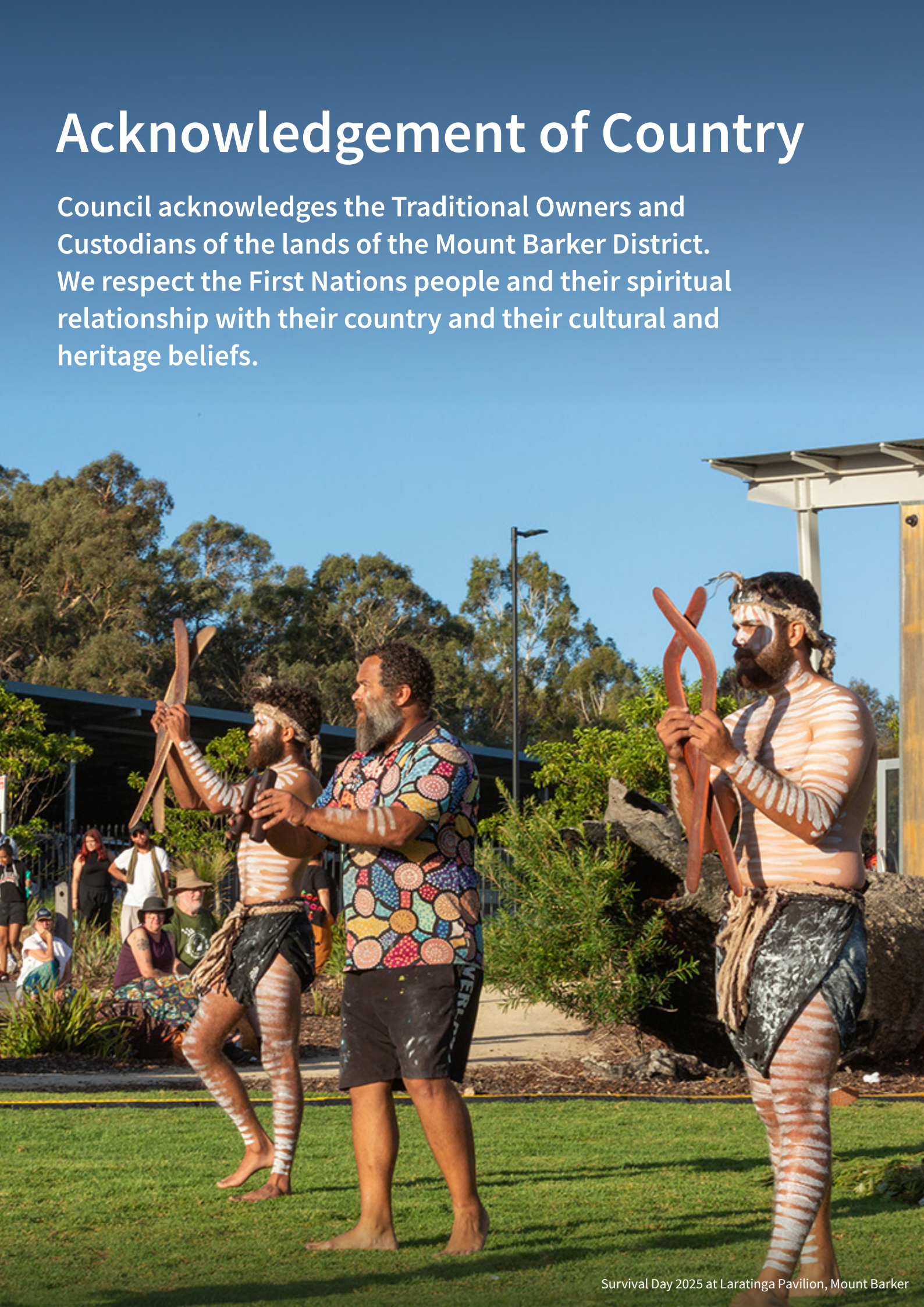
MOUNT BARKER
DISTRICT COUNCIL

2026 - 2027
Annual Business Plan

Acknowledgement of Country

Council acknowledges the Traditional Owners and Custodians of the lands of the Mount Barker District. We respect the First Nations people and their spiritual relationship with their country and their cultural and heritage beliefs.



Survival Day 2025 at Laratinga Pavilion, Mount Barker

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Cover Image: Children enjoying the Summit Aquatic and Leisure Centre

Our Focus for 2026 - 2027

Mount Barker Carols and Fireworks held at the Summit Sport and Recreation Park

What We Heard

Thank you to everyone who provided feedback on the draft 2026/27 Annual Business Plan and Budget and Long-Term Financial Plan.

We heard that the community wants Council to continue investing in the district while recognising the cost-of-living pressures facing many households.

The main themes raised during consultation were:

- Fair investment across the district
- Moving from planning to delivery
- Infrastructure keeping pace with growth
- Greater transparency
- Financial responsibility

How We're Responding

Continuing to invest in our townships

More than $7 million has been allocated to infrastructure in townships outside Mount Barker in 2026 - 27, including $2 million for new footpaths.

Council will roll out a Township Prospectus program, meeting with township community leaders to review existing plans, understand current priorities and identify priority projects.

An additional $50,000 has been allocated for township "quick win" projects identified through these discussions, and a further $45,000 has been added to the Infrastructure Grant program to support community led projects.

The Long-Term Financial Plan continues to align future township investment with Council's adopted Lead Strategies and Action Plans.

Investing in infrastructure

In alignment with feedback from the MARKYT scorecard, the budget continues investment in roads, shared paths, intersections, township renewal and other infrastructure while supporting advocacy for major State Government transport projects.

Improving transparency

The adopted Annual Business Plan will include a detailed list of 2026/27 capital works.

Everyone who made a written submission will receive a response explaining how their feedback was considered.

Council will also continue improving how it communicates the services it delivers and investment across the district.

Maintaining financial sustainability

The general rate increase for existing ratepayers has been maintained at 4.9% (CPI).

The Long-Term Financial Plan has been updated to reflect higher construction costs, fuel prices, interest rates and inflation, along with lower than expected growth-related rate revenue.

Delivering value for money

Council will continue improving efficiency while maintaining service levels by:

- reviewing fleet, project management and business operations
- reviewing procurement and contract management approaches
- investing in digital systems and process improvements
- reducing energy and operating costs
- renewing assets at the right time to reduce future costs
- continuing to invest where commercial returns can deliver alternate income streams
- ensuring growth infrastructure is funded through developer and external contributions wherever possible.

Key Outcomes

The adopted budget focuses on:

- maintaining existing service levels
- keeping the general rate increase for existing ratepayers in line with CPI
- investing in essential infrastructure and asset renewal
- progressing major projects, including the Summit Precinct, City Centre Project
- focussing on what matters to our community with the design and delivery of key transport improvements
- investing in our townships with over $7 million invested in asset renewal and new infrastructure

Hahndorf

Budget Planning Context

Mount Barker District Council is pleased to present our Annual Business Plan and Budget for 2026/27.

This document outlines the projects, services and priorities for the coming financial year, along with the budget required to deliver them.

This year's budget has been developed during a period of continued growth and increasing financial pressure. Mount Barker remains one of the fastest growing areas in South Australia, with ongoing demand for roads, parks, community facilities, waste services, sporting infrastructure and essential infrastructure to support a growing population.

At the same time, Council, like households and businesses, is experiencing rising costs across construction, labour, insurance, finance and utilities. Cost of living pressures are also continuing to affect many in our community, and Council has been mindful of balancing investment in services and infrastructure with affordability for ratepayers.

That being said, this budget includes investments in Council services across the environment, open space and recreation, community services and asset maintenance and renewal.

This budget also includes the delivery of a number of intergenerational projects that include the City Centre Project (forecast for completion in 2028/29) and the Laratinga Water – by Recovery Plant (forecast for completion in 2028/29 and to be delivered by Council's subsidiary GMB Water).

The General Rate increased included in this budget is 4.9% aligning to the Adelaide March 2026 CPI for existing ratepayers in addition to 3.66% from development growth.

The budget includes allowances based on current economic forecasts available at the time of preparation. However, if inflation or interest rates increase beyond current forecasts, Council may need to review the timing and prioritisation of some projects and services to remain within its medium to long-term financial capacity.

Your Council
District Wards

Our 2044 vision

To be the most liveable region in South Australia.

Which means...

"A liveable place is somewhere that is: safe, attractive, inclusive, and environmentally sustainable; with affordable and diverse types of housing, public open space, local shops, health and community services, leisure and cultural opportunities; with opportunities for employment and education all accessible by convenient public transport, walking and cycling."

— Australian Urban Observatory, 2024

Our five pillars to achieve this are...

Key Priorities

Transport

Council will continue to progress the Integrated Transport Plan action plans and work with key collaborators, including the Department for Infrastructure and Transport, as well as other potential state and federal funding partners.

The Integrated Transport Plan action plans set out important transport priorities across six themes, including road safety, road network management, active transport, public transport, and innovation and technology. These plans provide a strong foundation for seeking grant funding for key strategic projects.

Growth area transport modelling will continue to progress, with a focus on identifying the timing of key transport interventions required to support growth. This work will help guide both Council and the State Government on where and when to invest in transport infrastructure. It also provides an evidence base to support future funding contributions from state and federal governments.

Bollen Road:

Bollen Road will move into the construction phase in 2026–27, and subject to securing grant funding, this will include the completion of a major upgrade and a new connection at the Hawthorn Road intersection.

Springs Road:

Concept design work and community engagement for the Springs Road roundabout capacity upgrade will commence in 2026 – 2027. This will explore options to improve intersection capacity and will align with the reconstruction of Springs Road from Heysen Boulevard, including a bridge upgrade and road widening.

Hawthorn Road:

In parallel with the State Government's design for the Hawthorn Road and Adelaide Road upgrade, Council will commence concept design work for Hawthorn Road between Adelaide Road and Liebelt Summer Track. This project will include community engagement to help develop a well-considered concept for Council endorsement.

Mayor David Leach with General Manager of Infrastructure Phil Burton on Bollen Road

Architect impression of the new Town Square by JPE Design Studio

City Centre Project

The City Centre Project is all about bringing new energy into the heart of Mount Barker.

With a mixture of retail, office, car parking and food and beverage outlets surrounding a new town square, the master planned precinct will provide new opportunities for the community to work, meet, shop and grab a coffee.

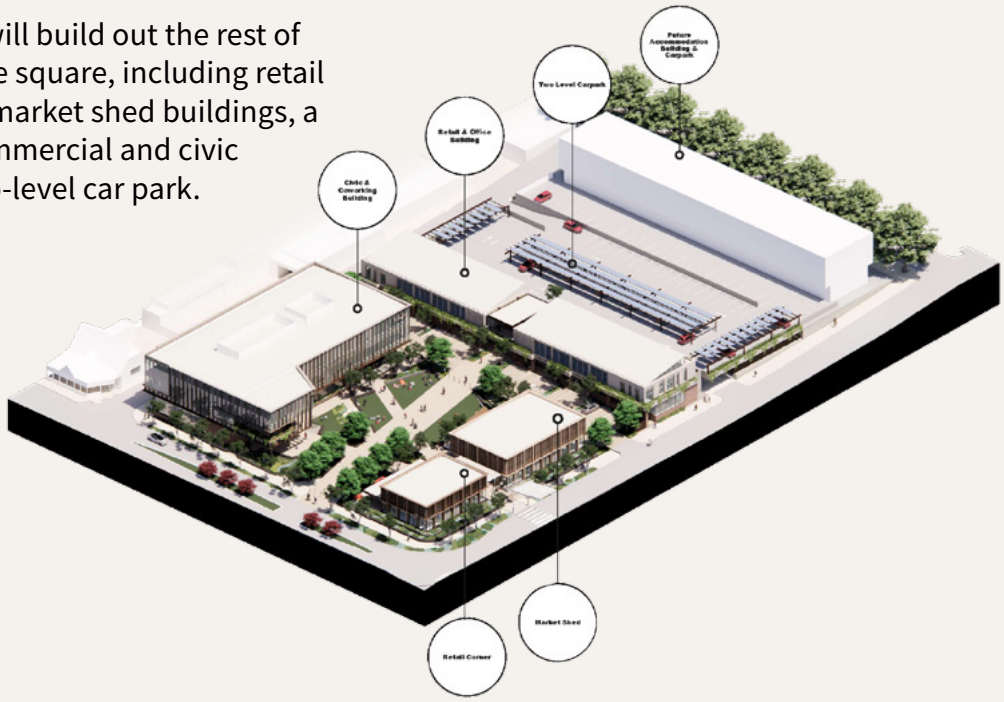
The project is being delivered in partnership with Burke Urban Investments (BUI).

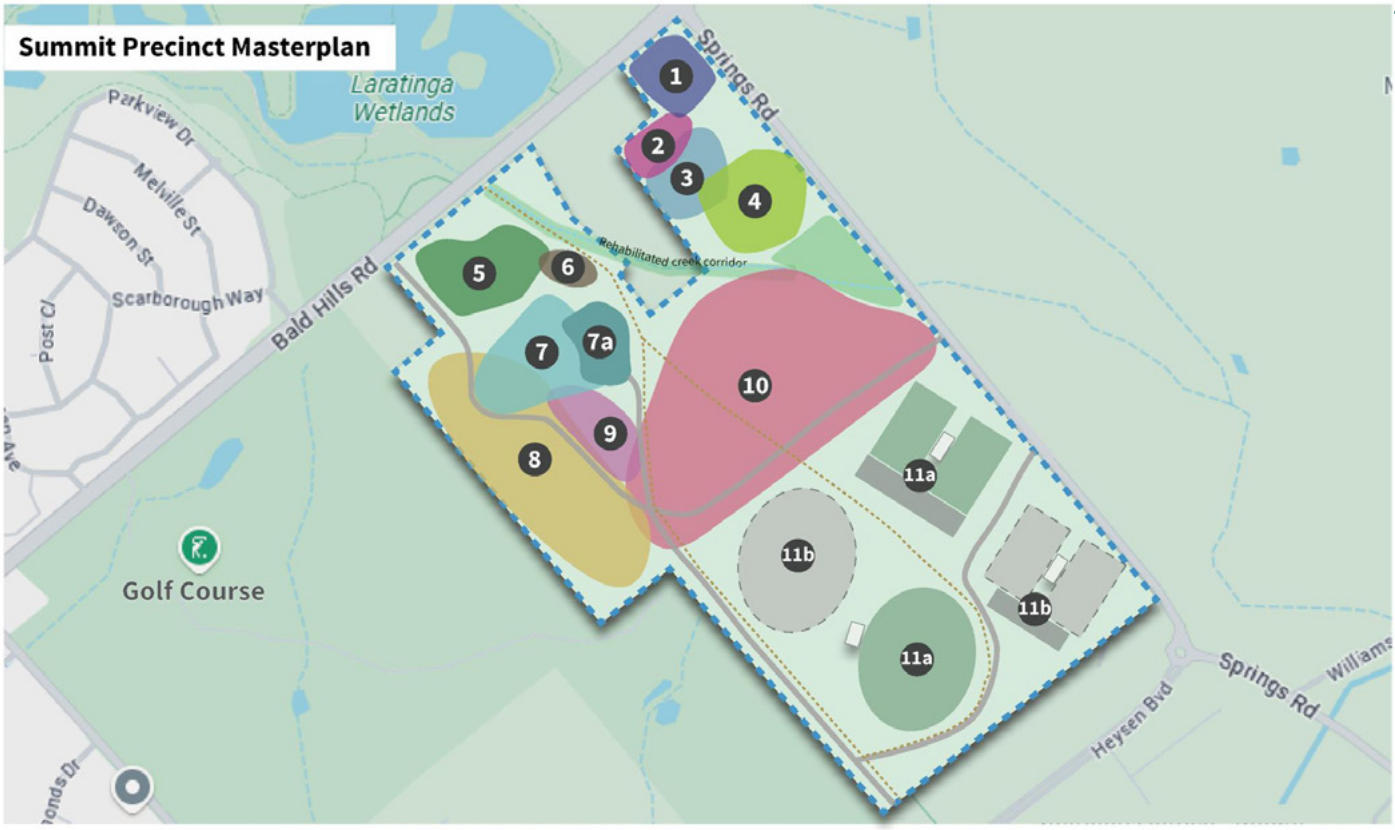
The first stage is the construction of the town square and building a new food and beverage outlet on the corner of Morphett and Hutchinson Streets.

The second stage will build out the rest of the area around the square, including retail and office spaces, market shed buildings, a Council-owned commercial and civic building, and a two-level car park.

Key highlights:

- **Food and beverage venue** – activating the square day and night
- **Shopping and retail spaces** – creating a lively, convenient destination
- **Two-level car park** – making visits easy and accessible
- **Event-ready public space** – designed for community gatherings and performances





Project: Summit Precinct Masterplan

Legend

- 1 Food and beverage
- 2 Entertainment centre
- 3 Spa and wellness centre
- 4 Hotel (current DA)
- 5 Adventure play (Council)
- 6 Heritage barns
- 7 Indoor aquatic centre
- 7a Future 50m pool
- 8 Indoor recreation
- 9 Indoor sports courts (Council)
- 10 Holiday park
- 11a Existing AFL / football ovals / pitches
- 11b Future AFL / football ovals / pitches
- Walking / cycling trail

Note: This plan is subject to change

MOUNT BARKER DISTRICT COUNCIL

The Summit Precinct

The Summit Precinct is designed to combine a mix of significant community facilities as well as complementary leisure and entertainment offerings delivered, and operated, by the private sector.

Community facilities include the current and future stages of the Summit Sport and Recreation Park and Summit Aquatic and Leisure Centre as well as planned Regional Adventure Playground and trail connections.

Privately delivered components include hotel accommodation, a tourist park and a significant multi-tenant indoor leisure facility.

The precinct will cater to local and interstate visitors, enhancing the region's tourism and economic landscape and creating significant local employment.

Within the 2025 - 2026 financial year Council has completed the final strategic land purchase across the precinct solidifying the precinct as the region's leading recreation, leisure, sport, and entertainment facility.

Key highlights:

Sport and aquatic facilities – delivering year-round recreation opportunities

Adventure playground and trails – supporting active outdoor lifestyles

Leisure and entertainment venues – attracting visitors and creating local jobs

Hotel and holiday park stays – supporting tourism and the local economy

Currently, Council is finalising the required land tenure agreements with our development partner Accord Property which will see the first stages of the precinct begin early construction works in the 2026 - 2027 financial year.

Townships

In April 2026, Council adopted a new Corporate Strategy Framework to better connect our long term goals with the actions and funding needed to deliver them.

The Framework links Council strategies to action plans with timeframes and budgets, helping ensure community priorities are delivered and aligned with Council's resource planning.

As part of this change, standalone Township Plans no longer exist as separate strategic documents. Instead, township actions and priorities have been incorporated into Council's Lead Strategies and supporting Action Plans.

To ensure communities can still clearly see what is being delivered in their local area, Council will prepare an annual Township Plan Prospectus (an annual report) for each township. These easy to read updates will bring together the relevant actions, projects and investments from across Council's strategies and action plans into a single local document.

The Prospectus will highlight what has been delivered, what is currently underway, and key short term future actions and timing for each township. It is intended to improve communication and engagement with local communities and provide a clearer understanding of how Council is delivering on township priorities.

The first Prospectus is planned for 2026 and will be distributed following completion of the annual budget process. It is intended to become an annual update for township communities.

The following pages provide a snapshot of what the annual Township Plan Prospectus will look like.

CENTRAL TOWNSHIP PLANS DELIVERY IN SUMMARY

Hahndorf • Littlehampton • Nairne

Hahndorf Main Street Upgrade Design

TOWNSHIP PLAN ACTION #37

Comprehensive engagement with residents and traders has informed a detailed concept design for the Hahndorf Main Street upgrade.

Littlehampton Main Street and Miels Park Upgrades

TOWNSHIP PLAN ACTION #3.1 AND 6.1

The upgrade of Littlehampton's main street and Miels Park has delivered new recreation facilities, improved open space amenities and enhanced pedestrian safety and accessibility.

Nairne Main Street Upgrade Stage 2

TOWNSHIP PLAN ACTION #3

The Stage 2 upgrade of Nairne's western Main Street has enhanced the town centre entrance delivering a safer, more accessible pedestrian space and supporting street activation and economic growth.

Planned Initiatives

2026/2027 FY

Township Entrance Signage

TOWNSHIP PLAN ACTION #1.1

Complete and consult on design for township entry signage for Hahndorf, Nairne and Littlehampton.

Littlehampton Glebe Land Fencing

TOWNSHIP PLAN ACTION #3.1

Construction of boundary fencing to providing improved safety for users and off-leash dogs.

Nairne Soldiers Memorial Hall Conservation Work

TOWNSHIP PLAN ACTION #3.9

Internal plaster repairs, tiling in the entrance lobby and some internal alterations.

Hahndorf Main Street Upgrade

TOWNSHIP PLAN ACTION #6

Secure external funding to deliver the Main Street improvements.

SOUTHERN TOWNSHIP PLANS DELIVERY IN SUMMARY

Echunga • Macclesfield • Meadows

Echunga Power Line Environment Committee (PLEC)

TOWNSHIP PLAN ACTION #41

Advocating for and delivering the PLEC program to underground Main Street power lines, with successful funding and delivery of Stages 1–2.

Macclesfield Main Street Upgrade (Eastern Side)

TOWNSHIP PLAN ACTION #66

The upgrade of Venables Street will support town centre economic growth and development, while creating a safer, more accessible environment for increased activity and visitation.

Meadows Mawson and Battunga Road Intersection Upgrade

TOWNSHIP PLAN ACTION #26

Detailed design completed and funding secured for the upgrade of the Mawson and Battunga Road intersection.

Planned Initiatives

2026/2027 FY

Echunga Main Street PLEC Stage 3

TOWNSHIP PLAN ACTION #41

Funding to complete the final stage of undergrounding power lines adjacent the Haggen Arms Hotel.

Township Entrance Signage

TOWNSHIP PLAN ACTION #7

Complete and consult on design for township entry signage for Echunga, Macclesfield and Meadows.

