&Latest>.

³⁶ Rural City of Murray Bridge, *Special Council Meeting Agenda - 30 May 2022, Item S95.1 - Summary of Responses to Draft 2022-23 Annual Business Plan & Budget*, Attachment 1, pp. 8-17, available at https://www.murraybridge.sa.gov.au/_data/assets/pdf_file/0025/1153582/Special-Council-Meeting-Agenda-30-May-2022.pdf.

³⁷ Rural City of Murray Bridge, *Annual Business Plan 2022-23*, June 2022, pp. 7 and 22.

³⁸ See footnote 15.

Should lower growth eventuate, this might be a catalyst for the Council to increase average rate levels by more than it has forecast. Therefore, it would be appropriate for it to:

10. **Review** the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.

The strong projected operating performance does provide some flexibility for the Council to maintain a surplus position even if property growth and the associated additional rates revenue does not eventuate, as forecast. It might also provide the Council with the opportunity to reduce rate levels further than estimated. Given the Rural City of Murray Bridge's rate history and the likely sensitivity of the community to further rate increases, it would be appropriate for it to:

11. **Review** and consider limiting further average and minimum rate increases where possible, to reduce the affordability risk of higher rate levels in the community.

2.3 The Commission's next advice and focus areas

In the next cycle of the Scheme, the Commission will review and report upon the Rural City of Murray Bridge's:

- ▶ potential integration of its annual updates to its LTFP projections with its annual business plan process
- ▶ ongoing performance against its LTFP estimates and the transparency of any significant revisions it makes to its forward estimates in its LTFP, including regarding employee expenses
- ▶ achievement of cost savings and efficiencies, and its reporting of these achievements
- ▶ revisions of existing AMPs and adoption of new AMPs, to meet the 10-year requirement and its intended program, and actions to identify desired service levels and to address the need to update outdated condition assessments and valuations in certain AMPs
- ▶ presentation of proposed rates and charges increases, including estimated revenue and average rate changes by land use category, in its annual business plan, and
- ▶ ongoing management of the affordability risks identified and the quantum of further rate increases.



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Schedule of Footpath Expansion Works	
Carsten Drive, Murray Bridge	
Thule Drive, Murray Bridge East	
Myrtle Avenue, Murray Bridge East	
Schedule of Unsealed Road Renewal Works	
Toora Road, Toora	Kuchel Drive to Unnamed Road
Bondeigh Road, Rockleigh	Range Road to Critchley Road
Lovelybanks Road, Wellington	Freds Road to Withers Road
Wattle Road, Monarto	Frahn Lane to Frahns Farm Road
Jaensch Road, Callington	Cemetery Road to Railway Line
Jaensch Road, Callington	Railway Line to Thomas Crescent
Rams Road, Rockleigh	Rockleigh Road to North Rockleigh Road
Critchley Road, Monarto	Driveway 1450m South Hartmann Road to Hartmann Road
Karpany Road, Wellington	Langhorne Creek Road to driveway 1145m South East Langhorne Creek Rd
Karpany Road, Wellington	Driveway 1145m South East Langhorne Creek Road to 2585m south Langhorne Creek Road
Mallee Road, Mypolonga	24m North West Mypolonga Road to Woolshed Road
Dean Jaensch Road, Toora	Kuchel Road to Toora Road
Boundary Road, Ettrick	4080m North Bowhill Road to 6040m North Bowhill Road
ElShaddai Hump, Wellington	Remove isolated hump to improve safety

Schedule of Sealed Road Renewal Works	
Laura Street, Murray Bridge	Reinstatement due to stormwater & kerb works
Flagstaff Road, Flagstaff	Reconstruction of short sections due to failures
Wharf Road, Murray Bridge	Continuation of renewal works in wharf area
Hillview Road, Pallamana	2.2km reseal starting at Reedy Creek Road
Sturt Reserve Road, Murray Bridge	Reseal due to deterioration of current surface
Bremer Road, Murray Bridge	Reinstatement following kerb works
Hindmarsh Road/Maurice Road (O/D Route), Murray Bridge	Annual allocation due to ongoing deterioration
Old Princes Highway, Monarto	Allocation to allow continuation of microsurfacing (rut filling)
Rocky Gully Road, Rocky Gully	Remediation of surface adjacent Boral Concrete plant
Lincoln Avenue, Murray Bridge East	Reinstatement following kerb works
Lookout Drive, Murray Bridge East	Reinstatement following kerb works
Sunnyside Retaining Wall, Sunnyside	At junction with Burgess Road
Sunnyside Safety Barrier, Sunnyside	Protect exposed hazard



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