Vernon Street Verge Investigations

TOWNSHIP PLAN ACTIONS #71 AND 72

Review potential design solutions for verge improvements and street lighting upgrades adjacent the Macclesfield Primary School.

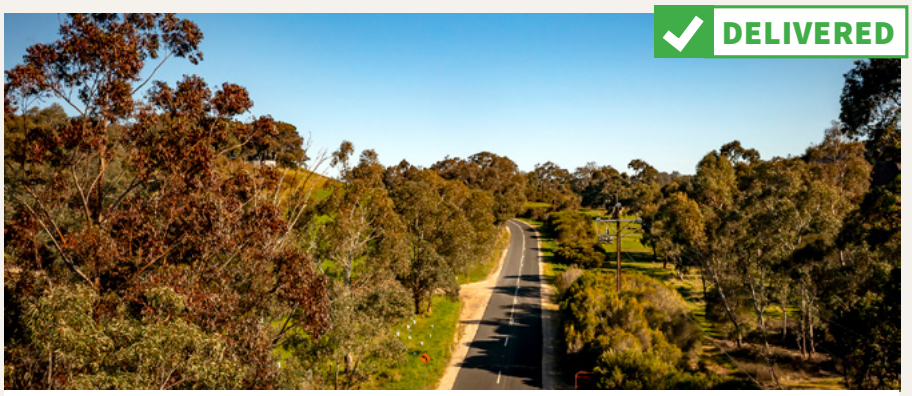
Meadows Recreation Ground Court Resurfacing

TOWNSHIP PLAN ACTION #39

Existing tennis courts at the recreation ground resurfaced.

NORTHERN TOWNSHIP PLANS DELIVERY IN SUMMARY

Brukunga and Harrogate • Callington • Kanmantoo



Brukunga and Harrogate Bushfire Recovery Actions

TOWNSHIP PLAN ACTION #1

All bushfire recovery actions completed including sealing Harrogate Road and installing fire-fighting water tanks.

Callington Callington Road Pedestrian/Stormwater Upgrades

TOWNSHIP PLAN ACTION #25

New facilities delivered at Callington Recreation Ground to support informal use of the land in addition to a number of community-led improvements.

Kanmantoo Hutton Reserve Play Space Improvement

Play space improvements at Hutton Reserve have been delivered.

Planned Initiatives

2026/2027 FY

Callington Road Pedestrian/ Stormwater Upgrades

TOWNSHIP PLAN ACTION #15

Stormwater infrastructure upgrades and new footpath and pedestrian crossing Callington Road.

Township Entrance Signage

TOWNSHIP PLAN ACTION #5 + #18

Complete and consult on design for township entry signage for Callington and Kanmantoo.

Brukunga Hall Access Improvements

TOWNSHIP PLAN ACTION #22

Improve access to the Brukunga Hall with the replacement of an existing access ramp.

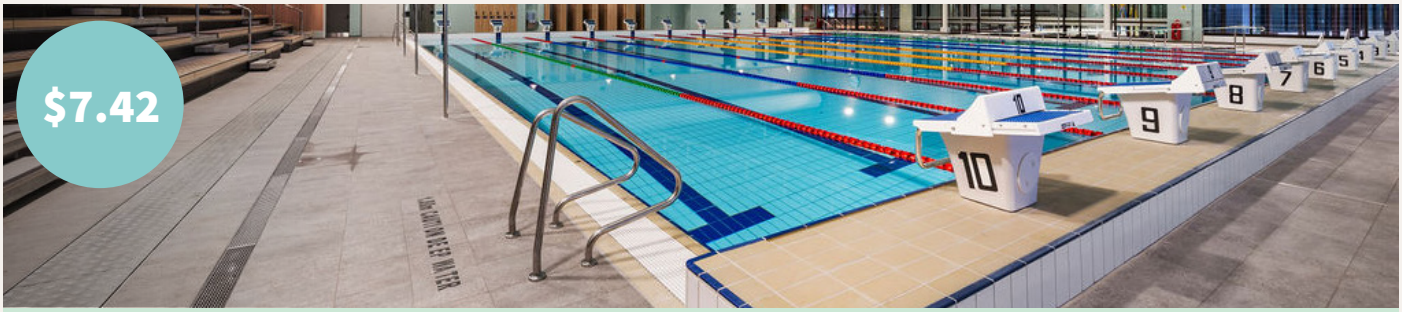
Where Your Rates Go
How $100 is Spent

Maintenance and Operations

Planning, Strategic and Economic Development

Administration and Governance

Health and Public Safety



Engineering, Planning and Capital Delivery

Library

Community Buildings and Recreational Facilities

Community Development

Tourism and Tourist Park

About the Annual Business Plan

2026 Santos Tour Down Under in Nairne

Purpose of the Annual Business Plan

The Annual Business Plan is a key document that summarises how Mount Barker District Council will allocate resources, deliver services, and invest in infrastructure and community programs over the 2026 - 2027 financial year.

It serves as a roadmap for the year ahead, aligning Council's operations with its long-term vision and strategic objectives.

The Annual Business Plan outlines Council's key priorities and includes the budget, rating policy and planned capital works. It is developed in close alignment with Council's overarching strategic documents - namely the Community Plan 2044, Long Term Financial Plan and Asset Management Plans. This alignment ensures our annual operations and investments contribute meaningfully to the long-term wellbeing, sustainability and prosperity of our district.

Budget development is a rigorous process that involves careful consideration of current and emerging community needs, financial sustainability and legislative requirements. Council strives to achieve a balanced and responsible budget that delivers an effective mix of services and capital projects for residents, businesses and visitors alike.

Community engagement plays a central role in shaping the Annual Business Plan. We actively sought feedback from our community as part of the planning and budgeting process. This ensures our decisions are informed by local priorities and aspirations.

The 2026 – 2027 plan sets out Council's program of services, projects and activities, and also establishes the performance measures we will use to track our progress and accountability. Our decision to set performance measures reflects Council's commitment to delivering services that are efficient, transparent, inclusive and forward-thinking. These measures also help maintain financial discipline and enhance quality of life across the district.

Ultimately, the Annual Business Plan ensures we make the best use of our resources to deliver outcomes that matter to the community - now and into the future.

Hierarchy of Documents

Council's Corporate Strategy Framework brings together key strategic management documents to ensure the vision, goals and objectives set by the Community Plan 2044 are implemented - namely through Lead Strategies, the Long Term Financial Plan, Strategic Asset Management Plan and Annual Business Plan.

Community Plan 2044 Forecast: 20 years	This is the overarching strategic plan for Council and reflects community issues and needs. The Community Plan 2044 contains five themes: Environment, People, Place, Economy and Leadership. These themes are central to achieving our vision to be the most liveable region in South Australia.
Lead Strategies Forecast: 4-5 years	These strategies lay the foundation for delivering on the five key themes outlined the Community Plan 2044. The objective of the nine current lead strategies is to ensure Council planning aligns with growth across the district.
Long Term Financial Plan Forecast: 10 years	This plan outlines the financial impact of the Community Plan 2044 over the next 10 years. It incorporates key assumptions from the Community Plan and the Strategic Asset Management Plan. The plan is reviewed by Council annually.
Strategic Asset Management Plan Forecast: 10 years	This plan identifies the required future expenditure on infrastructure and the funding to maintain service levels for the next decade. It aligns with the Long Term Financial Plan and is updated annually.
Annual Business Plan Forecast: One year	This plan is prepared annually and outlines Council's anticipated actions and desired outcomes for the coming financial year. It is informed by key documents within our Corporate Strategy Framework which sets Council's medium and long term strategic directions. The plan also outlines the services, key measures of success and budget required to deliver the plan.

Corporate Strategy Framework

COMMUNITY PLAN 2044
Forecast: 20 years

LEAD STRATEGIES
Forecast: 10 years

ENVIRONMENT	PEOPLE	PLACE	ECONOMY	LEADERSHIP
Environment and Sustainability Wastewater	Community Wellbeing	Transport Open Space Property Local Area Plan (Housing)	Economic Development	Corporate

LONG TERM FINANCIAL PLAN
Forecast: 10 years

STRATEGIC ASSET MANAGEMENT PLAN
Forecast: 10 years

ANNUAL BUSINESS PLAN
Forecast: One year

How This Plan Was Developed

Document Purpose

The Annual Business Plan is Council's key operational and financial document. It outlines operational programs and capital projects for 2026 - 2027 and how we will allocate our budget.

Strategic Direction

This plan is informed by the Mount Barker District Community Plan 2044 as well as Council's Long Term Financial Plan (LTFP) and our Strategic Asset Management Plan (SAMP) 2026 - 2036. Annual planning and budgeting allows us to maintain Council assets to a suitable standard and spread costs fairly between current and future ratepayers.

Council Member Submissions

As part of developing the 2026 - 2027 Annual Business Plan, Council Members were asked to submit their budget priorities. 70 submissions were received and have directly influenced this Annual Business Plan and Budget.

Council Member Review

Information and briefing workshops for Council Members were held between February and May 2026. The timing and topics for these workshops are outlined below:

23 February 2026 – Budget Parameters, Inputs and Priorities

31 March 2026 – Capital Budget, Asset Planning and Debt Strategies

11 May 2026 - ABP/ Budget, LTFP and SAMP finalisation

18 May 2026 - ABP/ Budget finalisation

Colouring fun at the Nairne Pedal Party

Community Survey Feedback

Mount Barker District Council undertook its third consecutive MARKYT Community Scorecard survey in 2025, continuing its commitment to regularly monitoring community sentiment. The survey serves as a comprehensive "health check", capturing residents' views on service delivery, liveability, district amenity and overall wellbeing.

The survey received over 1,900 responses from residents and other stakeholders, providing a strong and reliable evidence base to inform Council decision making, strategic planning and priority setting.

Insights into what the community believes Council should prioritise—particularly in relation to asset maintenance, responsible growth and future development—remain highly valuable in shaping the Annual Business Plan and Long Term Financial Plan.

Overall, Mount Barker District continues to be viewed positively as a place to live, with 92% of respondents rating it as excellent, good or okay. The district recorded a liveability performance index score of 71 out of 100, reflecting a broadly stable result over recent survey years.

Key improvements identified by the community:

- The Summit Aquatic and Leisure Centre
- Increased variety of shops and services
- Upgrades to parks, playgrounds and reserves
- Hospital upgrades and the emergency department
- Improvements to footpaths, trails and cycleways

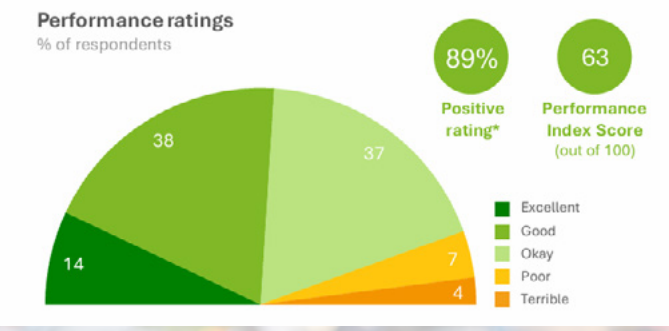
The highest performing Council services were:

- Library services
- Parks, playgrounds and reserves
- Festivals, markets and community events
- Health and community services
- Wastewater treatment and recycled water use

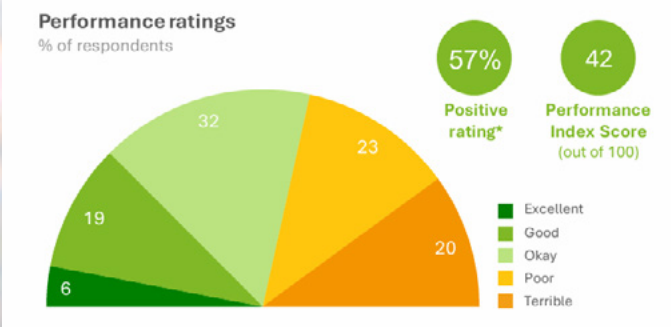
The community's top three priorities continue to be:

- Local roads
- Traffic management and arterial roads
- Footpaths, trails and cycleways

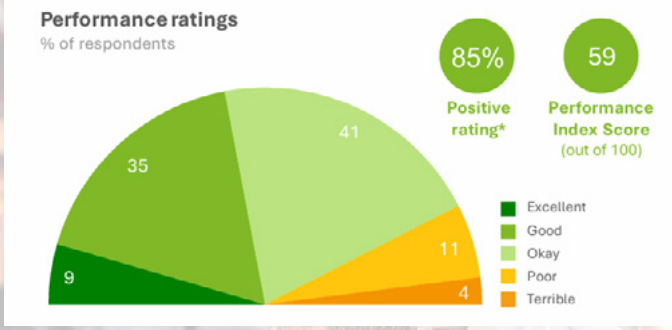
Festivals, markets and community events



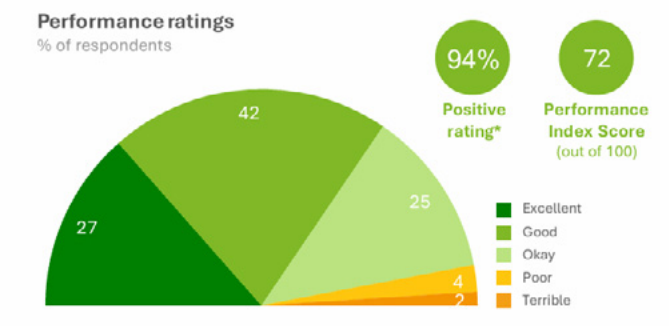
Footpaths, trails and cycleways



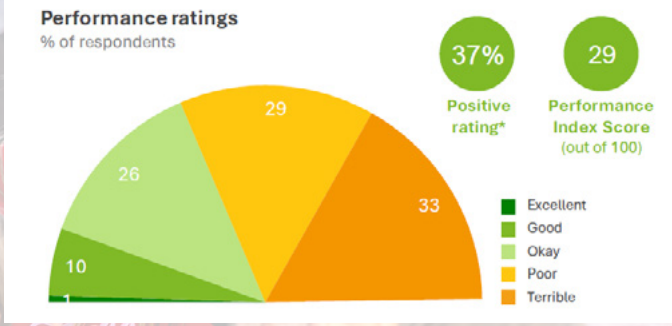
Health and community services



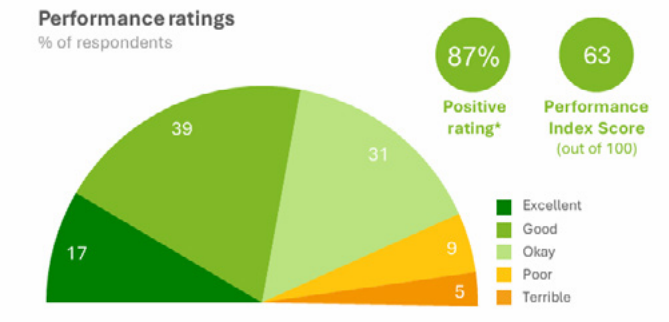
Library services



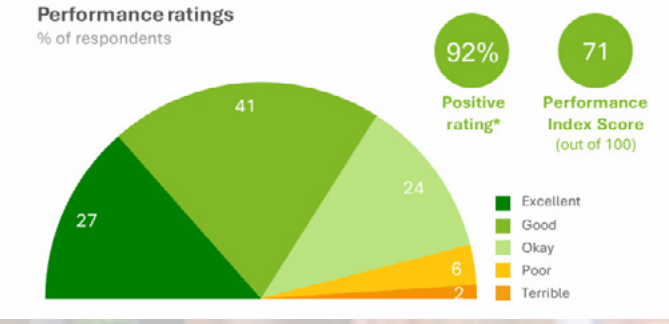
Local roads



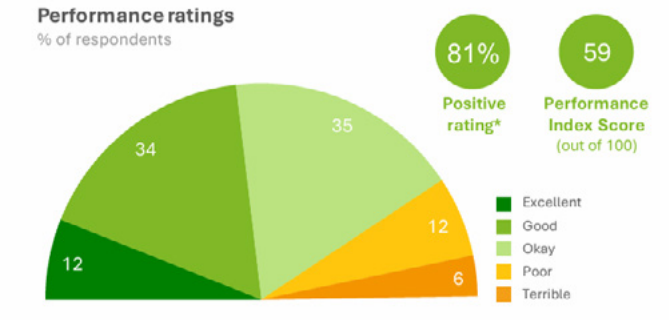
Parks and playgrounds



Place to live



Wastewater treatment and recycled water use



Community Funding

Council administers a range of funding programs to support community initiatives, infrastructure development, environmental outcomes, heritage conservation, arts and culture, and local events across the district. These programs are designed to empower community groups, organisations, and individuals to deliver projects that improve liveability, encourage participation, and promote the unique character of the region.

At its July 2025 meeting, Council adopted a new Community Funding and In-Kind Support Policy, which provides the framework for how grants, sponsorships, donations, and other forms of support are administered. The policy reinforces Council's commitment to supporting community-led initiatives and recognises the role of best practice funding programs in achieving the vision of being the most liveable region in South Australia.

Funding opportunities include the Arts Grant Program, which supports professional artists and arts organisations to create works of high artistic merit.

The Community Grants Scheme enables local groups to deliver projects that directly benefit their communities, while the Community Infrastructure Grant Program supports the development and upgrade of facilities that increase recreation and community wellbeing.

The Environmental Grants Program funds initiatives that protect and improve local and regional environments, and the annual Event Support Program assists community groups in delivering events that build social connection and support local economic activity. The Heritage Incentive Scheme supports the conservation of heritage-listed properties and buildings of historic significance.

Together, these programs provide targeted support to build community capacity and deliver lasting benefits across the district.

Kanmantoo Callington Landcare Group were recipients of the 2024/25 Environmental Grant Program

Grant Program	Description	FY 26/27
Community Grants	The Community Grants Program comprises two rounds, generally February and September each financial year. Grants are allocated to projects run by community not-for-profit groups which deliver local benefits and align with Council's Community Plan 2044. The average grant amount allocated is $2,500 though lower or higher requests are considered.	**$83,000 across two rounds**
Environmental Grants	Environmental Grants are administered in one round and open in February each financial year. Grants are provided to projects run by community not-for-profit groups which provide local environmental benefits and align with Council's Community Plan 2044.	**$31,000**
Event Support Program	The Event Support Program is administered in one round and opens in April each financial year for events occurring the following financial year. The purpose of the Event Support Program is to provide funding and assistance to community groups and event management/tourism organisations to deliver regional and community events within Mount Barker district. The program comprises two tiers: • Community Event – an event of local significance with grants up to $6,000 available. • Regional Event – an event which attracts visitors from outer regions and media interest with grants up to $10,000 available.	**$166,000**
Community Infrastructure Grants	2025/26 was the first year of this new grant program, providing funding for capital works and infrastructure projects which enhance recreation and community life in the District. Grants are provided in two streams: • Minor grants of up to $9,999 with no required co-contribution. • Major grants of $10,000 - $50,000 with co-contributions required.	**$149,000**
Arts Grants	2025/26 was the first year of this new grant program, providing funding of up to $5,000 for professional artists and arts organisations to create new work or new stages of work.	**$26,000**
Heritage Incentive Scheme	The Heritage Incentive Scheme is designed to assist residents conserve their local heritage listed properties. The scheme offers: • the waiving of development application fees for conservation works. • free professional heritage advice from Council's Heritage Adviser; • a grants scheme involving a subsidy of up to 50% (up to a maximum of $3,000) of the total cost of conservation works to assist owners in conserving heritage listed properties.	**$16,000**

Our Key Pillars

Mount Barker Swimming Club at the Summit Aquatic and Leisure Centre

Environment Objectives and Key Performance Measures

Community Plan 2044 Objectives

1. **Climate Change:** Adapt and build resilience to the impacts of climate change and work towards reducing emissions in line with state and federal targets.
2. **Waste and Resource Management:** Use resources carefully and efficiently, minimise waste and support the growth of the circular economy.
3. **Greening:** Establish high levels of canopy cover and biodiverse areas as part of our open space network and road reserves.
4. **Nature and Wildlife:** Protect, restore, connect and extend remnant vegetation and newly established native vegetation areas. Protect, restore and extend habitat for native species.
5. **Water:** Conserve water and use it wisely. Implement water sensitive urban design practices to support the ecology, greening and liveability of urban areas.

Key Performance Measures

- Plant 150 new and infill trees across identified priority locations to improve environmental amenity and canopy coverage to urban areas including reserves and streetscapes by 30 June 2027.
- Supply 4,000 subsidised plant packs to community members through annual giveaway programs to support increased biodiversity and water-wise gardening by 30 June 2027.
- Plant a minimum of 10,000 native plants through the revegetation program by 30 June 2027 to enhance local biodiversity, habitat connectivity and ecosystem resilience.
- By 30 June 2027, deliver a minimum of 12 events and activities as part of the environmental education program including at least two biodiversity education events, one Environmental Volunteer Recognition event, Clean up Australia Day participation, school and community tours and a minimum of four environmental-themed social media posts per month.
- Maintain 100% of scheduled high and moderate risk tree inspections and reduce overdue low risk tree inspections by 50% from 2025 - 2026 year-end levels by 30 June 2027 to manage tree risk management and maintenance scheduling.

Environment Projects, Initiatives and Programs

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Buildings				
Windmill Hill Capacity and Diversion Uplift	Development of a business case for the future upgrade and redevelopment of the Windmill Hill Transfer Station to support the growing waste and resource recovery needs of the district's increasing population.	$75	-	$75
Building Battery Program	Investment in solar battery storage to improve energy efficiency, reduce operating costs, and support renewable energy use across Council facilities.	$1,250	-	$1,250
Subtotal Buildings		**$1,325**	**-**	**$1,325**
Drainage				
Renewal Stormwater Program	Renewal of existing stormwater infrastructure identified through asset condition assessments and valuation investigations.	$230	-	$230
Fletcher Road, Mount Barker Stage 1B	Flood mitigation works involving the upgrade of Railway Creek upstream of Fletcher Road to improve stormwater capacity and reduce flood risk.	$258	-	$258
Railway Creek/ Mount Barker Creek	Stormwater mitigation works for Railway Creek and Mount Barker Creek to reduce flood risk.	$2,104	$970	$1,134
Callington Road, Callington - Support Pedestrian Upgrade	Stormwater infrastructure works to support construction of a footpath and improve safe pedestrian access for school students.	$359	-	$359
Stormwater Minor Upgrade Program	Stormwater upgrade program to respond to customer requests and address identified drainage issues.	$150	-	$150
Mount Barker CBD Flood Mitigation – Adelaide Road Diversion Drain	Undertaking a review of options and feasibility of flood mitigation solutions for the CBD.	$80	-	$80
Memorial Drive, Mount Barker Stormwater - Related to New Footpath	Stormwater infrastructure works to support the construction of a footpath on Memorial Drive.	$40	-	$40
Subtotal Drainage		**$3,221**	**$970**	**$2,251**
Total Capital		**$4,546**	**$970**	**$3,576**

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Programs and Initiatives				
FOGO Flip Trial	Council to trial alternative FOGO bin collection methods to test service efficiency, improve waste recovery outcomes, and assess potential operational and environmental benefits.	$214	$92	$121
Environmental Strategy Implementation	Implementation of actions identified in the Environment Strategy, delivering targeted initiatives to protect and enhance environmental outcomes and support the strategy's objectives.	$100	-	$100
Rabbit Control	A coordinated rabbit control program aimed at protecting and restoring local ecosystems by reducing the impact of invasive species on native flora and fauna.	$20	-	$20
Homes for Tomorrow	Delivery of innovative sustainability and smart living initiatives through the Homes for Tomorrow program to support future-focused community outcomes.	$10	-	$10
Climate and Environment Programs	Delivery of programs and initiatives that support environmental sustainability, climate resilience, and natural resource management across the district.	$75	-	$75
Total Programs and Initiatives		**$419**	**$1062**	**$326**
Total		**$4,965**	**$1062**	**$3,902**

People Objectives and Key Performance Measures

Community Plan 2044 Objectives

6. **Children and Youth:** Our district will be an inclusive environment where children and young people can thrive, feel valued, heard and respected, and have the skills and resources to reach their full potential.
7. **Positive Ageing:** We will have a range of community services, housing, support and programs which allow our seniors to live independently, be active and fully participate in our communities.
8. **Disability, Access and Inclusion:** Ensure everyone in our community is supported to reach their full potential.
9. **First Nations People, Culture and Heritage:** Recognise our First Nations people as Traditional Owners of the land.
10. **Community Connectedness and Diversity:** Foster a sense of community and connectedness and celebrate diversity by promoting inclusivity, and creating opportunities for community to engage in meaningful dialogue, cultural exchanges and activities that celebrate the richness of diversity.
11. **Volunteer Support and Recognition:** Deliver, facilitate and support a diversity of volunteering opportunities and celebrate our volunteers for their valuable contributions.
12. **Safety and Resilience:** Create an environment where people feel safe throughout the district and community resilience is supported and encouraged.

Key Performance Measures

- Deliver all 2026 - 2027 actions outlined in the Child and Youth Action Plan by 30 June 2027 ensuring completion of programs, services, and initiatives aimed at improving outcomes for children and youth in the community.
- Co-ordinate and deliver a minimum of sixty supervised volunteer sessions across the four supported environmental volunteer groups from by June 2027.
- Deliver all actions scheduled for the 2026 - 2027 financial year in the Arts Plan by 30 June 2027, supporting the development, promotion and participation in arts across the community.
- Finalise Reconciliation Action Plan and implement Year One actions.
- Deliver all actions scheduled for the 2026 - 2027 financial year in the Disability Access and Inclusion plan by 30 June 2027.
- Monitor and evaluate use of the pilot Township Library Kiosks through quarterly usage reporting and community feedback to inform future service delivery and potential expansion opportunities.
- Measure improvements to library collections made possible through the 2025/26 library refit using collection growth, circulation data, and customer feedback.

People Projects, Initiatives and Programs

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Programs and Initiatives				
Children and Youth	Implementation of initiatives and programs that support the priorities and outcomes of the Mount Barker District Council Child and Youth Action Plan.	$87	-	$87
First Nations	Delivery of programs and initiatives that support First Nations culture, engagement, reconciliation, and community outcomes within the Mount Barker District Council area.	$31	-	$31
Disability Access and Inclusion	Implementation of initiatives and actions that improve accessibility, inclusion, and participation for people with disability across the Mount Barker District Council community.	$15	-	$15
Positive Ageing	Delivery of programs and activities that support healthy, connected, and active lifestyles for older members of the community.	$15	-	$15
Art	Implementation of initiatives and projects that support arts, culture, creativity, and community engagement across the district.	$66	-	$66
Volunteer development initiatives	Delivery of initiatives and programs that support volunteer recruitment, development, engagement, and capacity building across the community.	$28	-	$28
Township Library Kiosk Pilot	Operation of pilot Township Library Kiosks	$10	-	$10
Improve Library Collections	Improve the size and quality of library collections by utilising additional capacity created through the 2025/26 library refit	$70	-	$70
Total Programs and Initiatives		**$322**	**-**	**$322**
Total		**$322**	**-**	**$322**

Place Objectives and Key Performance Measures

Community Plan 2044 Objectives

13. **Housing:** Ensure housing policies are current and provide diverse and affordable options that cater to the needs of all residents.
14. **Open Space and Public Realm:** Enhance the accessibility and quality of public spaces for recreation, social interaction, wellbeing and environmental sustainability.
15. **Transport and Access:** Develop a safe, integrated and efficient transport network that takes into account the current and future needs of the region including isolated rural communities.
16. **Community Facilities:** Increase the use of community facilities to provide safe and accessible facilities which provide opportunities for social interaction and inclusion.
17. **Growth and Development:** Ensure sustainable and balanced growth while preserving the unique character and natural assets of the district.
18. **Heritage:** Safeguard and celebrate the cultural heritage and historical significance of the district.

Key Performance Measures

- Complete the design and construction of all new footpaths scheduled for the 2026 - 2027 program by 30 June 2027.
- Complete detailed design, approvals including business case and procurement for Stage 1A of the City Centre Project and commence construction within the 2026/27 financial year, ensuring the project is delivered in line with scope, budget and timeline.
- By 30 June 2027, deliver an evidence-based Adelaide Hill Recreation Centre plan that prioritises upgrades, informed by community input, usage data and condition assessments, to guide future planning and investment.
- Deliver 80% of the agreed actions for the year for all Integrated Transport Plan actions.

Place Projects, Initiatives and Programs

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Bridges and Culverts				
Bridge Renewal Program	Program for the renewal and repair of high-priority bridges and major culverts to ensure structural integrity, safety, and continued serviceability of key transport infrastructure.	$127	-	$127
Springs Road East Bridge	Widening of Springs Road bridge to accommodate the future upgrade of Springs Road East to ensure long term capacity and safety.	$200	-	$200
Subtotal Bridges and Culverts		**$327**	**-**	**$327**
Buildings				
Echunga Community Park Public Convenience	Detailed design of a new public convenience facility at Echunga Community Park to improve visitor amenity, accessibility, and support increased community use of the site.	$50	-	$50
City Centre Project	Design and construction of Council-owned components of the City Centre site, delivered in partnership with Burke Urban Investments (BUI) and in accordance with the City Centre Masterplan endorsed by Council in October 2024.	$15,337	$1,000	$14,337
Mount Barker Town Square	The design and construction of the Town Square as part of the City Centre development in accordance with the Masterplan endorsed by Council in October 2024.	$7,344	-	$7,344
Auto Locking of Public Conveniences	Implementation of automated locking systems for public convenience facilities to improve access management, enhance consistency of opening hours, and reduce vandalism and misuse.	$56	-	$56
Renewal Building Program	Renewal program for Council buildings involving the replacement or upgrade of existing structures identified through condition assessments and asset valuation, ensuring safe, functional, and fit-for-purpose facilities are maintained.	$772	-	$772
Subtotal Buildings		**$23,559**	**$1,000**	**$22,559**

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Footpath				
Bollen Road Shared Use Trail	Construction of a shared-use trail along Bollen Road to improve pedestrian and cyclist connectivity, safety, and access within the local active transport network.	$1,750	-	$1,750
New Footpath Program	Program to extend and enhance the footpath network, providing safe, accessible, and connected pedestrian infrastructure that supports active transport and community wellbeing. This spend includes footpaths carried over from previous financial year.	$1,140	-	$1,140
Renewal Footpath Program	Renewal program for existing footpaths identified through asset condition inspections and valuation, ensuring safe, accessible, and well-maintained pedestrian infrastructure across the network.	$927	-	$927
Subtotal Footpath		**$3,817**	**-**	**$3,817**
Recreational Assets				
Summit Precinct Regional Playground	Design of a regional adventure playground within the Summit Precinct, creating an inclusive, high-quality play destination that enhances recreation opportunities for the wider community and visitors.	$100	-	$100
Southern Sector Playing Fields (Polo Grounds)	Planning, consultation, and staged delivery of athletics and sports playing surfaces to support increased participation, accommodate community growth, and enhance local sporting infrastructure.	$40	-	$40
Renewals Program - Playing Surfaces	Renewal program for sports field surfaces, involving the replacement and refurbishment of existing playing fields identified through asset condition inspections to maintain safe, high-quality, and fit-for-purpose sporting infrastructure.	$428	$251	$177
Regional Skate Park - Mount Barker	Design of a regional skate park to provide a high-quality, inclusive recreational facility that supports skate, BMX, and scooter use and caters to a wide range of skill levels.	$40	-	$40
Mount Barker Skate Park Minor Upgrade	Minor upgrade to the Mount Barker Skate Park involving the installation of a shelter and seating to improve comfort, amenity, and usability of the existing facility.	$50	-	$50

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Renewals Program - Open Spaces	Renewal program for public open space assets, including boardwalks, park furniture, and other amenities, to maintain safe, functional, and attractive community spaces.	$607	-	$607
Subtotal Recreational Assets		**$1,265**	**$251**	**$1014**
Roads				
Paech Road Stage 1 Detailed Design and Connection	Detailed design for Paech Road to support future upgrades, improve safety and traffic efficiency, and ensure the corridor meets current and projected demand.	$75	-	$75
Hartmann Road and Alexandrina Intersection	Finalisation of detailed design for the Hartmann Road and Alexandrina Road intersection to improve safety, traffic flow, and capacity at this key transport junction.	$75	-	$75
Sims Road Upgrade	Detailed design for Sims Road between Belmont Road and Heysen Boulevard to support safety, traffic efficiency, and connectivity along the corridor.	$35	-	$35
Flaxley Road / Rainbird Drive Intersection	Council contribution for the construction of intersection of Flaxley Road and Rainbird Drive.	$1,700	-	$1,700
Springs Road East Upgrade	Detailed design and construction of the eastern section of Springs Road to improve safety, capacity, and network efficiency, with completion anticipated in the 2027/28 financial year.	$5,754	$3,752	$2,002
Hartmann Road Upgrade	Detailed design for the Hartmann Road upgrade between Belmont Road and Dean Street to improve safety, traffic flow, and capacity along this key transport corridor.	$50	-	$50
Bollen Road Upgrade	Bollen Road upgrade (Year 1 of a three-year program) delivering initial improvements to enhance safety, accessibility, and connectivity for pedestrians, cyclists, and general traffic along the corridor.	$3,750	$2,000	$1,750
Springs Road/ Bald Hills Road roundabout Design	Concept design for a roundabout at the Springs Road and Bald Hills Road intersection to improve safety, traffic flow, and intersection efficiency.	$75	-	$75
Hawthorn Road (Adelaide Road to Liebelt Summer Track) Design	Detailed design for Hawthorn Road between Adelaide Road and Liebelt Summer Track to improve safety, capacity, and connectivity along this key corridor.	$100	-	$100

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Hutchinson St between Druids and Morphett Street Design	Hutchinson Street between Druids Avenue and Morphett Street to improve safety, traffic movement, and connectivity.	$30	-	$30
Kerb Renewal Program	Annual kerbing renewal program targeting kerbs that have reached end-of-life or are no longer serviceable, ensuring safe, functional, and well-maintained road infrastructure.	$349	-	$349
Sealed Road Renewal Program	Annual resealing program for the sealed road network to extend asset life and ensure safe and reliable road surfaces.	$4,349	-	$4,349
Unsealed Road Renewal Program	Resheeting and renewal program for the unsealed road network to maintain road safety, improve surface quality, and extend the life of rural and local roads.	$1,640	-	$1,640
Subtotal Roads		**$17,982**	**$5,752**	**$12,230**
Total Capital		**$46,950**	**$7,003**	**$39,947**
Programs and Initiatives				
Local Area Plan	Strategic planning document for the district for the implementation of housing targets.	$50	-	$50
Mount Barker Centre Masterplan	The Mount Barker Centre Masterplan sets a strategic vision and framework for the CBD, guiding future land use, development, and public realm outcomes to support a vibrant and sustainable town centre.	$50	-	$50
SSRP stage 2 masterplan	SSRP Stage 2 masterplan and detailed design for upgrades to existing oval facilities, enhancing sporting capacity, functionality, and amenity to support current and future community needs.	$35	-	$35
Town entrance statements	Development of town entrance statement designs to 30% completion, incorporating locally reflective features that enhance sense of place, identity, and arrival experience.	$45	-	$45
Township plans	Preparation of a strategic township plan to guide future growth, infrastructure, land use, and public realm improvements, supporting coordinated development and enhancing the township's liveability, identity, and long-term sustainability.	$50	-	$50
Community Land Management Plan Review	Review and updating of community land management plans ensuring legislative compliance.	$20	-	$20

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Tree Maintenance	Structured pruning program that prioritises and groups works across larger areas to improve operational efficiency, reduce overhead costs, and deliver more effective vegetation management outcomes.	$150	-	$150
Art Maintenance	Establishment of a public art maintenance program to ensure the ongoing care, conservation, and presentation of public artworks, preserving their cultural value and community amenity.	$20	-	$20
Open Space Planning	Implementation of the Open Space Strategy action plans, including the Trails, Parks and Reserves, and Sport and Recreation Action Plans.	$100	-	$100
Integrated Transport Planning	Development and implementation of integrated transport planning initiatives that improve connectivity, accessibility, and movement across the district.	$150	-	$150
Fire Safety Audits	Undertaking fire safety audits and compliance assessments for council buildings to support asset management and risk mitigation objectives.	$77	-	$77
Asset Maturity Works	Initiatives and improvement activities that enhance asset management practices, systems, data quality, and organisational asset maturity.	$62	-	$62
Total Programs and Initiatives		**$809**	**-**	**$809**
Total		**$47,759**	**$7,003**	**$40,756**

Economy Objectives and Key Performance Measures

Community Plan 2044 Objectives

19. **Local Employment and Skills Development:** Cultivate a diverse and connected business environment where enterprises flourish. We aim to ensure local employment options provide residents with opportunities to live, learn, work and play in their community.
20. **Growth and Productivity:** Increase the scale and efficiency of local circular economic productivity, capturing new and expanding investment that creates a dynamic, resilient, sustainable and diverse local economy.
21. **Events and Activation:** Expand the existing events calendar to drive increased visitation, per capita spend, and to contribute to positive brand identity and community wellbeing.
22. **Tourism:** Enhance the local economy and community vibrancy by activating tourism through strategic investments in infrastructure, events and partnerships that showcase the region's unique attractions and cultural experiences.
23. **City Centre and Township Vibrancy:** Support and develop a critical mass of business activation within key main street and employment precincts.
24. **Infrastructure Development:** Ensure the timely and effective delivery of critical infrastructure that supports the long-term growth and sustainability of the local economy.

Key Performance Measures

- Secure commitment by 30 June 2027 from tertiary education provider to locate within Mount Barker.
- Secure co-working hub operator as part of City Centre Project by 30 June 2027.
- Implement investment prospectus and associated investment portal to achieve a 20% increase in investment enquiries by 30 June 2027.
- Develop a manufacturing network and connect into defence sector by June 2027.
- Expand the Visitor Servicing platform to Battunga Country and Nairne/Littlehampton (including Echunga, Meadows, and Macclesfield) by 30 June 2027.
- Attract or maintain three regional scaled events to the district by 30 June 2027.
- Secure at least three new partnerships with sporting, tourism, development or business groups by 30 June 2027, delivering shared initiatives, funding or activation outcomes aligned with Council's priorities.

Economy Projects, Initiatives and Programs

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Programs and Initiatives				
Small Business Funding Awards	Small business grant program designed to support business growth, build capacity, and encourage job creation within the local economy.	$25	-	$25
Economic development strategy	Development and implementation of strategies and initiatives that support tourism, local business growth, investment, employment, and economic prosperity across the district.	$68	-	$68
Christmas in the district	Delivery of festive events, activities, and community initiatives that celebrate the Christmas season across the district.	$60	-	$60
Total Programs and Initiatives		**$153**	**-**	**$153**
Total		**$153**	**-**	**$153**

Leadership Objectives and Key Performance Measures

Community Plan 2044 Objectives

25. **Leadership and Vision:** Cultivate a culture of strong leadership within our organisation, including our Council Members, characterised by transparency, accountability and responsiveness to meet the diverse needs and aspirations of our community.
26. **Transparent and Inclusive Decision-Making:** Promote transparent and inclusive decision-making that ensures active engagement of diverse stakeholders and fosters trust and confidence in governance outcomes.
27. **Efficient Public Services:** Enhance the efficiency and effectiveness of public services provided by Council ensuring timely delivery of services that meet the evolving needs of the community and provide value for money.
28. **Collaboration and Partnerships:** Foster collaboration and build strategic partnerships between Council and external stakeholders, including businesses, non-profit organisations and community groups, to address shared challenges and achieve common goals for the betterment of the community.
29. **Advocacy and Lobbying:** Influence state and federal decisions which support Council's endorsed positions and increase incoming grant funding.
30. **Continuous Learning and Innovation:** Develop a culture of continuous learning and innovation within Council fostering creativity, adaptability, and excellence in service delivery and governance practices.

Key Performance Measures

- Deliver 100% of the Council Member training program by 30 June 2027.
- 100% of organisational development training program delivered by June 2027.
- Achieve 100% compliance with Work Health and Safety (WHS) training requirements for all employees by 30 June 2027.
- Ensure 85% of Council projects have an engagement plan that is communicated to the public through council reports and on the council website by 30 June 2027.
- Promote and communicate the commencement and completion of 80% of Council projects through internal and external media by 30 June 2027.
- Achieve strong awareness and media exposure for at least 80% of major events through targeted media campaigns and press coverage by 30 June 2027.
- Achieve strong media coverage for at least 90% of district advocacy projects through targeted media outreach and press releases by 30 June 2027.
- Achieve a 2% improvement in Customer Satisfaction ratings in the Community Scorecard by 30 June 2027.

Leadership Projects, Initiatives and Programs

Project Name	Description	Expenditure $000s	External Funding $000s	Net Position $000s
Plant and Equipment				
New Fleet Program	Additional Fleet purchases as a result of development growth.	$178	-	$178
Plant and Equipment Renewal Program	Renewal of Council's existing light and heavy fleet to maintain safe, reliable and efficient operations and ensure ongoing delivery of services.	$1,132	-	$1,132
New ICT Capital Program	Provision and renewal of ICT hardware to support a growing workforce, ensuring staff have reliable, up-to-date technology to maintain efficient and effective service delivery.	$20	-	$20
ICT Renewal	ICT assets will be maintained to a secure and reliable standard, with appropriate systems, equipment and tools provided to support efficient operations and the achievement of key organisational objectives.	$160	-	$160
IT Operations Management	Delivery of ongoing system improvements to enhance performance, reliability, security, and functionality of IT operations in support of business needs.	$500	-	$500
Subtotal Plant and Equipment		**$1,990**	**-**	**$1,990**
Programs and Initiatives				
2026 Election and Induction	Delivery of the 2026 Local Government elections and subsequent induction program, ensuring compliance with legislative requirements and supporting the effective transition of elected members into their roles.	$300	-	$300
Microsoft 365 Uplift	Planned uplift of the organisation's digital workplace environment to enhance user experience, build on recent system improvements, and align with upcoming platform upgrades to ensure ongoing efficiency and capability.	$40	-	$40
Total Programs and Initiatives		**$340**	**-**	**$340**
Total		**$2,330**	**-**	**$2,330**

Wastewater

GMB Water staff at Springs Road Wastewater Treatment Plant in Mount Barker

GMB Water
Annual Business Plan

Mount Barker District Council's Wastewater Service has transitioned to a Section 42 Subsidiary known as GMB Water.

GMB Water is a separate organisation established and owned by Council to manage specific wastewater services more efficiently.

The establishment of GMB Water will provide higher-quality wastewater, recycled water and bore services.

GMB Water will strive to achieve its vision to deliver sustainable wastewater services for the benefit of our economy, community and the environment by focusing on four strategic outcomes:

1. Proactive environmental leadership.
2. Successful and socially responsible business.
3. Driving customer and community outcomes.
4. High performing culture.

The GMB Water Annual Business Plan sets out the subsidiary's strategic direction and proposed operational program and capital projects for 2026 - 2027, and is informed by the Mount Barker Community Plan 2044 and the GMB Water Strategy and Corporate Plan.

GMB Water **Annual Business Plan**

CLICK TO VIEW

or scan the QR code

GMB Water vehicle sitting outside Little Dublin Road Recycled Water Treatment Facility

Budget Overview

Child playing at the Mick Murphy park in Nairne

How the Annual Business Plan is Funded

Rates

Council's main revenue is rates in the form of:

- general, other and separate rates;
- waste management charges; and
- wastewater charges.

Statutory Charges

Legislated charges to support environmental and public health and safety including:

- animal/wildlife management including dog and cat registration;
- building and development fees;
- public health and support services; and
- emergency management.

User Charges

User charges are costs associated with the provision of specific services to a distinct group of the community including:

- cemetery fees;
- tourist park use;
- Council facility rental; and
- waste dumping fees.

Grants, Subsidies and Contributions

External funds obtained from federal, state or other bodies to contribute to the cost of Council's operations or capital projects over the life of the Long Term Financial Plan consist of:

- Council capital funding;
- Wastewater Service capital funding;
- operating funding.

Other Income

Other income received by Council includes reimbursements and sundry income as well as cash balances, loan facilities and proceeds from asset sales.

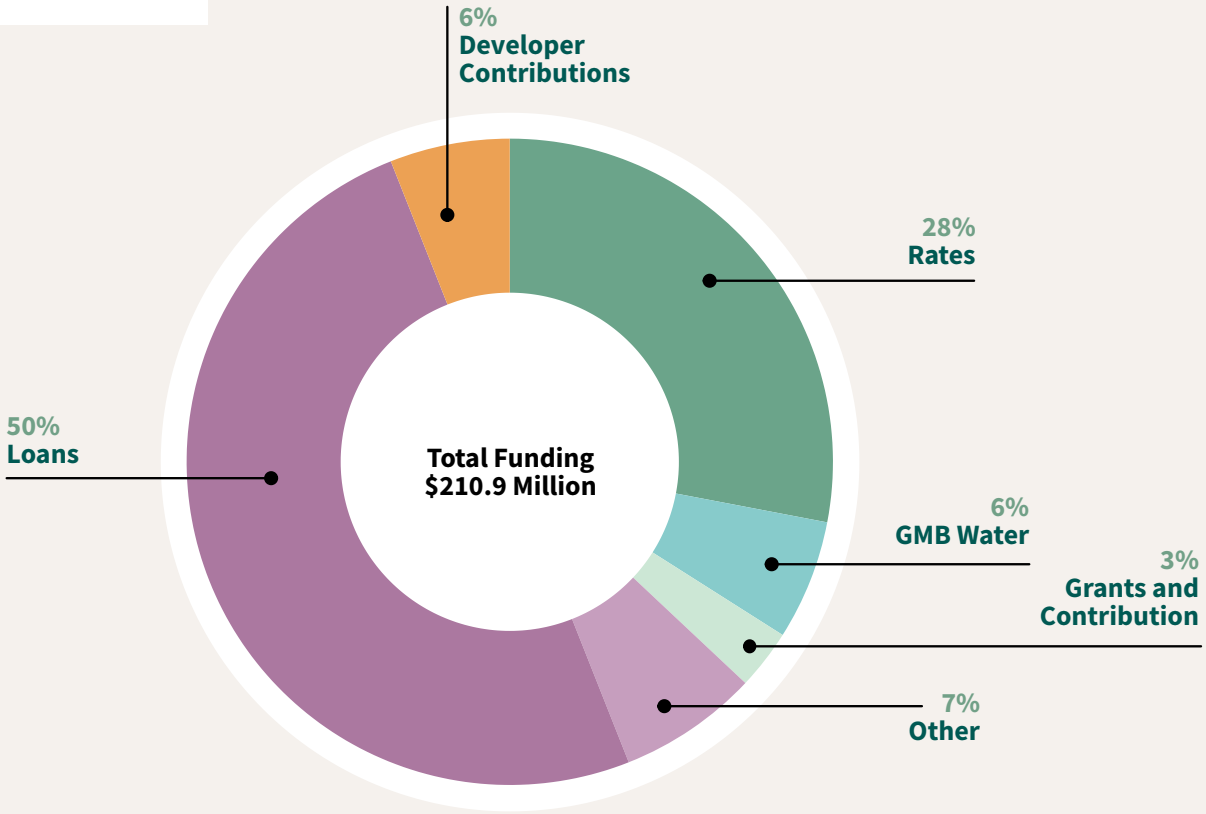
Developer Contributions

Council has a number of mechanisms to secure developer contributions for the required expansion and upgrading of infrastructure due to growth within the Ministerial Development Plan Amendment Area. These mechanisms include contributions for transport, wastewater and recreation, sport and community infrastructure.

Total Funding Summary

Where the money comes from

Total funding $210.9 million

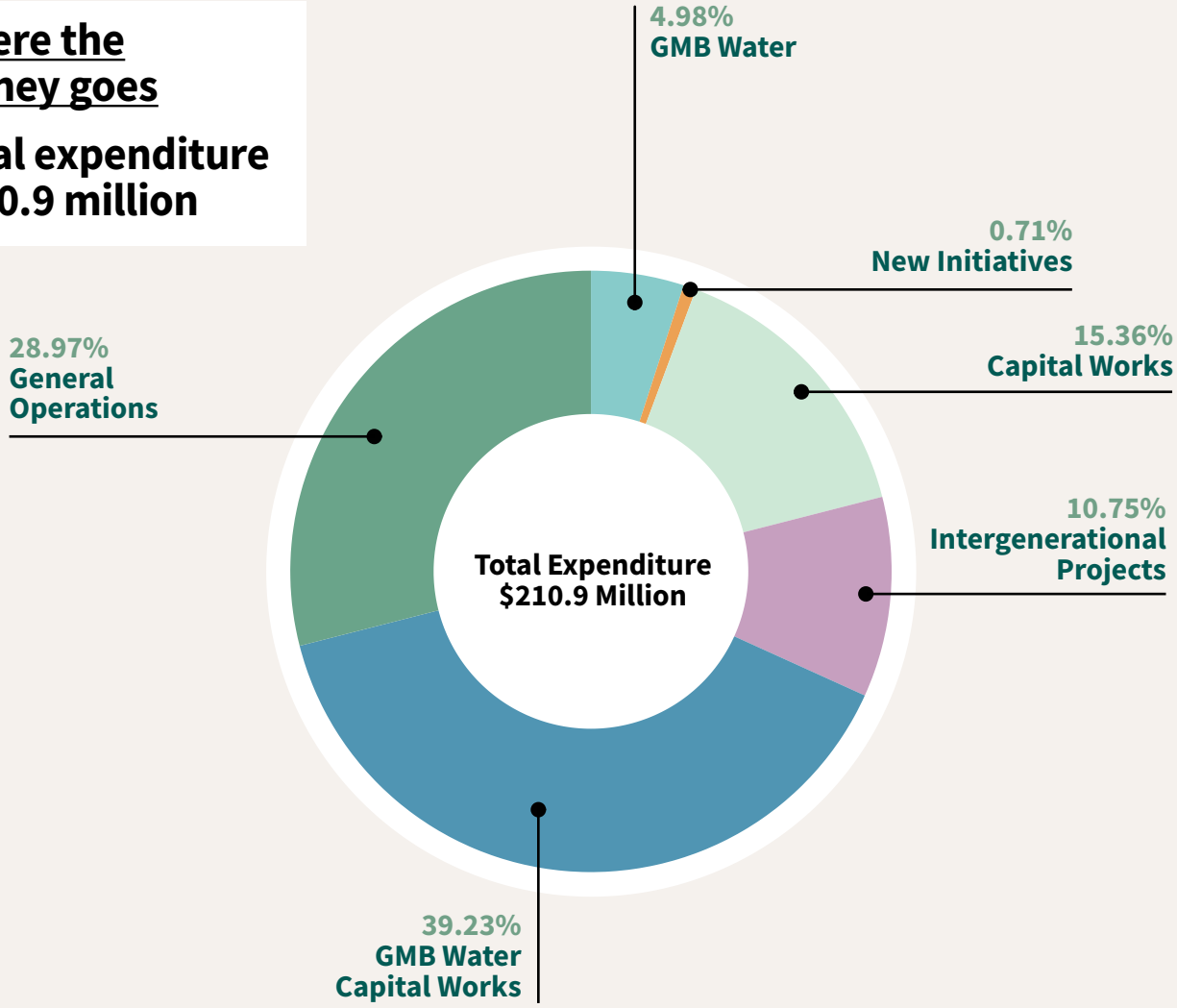


- **Rates** $58.8 million
- **Grants and Contribution** $5.5 million
- **GMB Water** $13.2 million
- **Other** $13.7 million
- **Loans** $106.1 million
- **Developer Contributions** $13.6 million

Total Expenditure Summary

Where the money goes

Total expenditure $210.9 million



- **General Operations** $61.1 million
- **GMB Water Capital Works** $82.7 million
- **Capital Works** $32.4 million
- **Intergenerational Projects** $22.7 million
- **GMB Water** $10.5 million
- **New Initiatives** $1.5 million

Capital Expenditure

It is essential that Council manages and maintains its assets responsibly to maximise the value and the services the community derives from them. The annual Capital Works Program is informed by:

(a) Council Members and community input;

(b) the Community Plan 2044;

(c) the suite of Asset Management Plans (e.g. roads, footpaths) comprising the Strategic Asset Management Plan; and

(d) the Long Term Financial Plan 2026 - 2036.

ASSET CLASSES	RENEWALS $000s	NEW/UPGRADE $000s	GRAND TOTAL $000s
Bridges and Culverts	$127	$200	$327
Buildings	$772	$16,767	$17,539
Roads	$6,338	$11,644	$17,982
Drainage	$230	$2,991	$3,221
Plant and Equipment	$1,292	$698	$1,990
Footpaths	$927	$4,448	$5,375
Land	$0	$0	$0
Recreational Assets	$1,034	$7,599	$8,633
Total	**$10,720**	**$44,347**	**$55,067**

Efficiency and Cost Control

Council's efficiency and cost management decisions are guided by the following principles:

- Value for money
- Long term focus
- Financial discipline
- Service equity
- Transparency

Strategic Focus Areas and Key Initiatives

Council has strengthened how we plan and prioritise work by aligning the Annual Business Plan with longer term financial and asset plans. This helps ensure funding is directed to what matters most and avoids unnecessary duplication or reactive spending.

Council is also managing money carefully by monitoring costs, reviewing services and using debt responsibly for major infrastructure investments that will benefit the community over many years. This approach helps reduce pressure on general rates while still delivering essential projects.

2026 - 2027 Annual Business Plan and Budget

Included in the 2026/27 Annual Business Plan and Budget is energy, fleet and other operational savings measures totalling $300k (or 0.6% of 2026/27 General Rates). These savings have been able to offset cost increases over and above CPI that includes ICT expenses, oil dependent products and services and other operating costs to keep the General Rate increase to CPI for 2026/27.

2026 - 2036 Long Term Financial Plan

Included in this plan is several energy, fleet and other operational savings measures totalling $500k per annum (or 1% of 2026/27 General Rates) from 2027/28 onwards. These savings have been able to offset against several forecast cost increases that are over and above forecast CPI – specifically the maintenance and renewal of Council's infrastructure asset base.

Future iterations of the Long-Term Financial Plan will continue to update efficiency outcomes as part of efficiency and cost control measures.

Aerial view of the Summit Aquatic and Leisure Centre

Service Review and Prioritisation	We undertake regular service reviews to: • confirm services align with community priorities and affordability • identify opportunities for alternative delivery models or service optimisation • align expenditure for new or expanded services • ensure new or expanded services are offset by efficiencies
Operating Cost Containment	We keeps costs under control by: • actively scrutinising discretionary expenditure • quantifying and managing cost escalation across key contracts • embedding cost awareness in budget development and decision making
Energy and Operating Cost Reduction	We make operational efficiencies through: • implementing energy-saving initiatives across our facilities • optimising fuel and fleet use • adopting resource efficient operating practices
Asset Renewal and Lifecycle Efficiency	We maintain and renew assets wisely by: • prioritising planned renewal over reactive maintenance • planning for renewal with a growth mindset • aligning capital programs with asset condition, risk and lifecycle demand • reducing the risk of future cost escalation through early intervention
Procurement and Contract management	We buy goods and services effectively through: • market testing and re tendering where value can be improved • leveraging panel contracts and aggregated purchasing • improved contract performance management
Growth Cost Management	We manage the cost of growth responsibly by: • aligning infrastructure delivery with development timing • maximising developer and external funding contributions • ensuring growth costs are shared between current and future ratepayers
Workforce and Capability Management	We build internal capability by: • aligning staffing structures with service demand and priorities • strengthening workforce planning and role clarity • reducing reliance on external consultants
Digital Enablement and Process Improvement	Council invests in systems and processes that: • automate repetitive transactional activities • reduce manual handling and duplication • improve data quality and decision support

Financial Sustainability
Key Targets and Indicators

The following Key Financial Indicators are deemed by the Local Government sector to be the best indicators for determining financial sustainability. These indicators are also a requirement of Council's annual financial reporting in accordance with Local Government legislation and regulation. Given the size and scale of the GMB Water, separate Key Financial Indicators have been developed for GMB Water.

Operating Surplus Ratio - this ratio is a measure of the ability to cover operational costs and have revenues available for capital funding, repayment of debt or consider the provision of a new service.

Net Financial Liabilities Ratio - this ratio is a measure of the significance of the net amount owed at the end of the financial year compared with operating income for the year. An increase in this ratio indicates that Council requires more of its operating income to fund its financial obligations.

Asset Renewal Funding Ratio - this ratio is a measure of whether assets are being renewed in line with Council's Asset Management Plans.

Other consideration; Council has in place a number of mechanisms to secure developer contributions for infrastructure associated with the Ministerial Development Plan Amendment Area (MDPA). There will be a timing deference between when the infrastructure will be built and when the revenue will be received - this shortfall in the interim will be funded by loans. Developer Contributions present and future, are not included in the Net Financial Liabilities Ratio, (as these amounts are classified as Capital income) but are relevant when considering the financial sustainability of Council in the medium to long term given the nature of investments and revenues which are tied.

SUMMARY	RATIO	BUDGET 26/27	TARGET
Council	Operating Surplus	(2.09%)	3-7%
	Net Financial Liabilities	232%	<180%
	Asset Renewal Funding	100%	100.0%
Municipal (excluding GMB Water)	Operating Surplus	1.87%	3-7%
	Net Financial Liabilities	85%	<120%
	Asset Renewal Funding	100%	100.0%
GMB Water	Operating Surplus	1%	3-7%
	Net Financial Liabilities	1030%	<500%
	Asset Renewal Funding	100%	100.0%

Financial Sustainability
A Longer Term View

Operating Surplus Ratio

The Operating Surplus Ratio target for Municipal has not been achieved due to increased budgeted operating costs as a result of recent inflationary pressures. This is forecast to be achieved in 2027/28.

The Operating Surplus Ratio target for GMB Water has not been achieved to increased budgeted operating and interest costs as a result of recent inflationary pressures. This is forecast to be achieved in 2027/28.

The Operating Surplus Ratio for Council is budgeted not be achieved for 2026/27 as a result of the combined result of Municipal and GMB Water. This calculation eliminates the Cost of Capital payment from GMB Water that is reported as income in the Municipal Operating Surplus Calculation. It is not uncommon for a wastewater utility to operate at a loss due to the increased depreciation expense as a result of revalued long life infrastructure assets

The Key Financial Indicators however are not ideally suited to a wastewater utility that is going through a growth phase. Council will be reviewing the suitability of the existing indicators and these will be included in the next iteration of the LTFP.

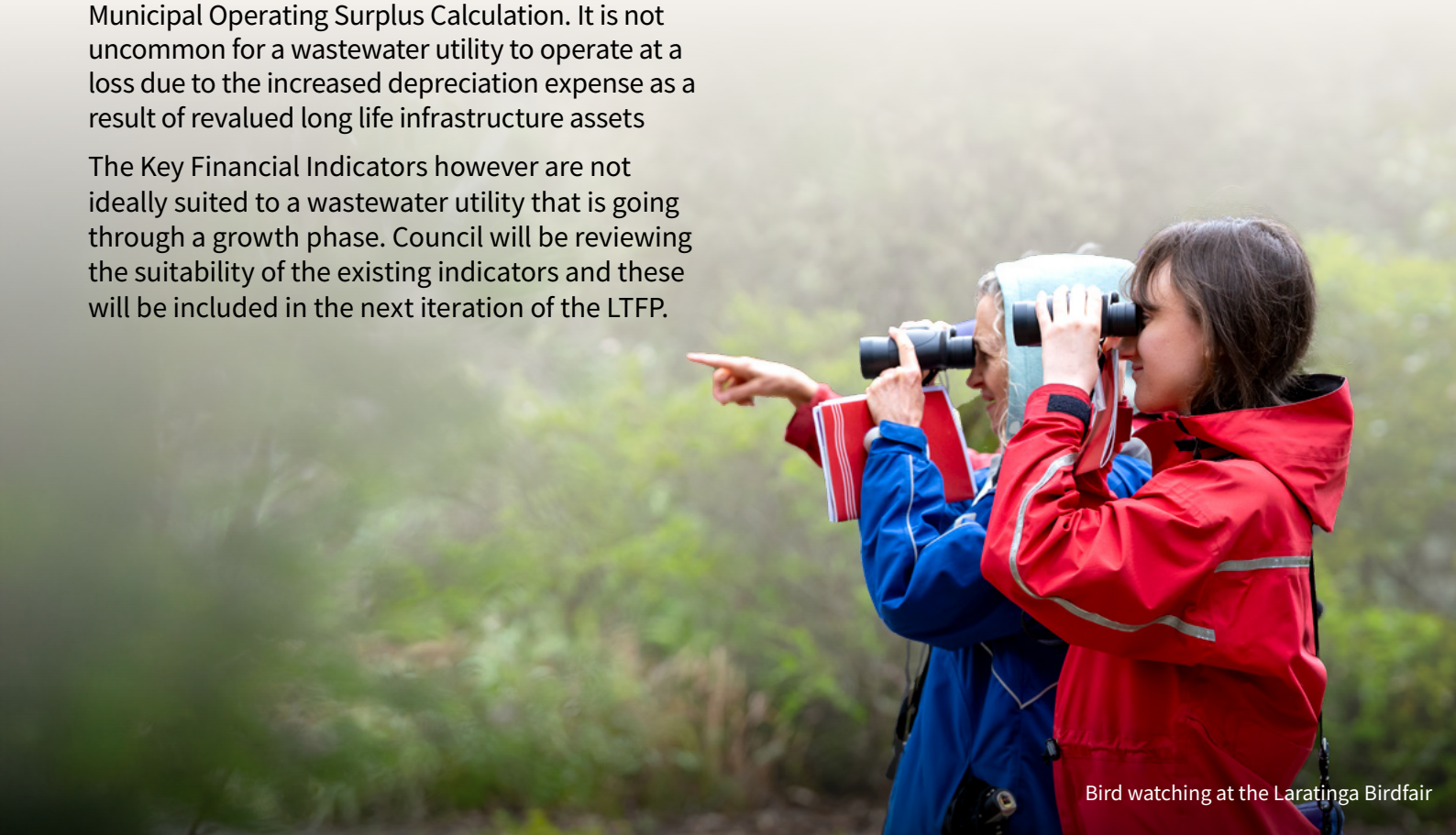
Net Financial Liabilities Ratio

The Net Financial Liability Ratio for both GMB Water and Council has been exceeded reflecting spend on the Laratinga Water Recovery Plant project and trunk sewer projects.

Asset Renewal Funding Ratio

All three ratios are budgeted to be achieved as planned renewal expenditure aligns to Asset Management Plans.

Council's Long Term Financial Plan and GMB Water Long Term Financial Plan, along with supporting Strategic Asset Management Plans, have been prepared and will go on public consultation at the same time as the Annual Business Plan and Budget.



Bird watching at the Laratinga Birdfair

Rates

2025 Christmas Carols and Fireworks at the Summit Sport and Recreation Park

Rating Strategy

Mount Barker District Council is operating in an environment where inflation has increased to 4.9% (Adelaide March 2026 CPI). This increase means higher costs for wages, construction, insurance, energy and service delivery.

The General Rate increase included in this budget is 4.9% aligning to the Adelaide March 2026 CPI for existing ratepayers in addition to 3.66% from development growth.

CPI is expected to increase further in 2026 and will directly impact operational and capital program expenditure as the community continues to grow.

We are applying disciplined financial management, efficiency initiatives and long term planning to manage rising costs while maintaining service quality. This includes service prioritisation, lifecycle asset management, responsible use of debt and general rate smoothing to help moderate year to year impacts on ratepayers and reduce cost pressures on residents.

A disciplined approach is needed across planning, service delivery and financial decision making to broadly align general rate increases with CPI over the medium to long term. Alignment is achieved by coordinated and ongoing measures outlined in the following page.

Macclesfield main street in Autumn

1. Cost Growth Actively Managed Below CPI Where Possible	We continuously pursue efficiency and productivity improvements so operating cost growth is contained and offset wherever possible. These measures include: • service prioritisation and regular service reviews • process improvement and digital enablement • disciplined procurement and contract management Rate increases will inevitably exceed CPI without active cost control.
2. Services Prioritised Within Available Funding	Maintaining general rates at CPI means clear decisions need to be made about: • the services we provide • how services are delivered • the service levels the community can sustainably afford New or expanded services need to be balanced by efficiencies or funding offsets rather than automatically increasing rates to cover costs.
3. Asset Renewal Planned and Smoothed Over Time	We mitigate the risk of unplanned asset expenditure and sudden spending spikes by: • replacing assets when they reach the end of their useful life • not delaying asset replacements to keep the general rate low • smoothing renewal expenditure through long term financial planning Proper renewal planning prevents general rates from increasing sharply in the future because an asset has failed or its overdue for maintenance.
4. Growth Costs Appropriately Funded	Keeping rates near CPI in a growth area like Mount Barker district is achieved by: • aligning infrastructure delivery with development timing • maximising developer and external funding contributions • using debt responsibly for long life growth infrastructure This ensures growth costs are shared between current and future ratepayers.
5. Rate Smoothing Must Be Supported by a Strong LTFP	A CPI aligned rating strategy depends on: • realistic long term financial assumptions • adequate cash reserves and debt capacity • the ability to absorb short term cost spikes without sharp rate increases Rate smoothing spreads costs over time and ensures Council's financial sustainability.
6. Trade Offs Must Be Acknowledged	Maintaining rates at CPI may require: • deferring non essential capital projects • accepting modest changes to service frequency or standards • extending delivery timeframes for lower priority initiatives CPI alignment is a policy choice and must be supported by disciplined prioritisation.

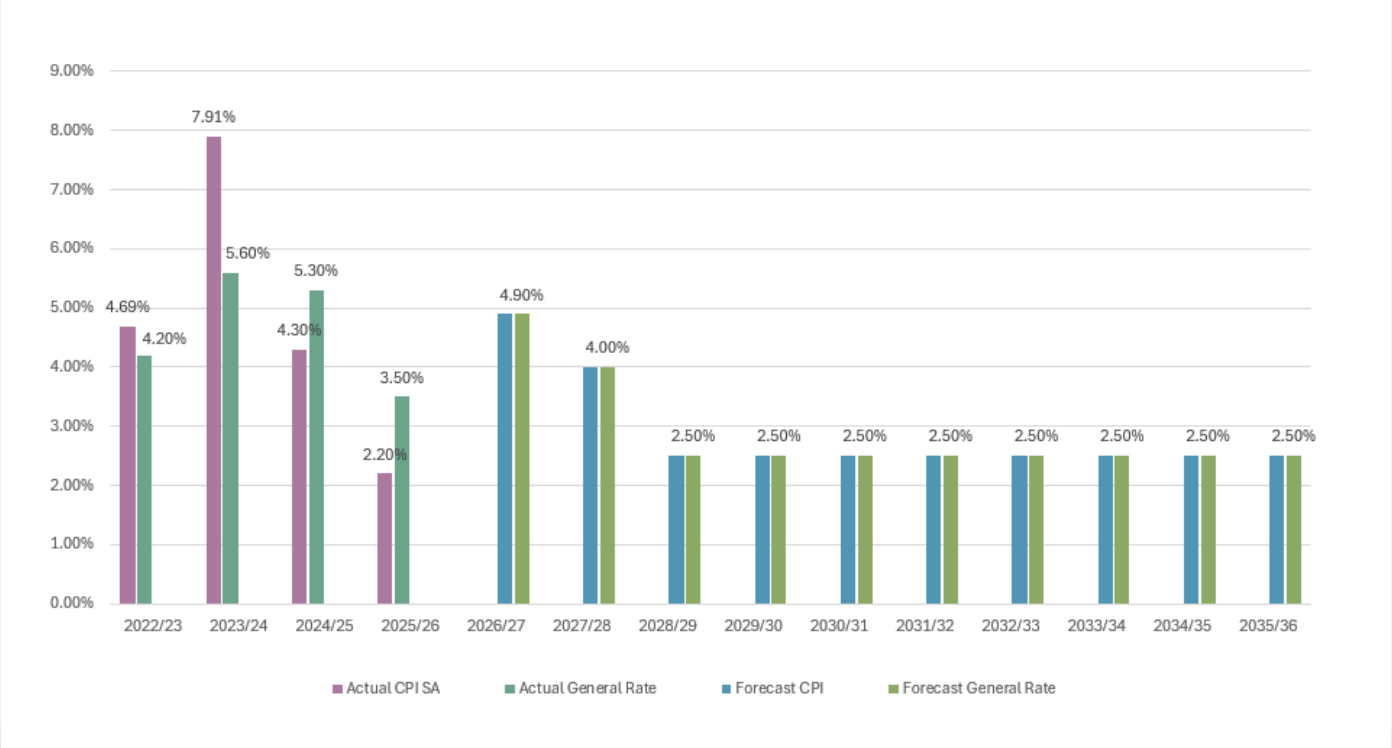
Rate Setting 2026 - 2027

To keep general rate increases broadly aligned with CPI, we must actively:

- manage cost increases
- prioritise services based on available budget
- take a long term approach to asset renewal planning
- ensure growth related costs are appropriately funded

This disciplined approach will help keep costs manageable for ratepayers and maintain Council's financial sustainability.

Council has kept general rate increases broadly aligned with CPI for existing ratepayers for the 2026 – 2027 ABP and Budget and this is projected to continue through the ten years of the LTFP as below.



Echunga Community Park

Uniform Presentation

Uniform Presentation of Annual Business Plan and Budget (ABP&B) Proposal

Expected Rates Revenue

	2025/26 (as adopted)	2026/27		Change	Comments
General Rates					
General Rates (existing properties)	$45,073,061	$49,255,052	*(a)*	**4.90%**	For 2026/27 the revenue to be raised from General Rates is $50,973,505 which is the annualised Adelaide CPI rate increase 4.9% to March 2026 plus the forecast of 3.66% for new development and property improvements compared to the previous financial year.
General Rates (new properties)	$1,881,231	$1,718,453	*(b)*	**3.66%**	
General Rates (GROSS)	**$46,954,292**	**$50,973,505**	*(c)*		
Less: Mandatory Rebates	($640,348)	($695,087)	*(d)*		
General Rates (NET)	**$46,313,944**	**$50,278,418**	*(e)*	**8.56%**	
	(e)=(c)-(d)				
Other Rates (inc. service charges)					
Regional Landscape Levy	$1,440,672	$1,536,616	*(f)*		The Regional Landscape Levy is **not retained** by council.
Waste collection	$5,810,730	$6,363,537	*(g)*		$320 for each 3 bin service, $267 for each 2 bin service
Water supply	$46,413	$48,516	*(h)*		Meadows Bore & Recycled water supply
CWMS/Sewer	$11,791,432	$12,997,242	*(i)*		$792 for each rateable property connected to CWMS & $876 for each rateable property connected to Sewer
Separate and Special Rates	$181,690,915	$192,775,058	*(j)*		View rating policy accompanying ABP for further details
Electricity Supply	-	-	*(k)*		
	$247,094,106	$263,999,387			
Less: Postponed Separate Rates	-$181,434,895	-$192,519,037			
Less: Discretionary Rebates	($64,724)	($67,896)	*(l)*		
Total Rates Revenue	**$64,153,815**	**$69,875,838**	*(m)*	**8.9%**	Excludes the Regional Landscape Levy.
	(m)=(e)+(g)+(h)+(i)+(j)+(k)-(l)				

Growth in number of rateable properties

Number of rateable properties	**21,178**	**21,789**	*(n)*	**2.9%**	'Growth' is expected to account for around 3.66 per cent of the estimated increase in General Rates to be collected.
	Actual	*Estimate*			

'Growth' is defined in the regulations as where new properties have been created which has added ratepayers to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.

Average General Rates per rateable property

Average per rateable property	**$2,217.13**	**$2,339.41**	*(o)*	**5.5%**	These 'averages' are based on the **total of all rateable properties** and are therefore not necessarily indicative of either the rate or change in rates that all ratepayers will experience.
	(0)=(c)/(n)				

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).
The total rates paid by all rateable properties will equal the amount adopted in the budget.

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

Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(e) Presented as required by Regulation 6(1)(ea) of the Local Government (Financial Management) Regulations 2011.

Please Note: The percentage figure in *(c)* relates to the change in the total amount of General Rates to be collected from all ratepayers, not from individual ratepayers (ie. not everyone's rates will necessarily change by this figure).

(f) The Regional Landscape Levy is **not retained by council**. Councils are **required** under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government.

(i) Community Wastewater Management & Sewer Systems

(l) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

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

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Appendices

Cows in Macclesfield

Infrastructure Capital Works Program Summary by Township

TOWNSHIP/ REGION	PROJECT	PROJECT TYPE	PROGRAM	TOTAL
Brukunga	Brukunga Hall Access Ramp	Renewal	Buildings	$327,583
	Piney Ridge Road - Peggy Buxton Rd to 509m north North Road	Renewal	Transport - Roads	
	Military Road - Pyrites Rd to 886m east Pyrites Rd	Renewal	Transport - Roads	
Callington	Callington Rd - Rec Grounds to North Tce (inc Stormwater Improvements)	New	Pedestrian Connectivity Gap	
	Callington Road	Renewal	Transport - Roads	
Echunga and Chapel Hill	Echunga Community Park - New Public Convenience Design	New	Buildings	$392,304
	Echunga PLEC	New	Pedestrian Connectivity Gap	
	Angus Rd - Sophia to High	New	Pedestrian Connectivity Gap	
	Chapel Hill Rd - Strathalbyn Rd to Diggings Rd	Renewal	Transport - Roads	
	Bailey Road - Battunga Rd to Hack Range Rd	Renewal	Transport - Roads	
Hahndorf	Hahndorf Academy - Ongoing External/ Internal Repairs	Renewal	Buildings	
	Hahndorf Bus Park Public Convenience Refurbishment	Renewal	Buildings	
	Molens Rd - New Footpath	New	Pedestrian Connectivity Gap	
	English St - New Footpath	New	Pedestrian Connectivity Gap	
	Mount Barker Rd - Caravan Park to River Rd	New	Pedestrian Connectivity Gap	
	Tara-Illa Stage 2 Design	New	Open Space and Recreation	

TOWNSHIP/ REGION	PROJECT	PROJECT TYPE	PROGRAM	TOTAL
Hahndorf (Continued)	Stormwater Minor Upgrade Program - Windsor Ave, Hahndorf	New	Stormwater Management Plans	$1,304,822
	Balhannah Road Left-010 - 11m east Mount Barker Rd to Church St	Renewal	Transport - Footpaths	
	Church Street Right-010 - 12 Church St to Balhannah Rd	Renewal	Transport - Footpaths	
	Church Street Right-005 - Victoria St to 12 Church St	Renewal	Transport - Footpaths	
	Exhibition Road Right-005 - Hampden Rd to Alexandrina Rd	Renewal	Transport - Footpaths	
	Pine Avenue - Left-010 - 24m south Mount Barker Rd to Auricht Rd	Renewal	Transport - Footpaths	
	Pine Avenue Pine Avenue - Right-010 - 41m south Mount Barker Rd to Auricht Rd	Renewal	Transport - Footpaths	
	Mount Barker Road - Left-005 - 1A Mount Barker Rd to Auricht Rd	Renewal	Transport - Footpaths	
	Windsor Avenue - Windsor Avenue - 025 - Martin Rd to 637m east Martin Rd	Renewal	Transport - Roads	
	Windsor Avenue - 637m east Martin Rd to Easlea Rd	Renewal	Transport - Roads	
Littlehampton, Blakiston and Totness	Windmill Hill Capacity and Diversion Uplift	Upgrade	Buildings	$136,302
	Littlehampton Memorial Hall - Supper Room Wall Cracks	Renewal	Buildings	
	Anembo Park Playground - Flying Fox	Renewal	Open Space and Recreation	
Macclesfield and Bugle Ranges	Venables Street Stormwater	Renewal	Stormwater	$1,803,517
	Wellington Road - Bunnett Road to Boundary	Renewal	Transport - Roads	
	Bugle Range Road - Bonython Rd to 1152m south Bonython Rd	Renewal	Transport - Roads	
	Bugle Range Road - 1152m south Bonython Rd to Pursell Rd	Renewal	Transport - Roads	
	Holder Road - Willcox Rd to Dunn Rd	Renewal	Transport - Roads	
	Willcox Road - Bonython Rd to Holder Rd	Renewal	Transport - Roads	
	Willcox Road - Holder Rd to Stamps Rd	Renewal	Transport - Roads	
	Waters Road - Willcox Rd to 823m east Willcox Rd	Renewal	Transport - Roads	
	Merritt Road - Native Av to Pinchbeck Ftk	Renewal	Transport - Roads	
	Merritt Road - Pinchbeck Ftk to Dunn Rd	Renewal	Transport - Roads	
	Archer Hill Rd - 83nm east Long Valley Rd to 771m east Long Valley	Renewal	Transport - Roads	
	Archer Hill Rd - 777m east Long Valley Rd to 1756m east Long Valley Rd	Renewal	Transport - Roads	

TOWNSHIP/ REGION	PROJECT	PROJECT TYPE	PROGRAM	TOTAL
Meadows	Mawson Road - 30m E Nottage Rd to Expedition	New	Pedestrian Connectivity Gap	$536,504
	Meadows Recreation Grounds Court Renewal	Renewal	Open Space and Recreation	
	BBQ Renewal - Meadows	Renewal	Open Space and Recreation	
	Battunga Road Stormwater Renewal	Renewal	Stormwater	
	Mallawa Road - Dashwood Gully Rd to 1278m south Dashwood Gully	Renewal	Transport - Roads	
Mount Barker	Building Battery Program (SALC)	New	Building Battery Program	Growth $40,232,787 Other $7,952,989
	Building Battery Program (ESC)	New	Building Battery Program	
	Building Battery Program (CIVIC)	New	Building Battery Program	
	CCP Stages 1A and 1B	New	City Centre Project	
	23 Mann Street - Eaves repair and asbestos removal	Renewal	Buildings	
	23 Mann Street - Aircon and Carpet	Renewal	Buildings	
	26 Mann Street - water damage repair	Renewal	Buildings	
	Adelaide Hills Recreation Centre - roof and gutter repair	Renewal	Buildings	
	23 Mann Street Gutter and Downpipe Renewal	Renewal	Buildings	
	Mount Barker Townhall Internal Repairs	Renewal	Buildings	
	Former Quarry Trail	New	Pedestrian Connectivity Gap	
	Bald Hills Rd - New Pedestrian Access	New	Pedestrian Connectivity Gap	
	Bollen Road - (Shared Use Trail)	New	Pedestrian Connectivity Gap	
	Springs Rd - Waterford to Thornbill	New	Pedestrian Connectivity Gap	
	Memorial Dr - Bollen to Maurice	New	Pedestrian Connectivity Gap	
	North Rd: Bridge to Junction (incl Bridge Rd and Sydney Rd connections) Nairne Move to Bald Hills	New	Pedestrian Connectivity Gap	
	Laratinga Boardwalk - Design and Masterplanning	Renewal	Open Space and Recreation	
	Mount Barker Showgrounds Court Renewal	Renewal	Open Space and Recreation	

TOWNSHIP/ REGION	PROJECT	PROJECT TYPE	PROGRAM	TOTAL
Mount Barker (Continued)	Hutchinson Street Left-005 - Dunn St to opposite Pridmore Tce	Renewal	Open Space and Recreation	Growth $40,232,787 Other $7,952,989
	Mann Street Mann Street - Left-030 - Opposite Hack St to Adelaide Rd	Renewal	Open Space and Recreation	
	Victoria Road Victoria Road - Left-005 - Wunderley Dr to Wellington Rd	Renewal	Open Space and Recreation	
	Linear Trail - Library Carpark to Adelaide Rd Intersection	Renewal	Open Space and Recreation	
	Mount Barker Skate Park Minor Upgrade	New	Open Space and Recreation	
	BBQ Renewals - Mount Barker	Renewal	Open Space and Recreation	
	Southern Sector Playing Fields	New	Open Space and Recreation - Growth	
	Regional Skate Park	New	Open Space and Recreation - Growth	
	Memorial Dr Stormwater Improvement	Renewal	Stormwater	
	Fletcher Road Stage 1B construction	New	Stormwater	
	4 Teakle Court and associated works	Renewal	Stormwater	
	Mount Barker CBD Flood Mitigation – Adelaide Rd Diversion Drain	New	Stormwater Management Plans	
	Railway Creek/Mt Barker Creek	New	Stormwater Management Plans	
	Summit Precinct Regional Playground	New	Open Space and Recreation - Growth	
	Alexandrina Road - 2 Alexandrina Rd to Hampden Rd	Renewal	Transport - Roads	
	Alexandrina Road - 47 Alexandrina Rd to Railway Tce	Renewal	Transport - Roads	
	Cameron Road - Gawler St to Pedestrian Crossing	Renewal	Transport - Roads	
	East Parkway - Hurling Rd to Heysen Blvd	Renewal	Transport - Roads	
	Exhibition Road - Hampden Rd to 58 Exhibition Rd	Renewal	Transport - Roads	
	Hutchinson Road - Victoria Crs and Albert Pl Intersection	Renewal	Transport - Roads	
	Knott Street - Hutchinson St to Victoria Crs	Renewal	Transport - Roads	
	Lilac Parade - Heysen Blvd to 206 Lilac Pde	Renewal	Transport - Roads	

TOWNSHIP/ REGION	PROJECT	PROJECT TYPE	PROGRAM	TOTAL
Mount Barker (Continued)	Hender Road - Farmer Rd to Hillside Lane	Renewal	Transport - Roads	Growth $40,232,787 Other $7,952,989
	Hender Road - Hillside La to 1242m south Hillside Lane	Renewal	Transport - Roads	
	Dunn Road - Bonython Rd to Holder Rd	Renewal	Transport - Roads	
	Bollen Road - (Road Upgrade)	Upgrade	Transport - Growth	
	Bollen Road - Stage 2 and 3	Upgrade	Transport - Growth	
	Hutchinson St between Druids and Morphett Street	Upgrade	Transport - Growth	
	Springs Rd Upgrade	Upgrade	Transport - Growth	
	Paech Road Stage 1 Detailed Design and Connection	Upgrade	Transport - Growth	
	Hartmann and Alexandrina Road Intersection Design	Upgrade	Transport - Growth	
	Sims Road Upgrade (Belmont to Heysen Boulevard)	Upgrade	Transport - Growth	
	Flaxley / Rainbird Drive Intersection	Upgrade	Transport - Growth	
	Hartman Road Upgrade - design	Upgrade	Transport - Growth	
	Flaxley / Rainbird Drive Intersection	Upgrade	Transport - Growth	
	Springs Road/Bald Hills Road roundabout	Upgrade	Transport - Growth	
	Hawthorn Road (Adelaide Road to Liebelt Summer Track)	Upgrade	Transport - Growth	
	SSRP Net Behind Goals	New	Open Space and Recreation	
	SSRP Facility Improvements	New	Open Space and Recreation	
	Stormwater Minor Upgrade Program - Mount Barker Various	New/ Upgrade	Stormwater Management Plans	
	Kerbing to support reseal program	Renewal	Transport - Roads	
Nairne	Nairne Institute Renewal - Conservation Works Yr 2 of 2	Renewal	Buildings	$1,052,652
	Woodside Road from Byethorne Pk to Webber Drive	New	Pedestrian Connectivity Gap	
	Bartley Stage 2B - New Footpath	New	Pedestrian Connectivity Gap	
	North Rd - Clydesdale to Woodside	New	Pedestrian Connectivity Gap	

TOWNSHIP/ REGION	PROJECT	PROJECT TYPE	PROGRAM	TOTAL
Nairne (Continued)	Byethorne Park Playground Renewal	Renewal	Open Space and Recreation	
	Nairne Rec Ground - Court Renewal	Renewal	Open Space and Recreation	
Wistow	Wiles Fire Track - Farmer Rd to 1198m south Farmer Rd	Renewal	Transport - Roads	$100,081
	Hillside Lane - Hender Rd to 417m north Hender Rd	Renewal	Transport - Roads	
Various	Auto locking of public conveniences	Upgrade	Buildings	$305,890
	Community Building (unallocated)	Renewal	Open Space and Recreation	

Consolidated Financial Statements

COUNCIL FINANCIAL STATEMENTS (Municipal & Wastewater)

STATEMENT OF COMPREHENSIVE INCOME	Actual 2024/25 $'000	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Income				
Rates	61,278	65,922	66,122	71,957
Statutory Charges	2,263	2,531	2,456	2,883
User Charges	3,616	3,441	8,303	9,635
Grants, Subsidies, Contributions - operating	7,639	5,297	5,139	5,523
Investment Income	204	100	225	200
Reimbursements	407	452	336	345
Other Income	327	798	317	550
Net gain equity accounted Council businesses	53	67	1,158	67
Total Income	**75,787**	**78,608**	**84,056**	**91,161**
Expenses				
Employee Costs	26,098	26,692	26,692	29,964
Materials, Contracts & Other Expenses	30,320	32,525	38,571	38,324
Depreciation, Amortisation & Impairment	15,156	17,756	17,821	19,915
Finance Costs	1,418	4,103	2,663	4,858
Total Expenses	**72,991**	**81,076**	**85,747**	**93,062**
Operating Surplus / (Deficit)	**2,796**	**(2,467)**	**(1,690)**	**(1,901)**
Asset Disposal & Fair Value Adjustments	(339)	(6,615)	(6,614)	(5,626)
Amounts Received Specifically for New/Upgraded Assets	27,831	15,068	15,924	13,583
Physical Resources Received Free of Charge	16,183	17,546	17,546	18,380
Net Surplus / (Deficit)	**46,470**	**23,533**	**25,165**	**24,437**
Other Comprehensive Income				
Amounts which will not be reclassified subsequently to operating result				
Changes in Revaluation Surplus - I,PP&E	119,500	798	13,690	3,476
Share of other comprehensive income - equity accounted council businesses	6	-	-	-
Total Other Comprehensive Income	**119,506**	**798**	**13,690**	**3,476**
Total Comprehensive Income	**165,976**	**24,331**	**38,855**	**27,913**

STATEMENT OF FINANCIAL POSITION	Actual 2024/25 $'000	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
ASSETS				
Current Assets				
Cash & Cash Equivalents	6,148	1,000	1,000	1,000
Trade & Other Receivables	10,414	11,580	10,414	10,414
Total Current Assets	**16,562**	**12,580**	**11,414**	**11,414**
Non-Current Assets				
Financial Assets	3,000	3,000	3,000	3,000
Equity Accounted Investments in Council Businesses	1,590	1,531	1,589	1,589
Infrastructure, Property, Plant & Equipment	1,003,479	1,124,702	1,106,176	1,237,923
Total Non-Current Assets	**1,008,069**	**1,129,233**	**1,110,765**	**1,242,512**
TOTAL ASSETS	**1,024,630**	**1,141,812**	**1,122,179**	**1,253,926**
LIABILITIES				
Current Liabilities				
Trade & Other Payables	14,504	19,451	15,008	19,008
Revenue Received in Advance	1,351	904	904	904
Borrowings	1,923	968	1,923	1,923
Provisions	4,621	4,242	4,565	4,565
Total Current Liabilities	**22,398**	**25,565**	**22,400**	**26,400**
Non-Current Liabilities				
Borrowings	40,054	161,671	98,746	198,580
Provisions	575	553	575	575
Total Non-Current Liabilities	**40,629**	**162,224**	**99,321**	**199,155**
TOTAL LIABILITIES	**63,027**	**187,789**	**121,721**	**225,555**
Net Assets	**961,603**	**954,024**	**1,000,458**	**1,028,371**
EQUITY				
Accumulated Surplus	435,609	441,292	457,868	480,912
Asset Revaluation Reserves	509,765	484,754	523,455	526,931
Other Reserves	16,229	27,977	19,135	20,528
Total Equity	**961,603**	**954,024**	**1,000,458**	**1,028,371**

STATEMENT OF CASH FLOWS	Actual 2024/25 $'000	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Cash Flows from Operating Activities				
Receipts:				
Rates Receipts	63,016	64,874	66,122	71,957
Statutory Charges	2,274	2,531	2,456	2,883
User Charges	3,616	3,441	8,303	9,635
Grants, Subsidies, Contributions (operating)	7,639	5,297	5,139	5,523
Investment Receipts	204	100	225	200
Reimbursements	407	452	336	345
Other Revenue	4,511	3,484	3,003	8,149
Payments:				
Payments to Employees	(26,394)	(26,692)	(26,692)	(29,964)
Payments for Materials, Contracts & Other Expenses	(31,807)	(30,844)	(44,094)	(43,950)
Finance Payments	(1,546)	(4,103)	(2,663)	(4,858)
Net Cash provided (or used in) Operating Activities	**21,920**	**18,541**	**12,134**	**19,922**
Cash Flows from Investing Activities				
Receipts:				
Amounts Received Specifically for New/Upgraded Assets	27,831	15,068	15,924	13,583
Grants utilised for capital purposes	2,546	-	-	-
Payments:				
Expenditure on Renewal/Replacement of Assets	(16,744)	(45,744)	(28,693)	(39,430)
Expenditure on New/Upgraded Assets	(59,811)	(91,409)	(65,735)	(90,376)
Loans Made to Community Groups	(1,258)	-	-	-
Net Cash provided (or used in) Investing Activities	**(47,436)**	**(122,085)**	**(78,504)**	**(116,224)**
Cash Flows from Financing Activities				
Receipts:				
Proceeds from Borrowings	28,677	103,544	61,223	96,302
Payments:				
Repayments of Borrowings	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	**28,677**	**103,544**	**61,223**	**96,302**
Net Increase/(Decrease) in Cash & Cash Equivalents	**3,161**	**-**	**(5,147)**	**(0)**
plus: Cash & Cash Equivalents - beginning of year	**2,987**	**1,000**	**6,148**	**1,000**
Cash & Cash Equivalents - end of the year	**6,148**	**1,000**	**1,000**	**1,000**

STATEMENT OF CHANGES IN EQUITY	Actual 2024/25 $'000	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Opening Balance	795,627	929,693	961,603	1,000,458
Net Surplus / (Deficit) for Year	46,470	23,533	25,165	24,437
Other Comprehensive Income				
- Gain (Loss) on Revaluation of I,PP&E	119,506	798	13,690	3,476
Other Comprehensive Income	119,506	798	13,690	3,476
Total Comprehensive Income	**165,976**	**24,331**	**38,855**	**27,913**
Equity - Balance at end of the reporting period	**961,603**	**954,024**	**1,000,458**	**1,028,371**

UNIFORM PRESENTATION OF FINANCES	- Actual 2024/25 $'000	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Operating Activities				
Income	75,787	78,609	84,056	91,161
less Expenses	(72,991)	(81,076)	(85,747)	(93,062)
Operating Surplus / (Deficit)	**2,796**	**(2,467)**	**(1,690)**	**(1,901)**
Capital Activities				
less (Net Outlays) on Existing Assets				
Capital Expenditure on Renewal/Replacement of Existing Assets	(16,744)	(45,744)	(28,693)	(39,430)
add back Depreciation, Amortisation and Impairment	15,156	17,756	17,821	19,915
add back Proceeds from Sale of Replaced Assets	-	-	-	-
(Net Outlays) on Existing Assets	**(1,588)**	**(27,988)**	**(10,871)**	**(19,514)**
less (Net Outlays) on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(59,811)	(91,409)	(65,735)	(90,376)
add back Amounts Received Specifically for New and Upgraded Assets	27,831	15,068	15,924	13,583
(Net Outlays) on New and Upgraded Assets	**(31,980)**	**(76,340)**	**(49,812)**	**(76,794)**
Net Lending / (Borrowing) for Financial Year	**(30,773)**	**(106,795)**	**(62,374)**	**(98,209)**

Municipal Financial Statements

MUNICIPAL FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME	Actual 2024/25 $'000	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Income				
Rates	61,278	54,015	59,186	58,778
Statutory Charges	2,263	2,313	2,289	2,659
User Charges	3,616	3,101	8,113	9,284
Grants, Subsidies, Contributions - operating	7,639	5,297	5,139	5,523
Investment Income	204	100	225	200
Reimbursements	407	359	252	252
Other Income	327	798	317	550
Net gain equity accounted Council businesses	53	2,685	2,685	3,600
Total Income	**75,787**	**68,668**	**78,206**	**80,845**
Expenses				
Employee Costs	26,098	24,427	25,352	26,964
Materials, Contracts & Other Expenses	30,320	26,156	35,314	33,074
Depreciation, Amortisation & Impairment	15,156	14,301	14,366	16,701
Finance Costs	1,418	2,652	1,350	2,596
Total Expenses	**72,991**	**67,536**	**76,382**	**79,335**
Operating Surplus / (Deficit)	**2,796**	**1,132**	**1,824**	**1,511**
Asset Disposal & Fair Value Adjustments	(339)	(5,681)	(5,681)	(4,948)
Amounts Received Specifically for New/Upgraded Assets	27,831	9,622	11,753	10,173
Physical Resources Received Free of Charge	16,183	14,459	14,459	14,965
Net Surplus / (Deficit)	**46,470**	**19,531**	**22,355**	**21,700**
Other Comprehensive Income				
Amounts which will not be reclassified subsequently to operating result				
Changes in Revaluation Surplus - I,PP&E	119,500	798	13,690	1,847
Share of other comprehensive income - equity accounted council businesses	6	-	-	-
Total Other Comprehensive Income	**119,506**	**798**	**13,690**	**1,847**
Total Comprehensive Income	**165,976**	**20,663**	**36,045**	**23,547**

STATEMENT OF FINANCIAL POSITION	Actual 2024/25 $'000	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
ASSETS				
Current Assets				
Cash & Cash Equivalents	6,148	500	500	500
Trade & Other Receivables	10,414	10,563	10,414	10,414
Total Current Assets	**16,562**	**11,063**	**10,914**	**10,914**
Non-Current Assets				
Financial Assets	3,000	3,000	3,000	3,000
Equity Accounted Investments in Council Businesses	1,590	108,095	103,121	103,121
Infrastructure, Property, Plant & Equipment	1,003,479	780,502	856,996	907,226
Total Non-Current Assets	**1,008,069**	**891,597**	**963,117**	**1,013,347**
TOTAL ASSETS	**1,024,630**	**902,660**	**974,031**	**1,024,261**
LIABILITIES				
Current Liabilities				
Trade & Other Payables	14,504	11,186	6,743	10,743
Revenue Received in Advance	1,351	904	904	904
Borrowings	1,923	968	1,923	1,923
Provisions	4,621	4,092	4,313	4,313
Total Current Liabilities	**22,398**	**17,150**	**13,883**	**17,883**
Non-Current Liabilities				
Borrowings	40,054	63,457	41,298	63,980
Provisions	575	403	551	551
Total Non-Current Liabilities	**40,629**	**63,860**	**41,849**	**64,531**
TOTAL LIABILITIES	**63,027**	**81,009**	**55,732**	**82,414**
Net Assets	**961,603**	**821,651**	**918,300**	**941,847**
EQUITY				
Accumulated Surplus	435,609	437,732	455,058	475,365
Asset Revaluation Reserves	509,765	355,942	444,107	445,954
Other Reserves	16,229	27,977	19,135	20,528
Total Equity	**961,603**	**821,651**	**918,300**	**941,847**

STATEMENT OF CASH FLOWS	Actual 2024/25 $'001	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Cash Flows from Operating Activities				
Receipts:				
Rates Receipts	63,016	53,984	59,186	58,778
Statutory Charges	2,274	2,313	2,289	2,659
User Charges	3,616	3,101	8,113	9,284
Grants, Subsidies, Contributions (operating)	7,639	5,297	5,139	5,523
Investment Receipts	204	100	225	200
Reimbursements	407	359	252	252
Other Revenue	4,511	3,484	3,003	8,149
Payments:				
Payments to Employees	(26,394)	(24,427)	(25,352)	(26,964)
Payments for Materials, Contracts & Other Expenses	(31,807)	(33,007)	(40,560)	(39,372)
Finance Payments	(1,546)	(2,652)	(1,350)	(2,596)
Net Cash provided (or used in) Operating Activities	**21,920**	**8,551**	**10,945**	**15,914**
Cash Flows from Investing Activities				
Receipts:				
Amounts Received Specifically for New/Upgraded Assets	27,831	9,622	11,753	10,173
Grants utilised for capital purposes	2,546	-	-	-
Payments:				
Expenditure on Renewal/Replacement of Assets	(16,744)	(8,897)	(12,118)	(7,745)
Expenditure on New/Upgraded Assets	(59,811)	(35,424)	(30,806)	(42,374)
Loans Made to Community Groups	(1,258)	-	-	-
Net Cash provided (or used in) Investing Activities	**(47,436)**	**(34,699)**	**(31,171)**	**(39,946)**
Cash Flows from Financing Activities				
Receipts:				
Proceeds from Borrowings	28,677	26,148	14,579	24,032
Payments:				
Repayments of Borrowings	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	**28,677**	**26,148**	**14,579**	**24,032**
Net Increase/(Decrease) in Cash & Cash Equivalents	**3,161**	**-**	**(5,647)**	**0**
plus: Cash & Cash Equivalents - beginning of year	**2,987**	**500**	**6,148**	**500**
Cash & Cash Equivalents - end of the year	**6,148**	**500**	**500**	**500**

STATEMENT OF CHANGES IN EQUITY	Actual 2024/25 $'001	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Opening Balance	795,627	929,693	961,603	918,300
Net Surplus / (Deficit) for Year	46,470	19,531	22,355	21,700
Assets transferred to GMBW	-	(128,370)	-	-
Other Comprehensive Income				
- Gain (Loss) on Revaluation of I,PP&E	119,506	798	13,690	1,847
Assets Transferred to GMBW	-	-	(79,348)	-
Other Comprehensive Income	119,506	798	(65,658)	1,847
Total Comprehensive Income	**165,976**	**(108,041)**	**(43,303)**	**23,547**
Equity - Balance at end of the reporting period	**961,603**	**821,651**	**918,300**	**941,847**

UNIFORM PRESENTATION OF FINANCES	- Actual 2024/25 $'001	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Operating Activities				
Income	75,787	68,668	78,206	80,845
less Expenses	(72,991)	(67,537)	(76,382)	(79,335)
Operating Surplus / (Deficit)	**2,796**	**1,131**	**1,824**	**1,511**
Capital Activities				
less (Net Outlays) on Existing Assets				
Capital Expenditure on Renewal/Replacement of Existing Assets	(16,744)	(8,897)	(12,118)	(7,745)
add back Depreciation, Amortisation and Impairment	15,156	14,301	14,366	16,701
add back Proceeds from Sale of Replaced Assets	-	-	-	-
(Net Outlays) on Existing Assets	**(1,588)**	**5,404**	**2,248**	**8,956**
less (Net Outlays) on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(59,811)	(35,424)	(30,806)	(42,374)
add back Amounts Received Specifically for New and Upgraded Assets	27,831	9,622	11,753	10,173
(Net Outlays) on New and Upgraded Assets	**(31,980)**	**(25,802)**	**(19,053)**	**(32,200)**
Net Lending / (Borrowing) for Financial Year	**(30,773)**	**(19,267)**	**(14,980)**	**(21,734)**

GMB Water
Financial Statements

GREATER MOUNT BARKER WATER FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Income			
Rates	11,907	6,936	13,180
Statutory Charges	219	167	224
User Charges	340	190	351
Reimbursements	93	84	93
Total Income	**12,559**	**7,377**	**13,848**
Expenses			
Employee Costs	2,265	1,340	2,999
Materials, Contracts & Other Expenses	6,369	2,166	5,250
Depreciation, Amortisation & Impairment	3,455	3,455	3,215
Finance Costs	1,451	1,313	2,263
Total Expenses	**13,539**	**8,274**	**13,727**
Operating Surplus / (Deficit)	**(980)**	**(897)**	**121**
Asset Disposal & Fair Value Adjustments	(934)	(934)	(678)
Amounts Received Specifically for New/Upgraded Assets	5,446	4,171	3,410
Physical Resources Received Free of Charge	3,088	3,088	3,416
Cost of Capital	(2,618)	(2,618)	(3,533)
Net Surplus / (Deficit)	**4,002**	**2,810**	**2,736**
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	-	-	1,629
Total Other Comprehensive Income	**-**	**-**	**1,629**
Total Comprehensive Income	**4,002**	**2,810**	**4,365**

STATEMENT OF FINANCIAL POSITION	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
ASSETS			
Current Assets			
Cash & Cash Equivalents	500	500	500
Trade & Other Receivables	1,017	-	-
Total Current Assets	**1,517**	**500**	**500**
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	344,199	249,154	330,697
Total Non-Current Assets	**344,199**	**249,154**	**330,697**
TOTAL ASSETS	**345,716**	**249,654**	**331,197**
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8,265	8,265	8,265
Provisions	150	252	252
Total Current Liabilities	**8,415**	**8,517**	**8,517**
Non-Current Liabilities			
Borrowings	98,214	57,422	134,600
Provisions	150	24	24
Other Non-Current Liabilities	106,564	-	-
Total Non-Current Liabilities	**204,929**	**57,446**	**134,625**
TOTAL LIABILITIES	**213,344**	**65,963**	**143,142**
Net Assets	**132,373**	**183,690**	**188,056**
EQUITY			
Accumulated Surplus	3,560	2,810	5,547
Asset Revaluation Reserves	128,813	79,348	80,977
Contributed Equity	-	101,532	101,532
Total Equity	**132,373**	**183,690**	**188,056**

STATEMENT OF CASH FLOWS	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Cash Flows from Operating Activities			
Receipts:			
Rates Receipts	10,890	6,936	13,180
Statutory Charges	219	167	224
User Charges	340	190	351
Reimbursements	93	84	93
Payments:			
Payments to Employees	(2,265)	(1,340)	(2,999)
Payments for Materials, Contracts & Other Expenses	(4,837)	(3,535)	(4,578)
Finance Payments	(1,451)	(1,313)	(2,263)
Net Cash provided (or used in) Operating Activities	**2,990**	**1,190**	**4,008**
Cash Flows from Investing Activities			
Receipts:			
Amounts Received Specifically for New/Upgraded Assets	5,446	4,171	3,410
Payments:			
Expenditure on Renewal/Replacement of Assets	(36,847)	(16,575)	(31,685)
Expenditure on New/Upgraded Assets	(55,984)	(35,703)	(48,029)
Net Cash provided (or used in) Investing Activities	**(87,386)**	**(48,107)**	**(76,304)**
Cash Flows from Financing Activities			
Receipts:			
Proceeds from Borrowings	84,396	47,417	72,296
Payments:			
Repayments of CAD	-	-	-
Repayments of Borrowings	-	-	-
Repayment of Principal Portion of Lease Liabilities	-	-	-
Net Cash Flow provided (used in) Financing Activities	**84,396**	**47,417**	**72,296**
Net Increase/(Decrease) in Cash & Cash Equivalents	**-**	**500**	**-**
plus: Cash & Cash Equivalents - beginning of year	**500**	**-**	**500**
Cash & Cash Equivalents - end of the year	**500**	**500**	**500**

STATEMENT OF CHANGES IN EQUITY	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Opening Balance	128,370	180,880	183,690
Net Surplus / (Deficit) for Year	4,002	2,810	2,736
Other Comprehensive Income			
- Gain (Loss) on Revaluation of I,PP&E	-	-	1,629
Other Comprehensive Income	-	-	1,629
Total Comprehensive Income	**4,002**	**2,810**	**4,365**
Equity - Balance at end of the reporting period	**132,372**	**183,690**	**188,056**

UNIFORM PRESENTATION OF FINANCES	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Operating Activities			
Income	12,559	7,377	13,848
less Expenses	(13,539)	(8,274)	(13,727)
Operating Surplus / (Deficit)	**(980)**	**(897)**	**121**
Capital Activities			
less (Net Outlays) on Existing Assets			
Capital Expenditure on Renewal/Replacement of Existing Assets	(36,847)	(16,575)	(31,685)
add back Depreciation, Amortisation and Impairment	3,455	3,455	3,215
add back Proceeds from Sale of Replaced Assets	-	-	-
(Net Outlays) on Existing Assets	**(33,392)**	**(13,120)**	**(28,470)**
less (Net Outlays) on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(55,984)	(35,703)	(48,029)
add back Amounts Received Specifically for New and Upgraded Assets	5,446	4,171	3,410
(Net Outlays) on New and Upgraded Assets	**(50,538)**	**(31,532)**	**(44,619)**
Net Lending / (Borrowing) for Financial Year	**(84,911)**	**(45,548)**	**(72,968)**

Rating Policy

MOUNT BARKER
DISTRICT COUNCIL

TITLE: RATING POLICY 2026/2027

1. PURPOSE

Councils have power to raise and collect rates and this Policy provides the detail on the methodology and principles that Council will apply. In developing a rating policy Council must make political and professional judgements based on several guiding principles and objectives. These principles and objectives are often competing and must be balanced to achieve the desired outcome. Council has identified and developed the following key objectives in response to the outcomes of our community engagement activities and on-going annual reviews.

1.1 Equity for our communities

A key consideration in developing a taxation system is the equity principle. In developing this Policy we have endeavoured to ensure that the rating responsibility is distributed in an equitable manner across and within our communities. To achieve this objective our policy is designed to:

- improve equity in rate distribution across our communities
- prevent inequitable shifts in rate responsibility
- collect a base contribution from all rateable properties
- equally distribute the responsibility of rates across the community (unless some compelling application of the other taxation principles should be applied)
- raise an equitable level of contribution from each land use sector.

1.2 Benefit to our communities

A further consideration in developing a taxation system is the benefit principle. To achieve this objective this Policy is designed to:

- wherever practicable charge the direct beneficiary for benefits through user charges, services charges and separate rates
- recognise communities where there is a greater consumption of services and resources.

1.3 Economic and Property Development

This Policy seeks to balance Council's economic and property development focus and to achieve this objective our policy is designed to:

- facilitate a strong and vibrant economic environment
- support the growth of business within the area
- balance the issue of consumption of resources with economic development objectives
- encourage development on vacant land
- recognise the importance of arable land suitable for viable primary production.

1.4 Taxation Principles

While balancing the community needs and Council's broader economic and development objectives Council has developed this Policy to also provide a balance against the principles of taxation. The Policy objectives, methodologies and strategies have been developed with this in mind and rank highly against the principles of taxation.

2. SCOPE

This Policy is applicable to all ratepayers in the Mount Barker District.

3. DEFINITIONS

'Act' refers to the Local Government Act 1999 (SA).

'Capital value' refers to the valuation methodology used in determining the value of land, as defined in the Valuation of Land Act 1971.

'CWMS' refers to a Community Wastewater Management System within the Council area formerly referred to as Septic Tank Effluent Disposal Schemes (STEDS).

'Different rate' refers to a rate that may be applied to a category of land that is different to the rate applied to other land categories (termed differential rates under the Act).

'General Rate' refers to the rate in the dollar that applies to properties in the calculation of the general rate payable by way of Council Rates. Please note that the 'General Rate' is also referred to as the Differential General Rate under the Act.

'Land Use' refers to the land use code (LUC) assigned by the Valuer General which assits in determining the Local Government Code category which is included within the Annual Valuations adopted by Council.

'MDPA area' refers to the Mount Barker Urban Growth Development Plan Amendment (MDPA) as gazetted by the Minister for Planning in December 2010 and as shown in attachment 1.

'Minimum Rate' is where Council can fix a minimum amount payable by way of rates or charges under section 158 of the Act, this cannot be applied to more than 35% of the area.

'Postponed rates' refers to any rates postponed under sections 182 or 182A of the Act.

'Rating' refers to the overall process of raising revenue by way of levying rates and charges.

'Rebates' refers to an amount that a rate or charge may be reduced in accordance with Chapter 10, Division 5 of the Act.

'Remissions' refers to any reduction in amount payable granted in accordance with Section 182 of the Act.

'Residential rate cap rebate' refers to the rate cap applied to properties with a Residential land use, subject to specific criteria, which is applied under the discretionary rebate provisions of section 166(1)(l) of the Act.

'Service charge' refers to a charge imposed for the provision of a prescribed service under section 155(1) of the Act.

'Separate rate' refers to a rate that applies in addition to other rates and charges, which is a mechanism used to fund specific activities in accordance with section 154 of the Act.

'Sewer' refers to an adequate and sanitary wastewater disposal system.

4. ROLES & RESPONSIBILITIES

Council Members

- Council Members must adopt the Policy.

Chief Executive Officer

- As prescribed by section 99 of the Act, the Chief Executive Officer is responsible for ensuring that systems are in place to cause all rating to comply with legislation.

Team Leader Revenue

- The Team Leader Revenue will ensure that staff are made aware of this Policy which will be placed on Council's website and intranet.

5. SPECIFIC POLICY INFORMATION

5.1 Strategic and budget considerations

Council has determined that the application of an annual Rating Policy should be developed within a framework which integrates strategic planning through to service delivery. The strategic directions for the Mount Barker District Council are outlined in the Mount Barker District Council Community Plan 2044 (endorsed October 2024), which establishes the overall direction for the Mount Barker District Council looking at a 20-year horizon but with a 5-year focus and annual reporting.

The Community Plan 2044 contains 5 themes (Environment, People, Place, Economy, Leadership) that are central to achieving our vision.

The annual rating policy for 2026/2027 has been reviewed to support the vision goals set in the Community Plan 2044. As part of the financial planning and budget processes to support the Community Plan 2044, the rate revenue required to meet expenditure needs is calculated considering other sources of revenue. The structure of the rating system is then determined having consideration for how the rates are levied between, and within, various categories of ratepayers.

5.2 Rating Strategies and Methodologies

The following key strategies and methodologies have been developed consistent with our policy principles to meet the rating objectives:

- valuation methodology based on capital value
- different rates for different land use categories and locality
- rate rebates (including rate capping for residential properties and discretionary rebates)
- rate remissions
- separate rates
- service charges

These strategies rank highly against the principles of taxation and are consistent with our strategic and financial planning. Each of these strategies are discussed in the following relevant sections.

5.2.1 Valuation methodology

Council uses the capital value determined by the Valuer-General as the basis for valuing land and calculating rates.

Council considers that the capital valuation method of valuing land provides the fairest method of distributing the rate burden across all ratepayers and that this is a reasonable indicator of capacity to pay.

If a ratepayer is dissatisfied with the valuation made by the Office of the Valuer-General, then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

a) previously received a notice of this valuation under the Act, in which case the objection period is 60 days from the receipt of the first notice; or

b) previously had an objection to the valuation considered by the Office of the Valuer-General.

5.2.2 Differential Rating

The Act allows Councils to differentiate rates based on the use of the land, the locality of the land or on the use and locality of the land.

The Mount Barker District Council applies different rates based on land use and locality. The Act allows Council the option to use a combination of factors (land use and locality) to apply different rates. Land use is recognised by other State taxing agencies and is easily identified and understood by our communities. It is therefore considered the most appropriate method for applying different rates by most councils.

Currently the general differential rates are based on category of land use as determined by the Local Government (General) Regulations 2013, with the exception of properties with the category of residential land use in the Productive Rural Landscape Zone and the Rural Zone.

Definitions of the use of the land are prescribed by regulation and are categorised as follows for rating purposes:

- Residential (Category (a))
- Commercial – Shop (Category (b))
- Commercial – Office (Category (c))
- Commercial – Other (Category (d))
- Industrial – Light (Category (e))
- Industrial – Other (Category (f))
- Primary Production (Category (g))
- Vacant Land (Category (h))
- Other (Category (i))
- Locality*

**All residential land within the Productive Rural Landscape Zone and the Rural Zone.*

As part of the valuation assessment process the Office of the Valuer-General applies a land use to each assessment to identify the predominant use of the land. This land use is applied by various taxing authorities. Council generally applies this land use for general rating purposes, however under the Act, Council is the relevant authority that determines land use for rating purposes. The rating land use applied by Council must meet the prescribed definitions under Development Regulations. As such the local government land use may vary from that used by other taxing authorities.

If a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection may be made as detailed in section 5.13 of the Policy.

5.2.3 Different Rates

Residential (category (a))
Council has determined that a different rate of 0.288677 cents in the dollar will be applied for 2026/2027 to all assessments attributed with a land use of Residential.

Commercial (categories (b), (c), (d))
Council has determined that a different rate of 0.288677 cents in the dollar will be applied for 2026/2027 to all assessments attributed with a land use of Commercial.

Industrial (categories (e), (f))
Council has determined that a different rate of 0.288677 cents in the dollar will be applied for 2026/2027 to all assessments attributed with a land use of Industrial.

Primary production (category (g))
Council has determined that a different rate of 0.242489 cents in the dollar will be applied for 2026/2027 to all assessments attributed with a land use of Primary Production.

Vacant land (category (h))
Council has determined that a different rate of 0.288677 cents in the dollar will be applied for 2026/2027 to all assessments attributed with a land use of Vacant Land.

Other (category (i))
Council has determined that a different rate of 0.288677 cents in the dollar will be applied for 2026/2027 to all assessments attributed with a land use of Other.

Locality
Council has determined that a different rate of 0.259809 cents in the dollar will be applied for 2026/2027 to all residential land within the Productive Rural Landscape Zone and the Rural Zone.

5.2.4 Separate Rates

Section 154 of the Act permits Councils to declare a separate rate on properties, which may benefit from a project or undertaking. The main legislative features of a separate rate are:

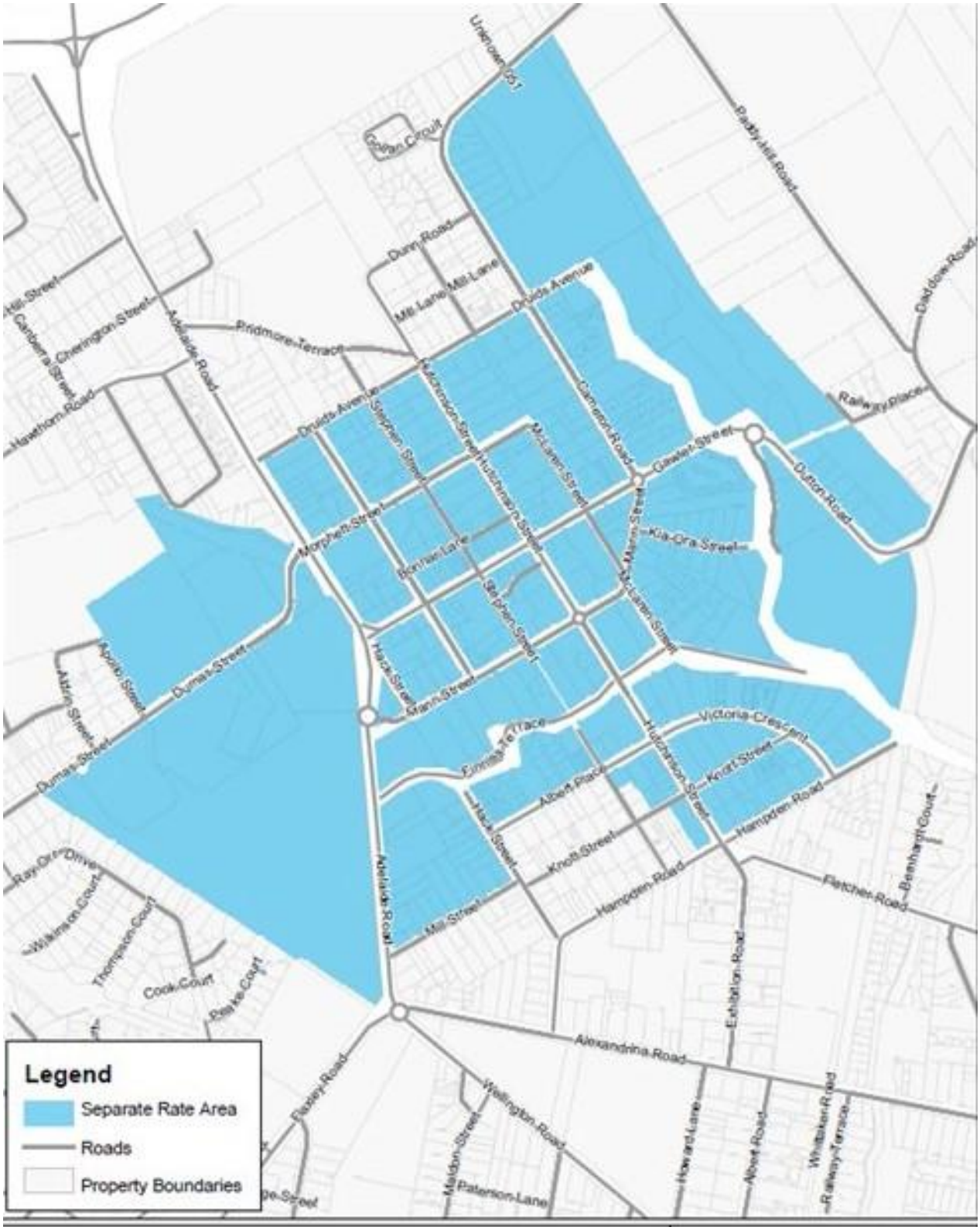
- It can be applied to properties that benefit from the purpose of raising the rate;
- Money raised by these means cannot be put to any other use;
- The separate rate must cease when the purpose has been completed and paid for.

5.2.4.1 Mount Barker Regional Town Centre Separate Rate

On behalf of the Mount Barker Regional Town Centre Development Association Inc, a separate rate will be applied to the commercial and industrial businesses, including vacant properties and vacant land, applied to that part of the Council area defined within the Township of Mount Barker.

The area is similar to what was previously known as the Regional Town Centre Zone of Mount Barker for a period of one year of $146,022. As a consequence, Council proposes that a separate rate of 0.030929 cents in the dollar be set. The purpose of this separate rate is to be utilised for enhancing the commercial and business viability of the Regional Town Centre.

The funds will be raised over a 12 month period from rateable entities (ie land and property owners and business operators) on behalf of the Mount Barker Regional Town Centre Development Association Inc. The Separate Rate will be applied to that part of the Council area defined in the map (below) within the Township of Mount Barker, the area is identical to what was previously known as the Regional Town Centre Zone.



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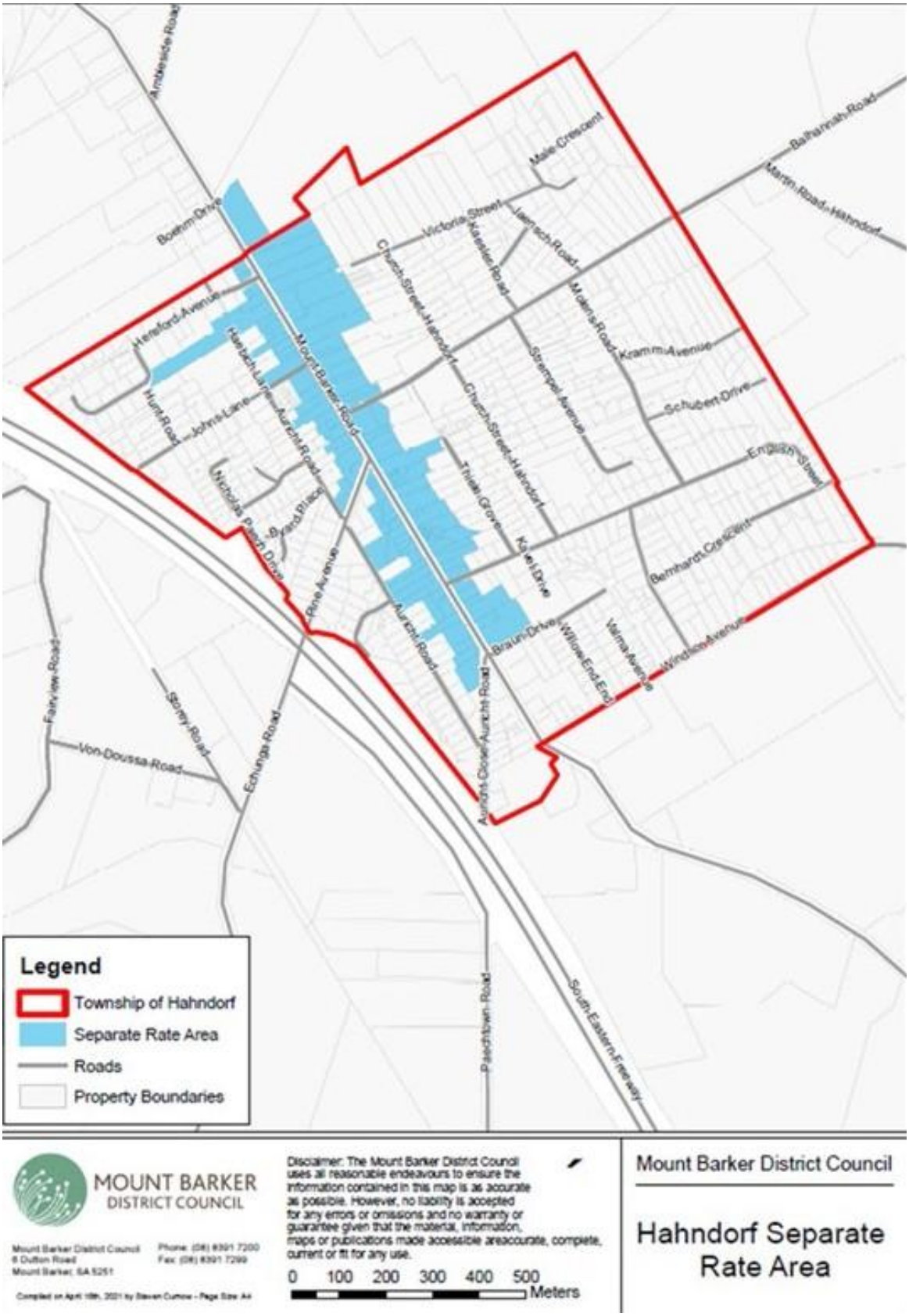
5.2.4.2 Hahndorf Separate Rate

On behalf of the Hahndorf Business & Tourism Inc, a separate rate will be applied to that part of the Council area defined within the t Township Main Street zone, the area is similar to what was previously known as the Heritage Area (1) Zone within the Township of Hahndorf. The separate rate will be applied to the Commercial and Industrial businesses, including vacant properties and or vacant land for a total $110,000. Council proposes a separate rate of 0.089405 cents in the dollar with the separate rate capped at a maximum amount of $2,500.

The funds will be raised over a 12 month period from rateable entities (i.e. land and property owners and business operators) on behalf of the Hahndorf Business & Tourism lnc. The Separate Rate will be applied to that part of the Council area defined in the map within the Township Main Street zone, the area is similar to what was previously known as the Heritage Area (1) Zone.

The purpose of this separate rate is to plan and implement the marketing program for Hahndorf including promotion, marketing and the business viability of the town.

Separate Rates (other than Mount Barker Town Centre and Hahndorf) apply only to specific parcels of land for the purposes of contributing to required infrastructure and only become payable when development is undertaken.



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5.2.5 Separate Rates subject to Infrastructure Contributions – Separate Rate Relief Policy:

5.2.5.1 Transport Infrastructure MDPA Area

A separate rate of a proportionate amount of $85,579 per hectare on rateable land within the defined MDPA Area which is the primary mechanism to raise funds to meet the costs of the required transport infrastructure to support and service the MDPA Area for the benefit of the land the subject of the separate rate and to the occupiers of the land within the MDPA area. A revised scope of required transport infrastructure works, and governance arrangements has been prepared and is available on Council's website.

The amount per hectare is essentially the same as applies pursuant to Transport Infrastructure Deeds executed in 2012 by various developers with the State Government (Minister for Transport and Infrastructure). The amount is the subject of annual indexation in accordance with the Index Number 3101 (Road and Bridge Construction Index) for South Australia as published by the Australian Bureau of Statistics.

5.2.5.2 .Wastewater (Sewer) Infrastructure Mount Barker MDPA Area

A separate rate of a fixed charge of $15 ,000 per new allotment on all rateable land within the defined MDPA Area (excepting land parcels in Nairne being LOT: 2 DP: 83527 CT: 6064/932, LOT: 4 FP: 157339 CT: 5385/949 and LOT: 3 FP: 157338 CT: 5520/779 and that portion contained within the MDPA LOT 1: DP83527 CT: 6077/952) the purpose of which is to fund the activity of essential infrastructure works to meet Wastewater needs and being of particular benefit to the land and to the occupiers of the land to which the separate rate applies.

The amount per new allotment for both Sewer (as previous) and CWMS (as below) is the subject of both:

a) annual indexation using the Producer Price Index Australia (6427) Index Number 3101 Road and Bridge Construction South Australia as published by the Australian Bureau of Statistics; and

b) annual review by Council considering (among other things) new technology, market conditions and current and proposed statutory requirements including all relevant and applicable legislation and all lawful conditions, requirements, notices and directives applicable under any such legislation or by any statutory authority.

5.2.5.3 Wastewater (CWMS) Infrastructure Nairne MDPA Area

A separate rate of a fixed charge of $15,000 per new allotment on all rateable land within the defined Nairne MDPA Area namely land parcels in Nairne being LOT: 2 DP: 83527 CT: 6064/932, LOT: 4 FP: 157339 CT: 5385/949 and LOT: 3 FP: 157338 CT: 5520/779 and that portion contained within the MDPA LOT 1: DP83527 CT: 6077/952 the purpose of which is to fund the activity of essential infrastructure works to meet Wastewater needs and being of particular benefit to the land and to the occupiers of the land to which the separate rate applies.

5.2.5.4 Recreation, Sport & Community Infrastructure Mount Barker MDPA Area

A separate rate of a fixed charge of $2,786 per new allotment on all rateable land within the defined MDPA Area (excepting land parcels in Nairne being LOT: 2 DP: 83527 CT: 6064/932, LOT: 4 FP: 157339 CT: 5385/949 and LOT: 3 FP: 157338 CT: 5520/779 and that portion contained within the MDPA LOT 1: DP83527 CT: 6077/952) the purpose of which is to contribute to the activity of recreation, sport and community infrastructure that will be of direct benefit to land within the Mount Barker MDPA Area and to occupiers of that land.

The amount per new allotment for both the Mount Barker MDPA Area (as above) and the Nairne MDPA Area (as below) is the subject of both:

a) annual indexation using the Recreation and Culture Index, Adelaide (Series ID: A2331221T) as published by the Australian Bureau of Statistics; and

b) annual review by Council taking into account (among other things):

- the timing and extent of proposed capital expenditure by Council on required community, recreation and sport infrastructure facilities;
- the financial implications of that expenditure including loan funding, without resulting in unfair or unreasonable financial impact on the current community; and
- the extent of benefit that can reasonably be anticipated to apply to both the current community and new/proposed development.

5.2.5.5 Recreation, Sport & Community Infrastructure Nairne MDPA Area

A separate rate of a fixed charge of $2,353 per new allotment on all rateable land within the defined Nairne MDPA Area namely land parcels in Nairne being LOT: 2 DP: 83527 CT: 6064/932, LOT: 4 FP: 157339 CT:

5385/949 and LOT: 3 FP: 157338 CT: 5520/779 and that portion contained within the MDPA LOT 1: DP83527 CT: 6077/952 the purpose of which is to contribute to the activity of recreation, sport and community infrastructure that will be of direct benefit to land within the Nairne MDPA Area and to occupiers of that land.

5.2.5.6 Wastewater Commitment

Pursuant to section 154 of the Act and in accordance with section 154(2)(c) of the Act, and for the financial year ending 30 June 2027 the Council declares a separate rate on each of the land parcels listed below:

Certificate of Title	Location	Property Description	Amount
6333/634	Newenham Parade	PCE3, DP137953	$1,437,515
6315/562	Angas Parkway	LOT 1012, DP135476	$1,324,567
6333/633	Newenham Parade	LOT 4, DP137953	$349,111
6276/914	Heysen Boulevard	PCE 8201-8202, DP130654	$841,973
6320/692	Heysen Boulevard	LOT 2000, DP138547	$400,451
6314/395	Spinebill Street	PCE 701-705, DP135397	$173,310
6236/354	Rainbird Drive	PCE 101-102 DP123403	$811,169
6310/663	Glenlea Boulevard	LOT 7003, DP135937	$1,160,280
6333/93	Montgomery Drive	PCE 7300-7303, DP139622	$33,020
6247/862	Flaxley Road	LOT 2003, DP125523	$30,804
6165/943	52 Beneva Road	LOT 6, DP49619	$1,437,515
6325/877	Ridge Street	LOT 4001, DP 138295	$446,174
6064/932	Jeffrey Street	LOT 2, DP83527	$2,520,310
6275/860	Greenheart Circuit	LOT 9001, DP130553	$2,455,858
6334/51	Polo Drive	LOT 1008, DP140902	$2,785,567

#Note: Subject to the execution of a Wastewater Commitment Deed by the developer.

The purpose of the separate rate is as a replacement mechanism for the existing Wastewater (Sewer) Infrastructure Separate Rate where the developer has executed a Wastewater Commitment Deed with Council and requested the use of this mechanism to provide security commensurate with the amount specified in their Wastewater Commitment Deed. As these separate rates are consistent with the objects of the Infrastructure Contributions – Separate Rate Relief Policy, they will be subject to the principles of this Policy as they apply to these separate rates.

5.2.5.7 Wastewater Infrastructure Augmentation Separate Rate (WIASR)

Pursuant to section 154 of the Act and in accordance with section 154(2)(c) of the Act, and for the financial year ending 30 June 2027 the Council declares a separate rate on the land parcel listed below:

Certificate of Title	Property Description	Amount
6327/614	LOT201, DP139136	$285,571
6262/216 & 6262/217	LOT 101 & 102, DP125249	$328,819
6037/784	LOT 411, DP73444	$55,276
5520/779	LOT 3, FP157338	$1,124,323
5385/949	LOT 4, FP157339	$846,401

The purpose of the separate rate is to provide a mechanism for Council to apply this to affected land parcels and secure a commensurate contribution from the developer (when development is undertaken) to the cost of the extension and/or upsizing of the capacity of wastewater infrastructure network.

The WIASR is only applied within the MDPA area to applicable land parcels (i.e. not all MDPA land but those sites for which there is a direct benefit from the wastewater infrastructure network extension and/or upsizing) and would be automatically 100% postponed until the subject land is developed.

As this separate rate is consistent with the objects of the Infrastructure Contributions – Separate Rate Relief Policy, it will be subject to the principles of this Policy as it applies to the separate rate.

5.3 Regional Landscape Levy

Mount Barker District Council falls within the Hills & Fleurieu Regional Landscape Region for the purposes of the regional landscape levy.

While the Levy is a State Tax, the Council is required, under the Landscape South Australia Act 2019, to make a specified annual contribution to the Landscape Administration Fund, which is distributed to the Hills & Fleurieu Regional Landscape Board ('the Board') and to recover this amount by way of the Levy.

The Levy is collected by a separate rate, based on capital values. This rate is calculated to raise the same amount as the Council's contribution to the Board (taking into account any rebates or remissions that may apply under sections 159 – 166 of the Local Government Act 1999.

Council does not determine how the revenue raised by the Levy is to be spent. That is a matter dealt with by the Board, by reference to its Annual Business Plan.

For the 2026/2027 financial year, the following Levy will apply:

- a separate rate of 0.008589 cents in the dollar on the value of rateable land in the area of the Hills & Fleurieu Regional Landscape Board region.

  Under the Landscape South Australia Act 2019 there are currently no provisions for exemptions from payment of the Levy. All properties are subject to the Levy.

5.4 Minimum Rate

Section 158 of the Act permits a Council to impose a minimum amount payable by way of rates, if it has not imposed a fixed charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

A minimum amount payable by way of general rates of $1,214 is proposed to be fixed in respect of rateable land in the Council's area for 2026/2027.

5.5 Service Rates and Charges

Council provides various prescribed services pursuant to section 155 of the Act. Service rates and charges can only be levied for:

- Treatment or provision of water
- Collection, treatment or disposal (including recycling) of waste
- Television transmission (or re-transmission) Service.

5.5.1 Wastewater Charge

Council provides a community wastewater management system to some properties in the Mount Barker District Council. The full cost of operating, maintaining and upgrading the service for the 2026/2027 financial year is budgeted to be $13.1 million.

To fund the provision of this service Council imposes a service charge to recover the cost to the council of establishing, operating, maintaining, improving and replacing infrastructure (considering depreciation of any assets and including future capital works).

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

for each Property Unit, and other information about the scheme, are available from the Rates Department at Council.

Properties rebated from payment of general rates in part or full for whatever reason are not exempt from payment of these service fees and charges.

5.5.2 Wastewater – CWMS Charge

An annual service charge of $792 for each Property Unit based upon the nature of the prescribed CWMS service per property/connection for the financial year ending 30 June 2027.

5.5.3 Wastewater – Sewer Service Charge

All new developments must provide for an adequate and sanitary wastewater disposal system and Council in consultation with property developers has resolved that a sewerage system be established to service growth including all the Mount Barker MDPA area and new development in Meadows, plus the remainder of the Bluestone development in Mount Barker.

An annual service charge of $876 based upon the nature of the prescribed service of a sewerage scheme per property/connection for the financial year ending 30 June 2027.

Council recognises the historical arrangement in Brukunga where a rebate is provided to ratepayers connected to the existing sewer system constructed in the mid-1950s. Council will continue to provide a rebate to ratepayers but is proposing to ensure equity in sewer charges across the district, which will mean that the rebate will reduce each year for a minimum of 10 years, until equity in the sewer charge with other ratepayers is achieved.

The rebate for 2026/2027 Financial year for Brukunga is $50

This rebate will not apply for any future development in Brukunga that generates new allotments.

5.5.4 Recycled Water Service Charge – Portion of Meadows

Recognising that Meadows is not serviced by SA Water and is totally reliant on managing its own water resources, Council in cooperation with property developers has implemented a scheme for the growth areas to be provided with recycled water for toilet flushing and outdoor irrigation to lessen the usage of rainwater and/or ground water. This will provide a sustainable water source and increase the use of recycled water.

The service charge powers are used for the purpose of recovering costs associated with meter reading, administration and property audits for all allotments within the growth areas.

An annual service charge of a fixed amount of $76 per allotment will be charged on all land in the within the township of Meadows, where the service is made available, and a variable (metered) charge of $3.59 per kilolitre (KL) of usage to be issued half yearly by tax invoice.

5.5.5 Meadows Non-Potable Water Service Charge

The Meadows non-potable water service charge for the 2026/2027 financial year is fixed at $523 for each connected assessment. This charge is raised for the purpose of providing a non-potable water supply to certain properties in the township of Meadows (outside of the growth areas) as per a long-standing historical arrangement. Unlike the recycled water service, this amount represents the only cost to the ratepayer as the supply is not individually metered.

5.5.6 Waste Management Charge

Council provides waste management services to ratepayers and the cost of operating these services for the 2026/2027 year will be $6.3 million. Council will recover part of this total through the imposition of service charges dependent upon the designated area.

For a service charge of $267 each rateable property within Council's designated kerbside waste and recycling collection area is entitled to receive:

- one weekly 140L Mobile Garbage Bin kerbside waste collection,
- one fortnightly 240L Mobile Garbage Bin kerbside recycling collection, and
- provision by Council of one 140L Mobile Garbage Bin and one 240L Mobile Garbage Bin.

For a service charge of $320 each rateable property within the collection area designated as 'township' in the kerbside collection area is entitled to receive:

- the above mentioned services plus one fortnightly 240L Mobile Garbage Bin kerbside green waste collection which includes provision for food scraps.

The ratepayer is responsible for provision and maintenance of a suitable green coloured 240L Mobile Garbage Bin.

For Council owned properties where a refuse service is provided a service charge of $267 for each pair of bins (one charge for each pair of bins regardless of bin combination e.g. blue & blue or blue & yellow etc.) will be applied.

Conditions apply to Schools, multiple Tenancies, Commercial & Industrial Bin Provision and Replacement and Council owned properties (refer Waste Management Policy).

5.5.6.1 Additional waste management service charges

The charges for the additional bins, if requested and supplied on application, will be set out on the rates notice as an increase to the Value/Unit of the levied full Waste Management service charge in accordance with the Council's adopted and declared Policy position, as follows:

a. an additional blue general waste bin, charged at 0.5 value of the base annual waste management charge,
b. an additional yellow recycling bin, charged at 0.25 value of the base annual waste management charge, and
c. an additional green waste bin, charged at 0.25 value of the base annual waste management charge

5.6 Rebates

5.6.1 Mandatory Rate Rebates

Council is required under the Act to rebate rates payable on some land. Council has determined that rebates of rates will be granted when the applicant satisfies the requirements for mandatory rebates under sections 159 to 165 of the Act.

Council has developed a Rate Rebate Policy which provides the full details regarding rate rebates permissible under the Act. This Policy supports the main Rating Policy.

5.6.2 Discretionary Rebates

The Council may grant a rebate of rates, up to 100%, pursuant to section 166 of the Act in specific circumstances on such conditions as the Council thinks fit. Council will consider the granting of rebates with consideration of applications for rebates on their merits.

Council's Rate Rebate Policy sets out those provisions applicable to the Council granting a rebate of rates to persons or bodies. Thes Rebate Policy is intended to provide guidance to the community as to the grounds upon which a person or body is, or may be, entitled to

receive a rebate of rates and service charges and the matters that the Council will take into account in deciding an application for a rebate.

5.7 State Government Concessions – Concessions for CWMS/SEWER

To check eligibility contact the Concessions Hotline 1800 307 758 or by email concessions@sa.gov.au
For further details visit www.sa.gov.au/concessions.

5.8 Postponement of Rates

5.8.1 Postponement of Rates – Hardship

Section 182 of the Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, based on hardship. Where a ratepayer is suffering hardship in paying rates they are invited to contact the Council to discuss the matter.

Council has a Hardship Policy to assist in identifying customers who are experiencing payment difficulties due to hardship and assist those customers to better manage their bills on an ongoing basis.

This policy sets out:

- processes to identify customers experiencing payment difficulties due to hardship, including identification by Council, self-identification by a customer, identification by an accredited financial counsellor, or welfare agency
- an outline of a range of processes or programs that we will use, or apply, to assist our customers who have been identified as experiencing \payment difficulties.

5.8.2 Assistance with Payment of Rates

Individual payment arrangements can be an alternative for ratepayers experiencing financial difficulties and as such enquiries are treated confidentially by the Council.

5.8.3 Postponement of Rates – Seniors

Under section 182A of the Local Government Act 1999 application in the prescribed form may be made to Council for a postponement of the payment of any amount of rates in excess of $500 for the current or a future financial year by:

- A ratepayer who holds a current State Seniors Card issued by the State Government (prescribed ratepayer) or the spouse of a prescribed ratepayer
- The rates are payable on the principal place of residence
- The land is owned by the prescribed ratepayer
- The prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.

Any rates which are postponed will become due and payable:

- When the title to the land is transferred to another person
- Failure to comply with a condition of postponement
- lnterest will accrue on the amount postponed at the prescribed rate per month until the amount is paid
- Postponement is available as a right and can only be refused when the applicants have less than 50% equity in the property.

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5.9 Rate Capping

Council is continually improving its rating system with the objective of ensuring an equitable and fair distribution across the community, while providing relief for those ratepayers who have limited incomes and ability to pay.

A Rate Cap is to apply to eligible residential ratepayers' principal place of residence to protect individuals against increased rates brought about by substantially increased property valuations. For the 2026/2027 financial year Council will apply a rate cap to Residential 1, Residential 2 and Primary Production properties affected by the increases.
A rebate of general rates will be granted to the Principal Ratepayer where the amount of any increase in rates is greater than 12.5%.

To provide further protection for ratepayers on limited incomes, who hold a State Concession Card and are eligible for the maximum pensioner concession, a lower cap of 4% will apply.

Rate Capping Eligibility Conditions

A rebate of general rates will only be granted upon application by the ratepayer and where the conditions as set out in section 153(4) of the Act and this Policy are met. Rate capping rebates must be $20 and over to be applicable. The rebate will not apply where:

- any such increase is due in whole or part to an increase in valuation of the land in the assessment because of improvements made to it worth more than $20,000 since 1 July 2025
- any such increase is in whole or part because the zoning of the land has been changed since 1 July 2025
- any such increase is due in full or part to the use of the land being different for rating purposes on the date Council declared its general rates for the 2026/2027 financial year, than on the date the Council declared its general rates for the 2025/2026 year and,
    - the land use has not changed since the 1 July 2025
- the ownership of the rateable property has changed since 1 July 2025
- the land use classification is Commercial, Industrial, Vacant Land or Other.

Where a ratepayer believes that they may be eligible for a rate capping rebate, they must lodge an application in writing to the Revenue Department before the 31 October 2026.

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Easy Steps to see if you are eligible for a rate capping rebate

1. Have both your Rate Notices from this year and last year at hand
2. From last year's Rate Notice...
   Write down your General Rate only (do not include any concessions, levies or rebates).
   example (A) = $1,200.00
3. Work out *12.5% of (A)
   ***Rate Recap Rebate is 12.5%**
   example (B) = $150.00
4. Add A+B together to make C
   example (C) = $1,350.00
5. From your current Rate Notice...
   Write down your General Rate only (do not include any concessions, levies or rebates)
   example (D) = $1,400.00
6. Is D less than C?
   You will NOT be eligible for a rebate
7. Is D more than C?
   You may be eligible for a rebate
   example (D)-(C) = $50.00

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Easy Steps to eligible pensioners to see if you are eligible for a rate capping rebate

1. Have both your Rate Notices from this year and last year at hand
2. From last year's Rate Notice...
   Write down your General Rate only (do not include any concessions, levies or rebates).
   example (A) = $1,200.00
3. Work out *4% of (A)
   ***Rate Recap Rebate is 4%**
   example (B) = $48.00
4. Add A+B together to make C
   example (C) = $1,248.00
5. From your current Rate Notice...
   Write down your General Rate only (do not include any concessions, levies or rebates)
   example (D) = $1,400.00
6. Is D less than C?
   You will NOT be eligible for a rebate
7. Is D more than C?
   You may be eligible for a rebate
   example (D)-(C) = $152.00

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5.10 Paying Your Rates

Council provides the quarterly payment of rates in September, December, March and June each year.

Payments can be made via BPay, Australia Post, credit card by phone or via Council's website (www.mountbarker.sa.gov.au), cash/cheque/ EFTPOS over-the-counter at the Local Government Centre office. To view all payment methods refer to the rear of the Rate Notice.

For ratepayers who no longer want paper bills and would prefer to receive their rate notices via email, Council offers:

Ezybill
Electronic (email) distribution of rate notices solution that meets the needs of both the private (single owner) and the commercial (multi-owner) customers. Ezybill utilises the resources of the Internet to provide a secure, effective and efficient distribution service that preserves the relationship that the Council has with their rate payer in a direct and transparent process.

To register go to Council's website https://mountbarker.ezybill.com.au and follow the prompts.

5.11 Late Payment of Rates

Council has determined that penalties for late payments will be imposed in accordance with the provisions of section 181(8) of the Act and relevant Council procedures.

Fines and interest for late payment are levied in accordance with the provisions of section 181(8) of the Act. These provisions are the only provisions available to Council to ensure that all ratepayers pay promptly.

The Act provides that if an instalment of rates is not paid on or before the date on which it falls due:

a) the instalment will be regarded as being in arrears

b) a fine of 2% (two) percent of the amount of the instalment is payable

c) on the expiration of each full month from that date, interest of the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month) accrues.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalments and due dates can contact Council to discuss alternative payment arrangements. It should be noted that fines and interest are still levied in accordance with the Act under any payment arrangement.

Council will consider applications for remission of fines in certain extenuating circumstances. A request for waiver of fines should be made in writing, setting out detailed reasons why a fine remission has been requested.

5.12 Recovery of Outstanding Rates

In accordance with sound financial management principles, the Rates Department will apply prudent debt management practices to Rate Debtors. This includes an on-going review of rates in arrears and following a systematic debt recovery approach.

Rates that remain in arrears for a period exceeding 30 days will be subject to recovery action in accordance with Council's normal debt recovery procedures.

Section 184 of the Act provides that Council may sell any property where any rates have been in arrears for three years or more. Council is required to notify the owner of the land of its intention to sell the land if payment of the outstanding amount (by cash, bank cheque or electronic funds transfer) is not received within one month. Except in extraordinary circumstances, Council will enforce the sale of land for arrears of rates.

5.13 Objections

Council rates are imposed under the provisions of the Act, and within the Mount Barker District Council are based on the Capital Valuation and the Land Use Category applied for the current financial year.

Where a ratepayer believes the level of rates charged on an assessment is excessive, the avenues for appeal are to lodge a formal objection to the Capital Value and/or the Land Use.

It is important to note that the lodgement of any objection does not change the due date for payment of rates. Rates must be paid in accordance with the Rates Notice until otherwise notified by Council.

The following provides information on lodging objections.

5.13.1 Valuation Objections

If a ratepayer is dissatisfied with a property valuation then an objection may be made to the Office of the Valuer-General in writing, within 60 days of receiving notice of the valuation, explaining the basis for the objection – provided they have not:

- previously received a notice of this valuation, under the Act, in which case the objection period is 60 days from the receipt of the first notice, or
- previously had an objection to the valuation considered by the Office of the Valuer-General in the current financial year.

It should be noted that under the Valuation of Land Act 1971 the Valuer-General has the discretion to extend the allowable objection period where it can be shown there is reasonable cause.

Objections to valuations should be addressed to:

Office of the Valuer-General GPO Box 1354, Adelaide SA 5001

Email OVGObjections@sa.gov.au

Phone 1300 653 346

The Mount Barker District Council has no role in this process and it is important to note that the lodgement of an objection does not change the due date for payment of rates. Rates must be paid in accordance with the Rate Notice until otherwise notified by Council.

5.13.2 Objection to Land Use Category

lf a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection in writing may be made to Council within 60 days of being notified of the land use classification.

The objection must set out the basis for the objection and details of the land use that (in the opinion of the ratepayer) should be attributed to that property. The Council may then decide the objection as it sees fit and notify the ratepayer. The objection must be made to Council.

A ratepayer also has the right to appeal against the Council's decision to the Land and Valuation Court. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates. Penalties apply to unpaid rates.

5.14 Community Engagement

In accordance with Council's Community Consultation Policy, and in keeping with good practice, a community engagement process will be undertaken annually on the development of budget and rating processes and policy.

Community engagement is undertaken when developing the annual budget and rating policies as part of the annual business plan to ensure that transparency of the process is maintained and to provide an avenue for the community to contribute their opinion.

6. TRAINING / EDUCATION

A training and education program may be implemented on the advice of the Team Leader Revenue as required.

7. REVIEW

This Policy will be reviewed annually or earlier in the event of changes to legislation or related Policies and Procedures or if deemed necessary by the Team Leader Revenue.

8. ACCESS TO THE POLICY

The Policy is available for public inspection at the Customer Service Centre, at the Local Government Centre, 6 Dutton Road, Mount Barker, South Australia and on the Council's website www.mountbarker.sa.gov.au

9. FURTHER INFORMATION

For further information on this Policy, please contact:

Title:	Team Leader Revenue
Address:	PO Box 54, Mount Barker South Australia, SA, 5251
Telephone:	08 8391 7200
Email:	council@mountbarker.sa.gov.au

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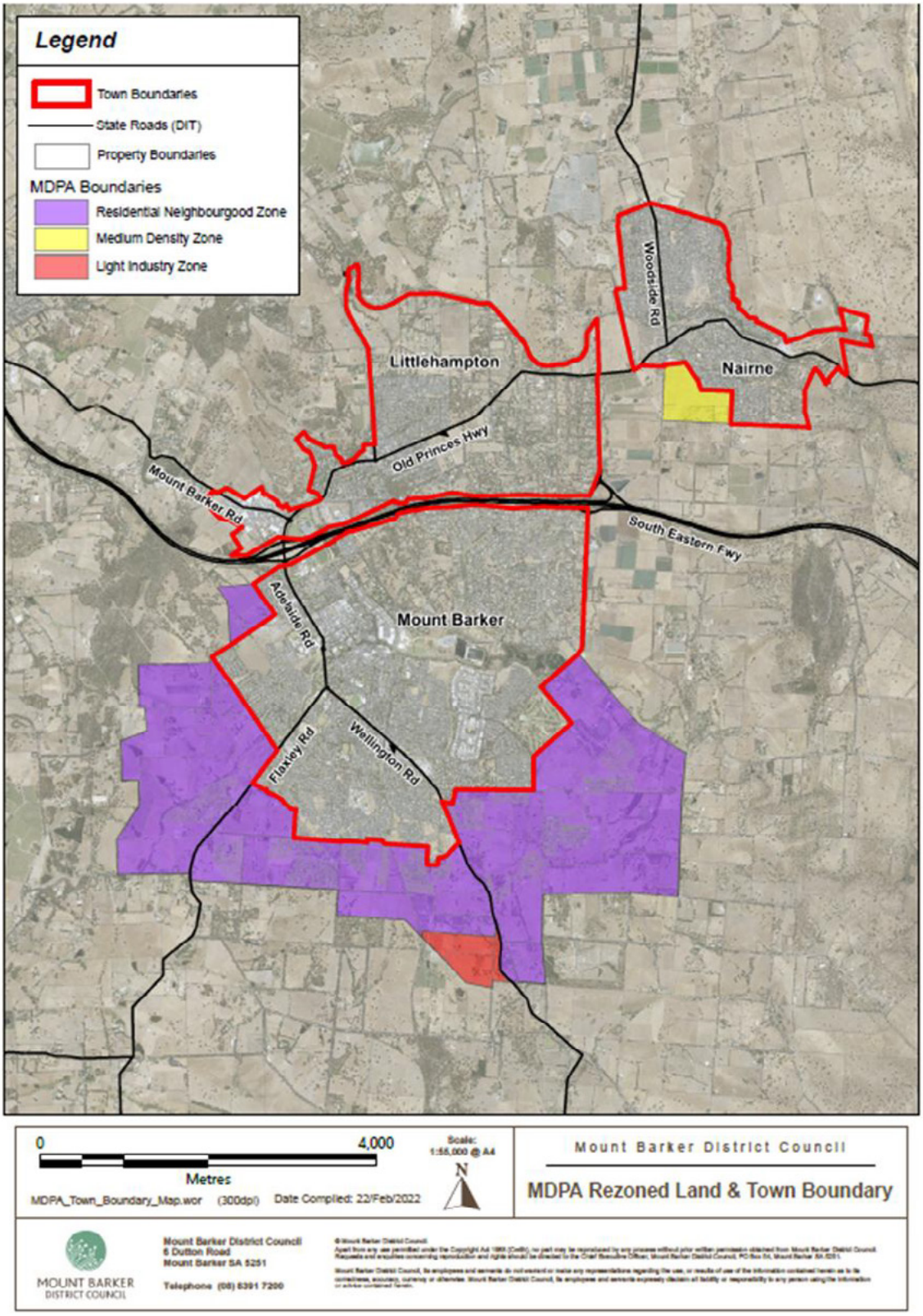

Ministerial DPA Rezoned Land & 2006 Town Boundary

Mount Barker District Council

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REFERENCE NUMBER **PREVIOUS DOCUMENT NUMBER:**	DOC/26/52992 DOC/25/61823		
INTERNAL GOVERNANCE:			
Author			
Responsible General Manager:			
APPROVED BY (DOCUMENT OWNER):	Council		
APPLICABLE LEGISLATION AND RELATED DOCUMENTS:	Local Government Act 1999 Infrastructure Contributions – Separate Rate Relief Policy Separate Rate – Developer Contributions – Payment, Rebate Postponement Policy Indirect Developer Contributions – Funds Management Policy Rate Rate Rebate Policy Hardship Policy		
COMMUNITY PLAN 2044 REFERENCE:	Leadership Objectives Objective 25 – Leadership and Vision: Cultivate a culture of string leadership within our organisation including in our Council members, characterised by transparency, accountability and responsiveness to the diverse needs and aspirations of our community. Objective 26 – Transparent and Inclusive Decision Making: Transparent and Inclusive decision making, ensuring active engagement of diverse stakeholders and fostering trust and confidence in governance outcomes.		
REVIEW CYCLE	As this is a new policy, a review will be undertaken within 12 months but no later than July 2027 It is recognised that from time to time circumstances my change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively. Examples include a change to the name of a Council department, a change to the name or a State or Federal Department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be by resolution of Council (if statutory) or the Chief Executive Officer (if administrative).		
NEXT REVIEW DATE	July 2027		

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DOCUMENT HISTORY:			
DOCUMENT VERSION	**DATE**	**AUTHOR (PERSON TO WHOM CHANGES ARE TO BE RECOMMENDED)**	**NATURE OF CHANGE**
VERSION 1.0			
DOCUMENT LOCATION:	Council website Available for inspection, downloading or printing from our website www.mountbarker.sa.gov.au		
	This Policy is available for inspection, during business hours at: Mount Barker District Council, Level 1, 6 Dutton Road, Mount Barker		

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Essential Services Commission of South Australia (ESCOSA) Oversight

Mount Barker District Council participated in the 2025 Essential Services Commission of South Australia's (ESCOSA) Local Government Oversight Scheme which provides independent review and comparative analysis of councils' financial performance, position and practices across South Australia.

The outcomes of the review indicated that Council's financial performance and financial management practices compared favourably when assessed against sector benchmarks and peer councils. In particular, Council demonstrated relative strength in prudential financial planning, management of operating performance, debt serviceability and the application of long term financial strategies to support growth and service delivery.

In comparison to many councils facing heightened financial pressure from infrastructure backlogs, constrained revenue bases or structural operating deficits, Council was assessed as being in a comparatively stable financial position. This reflects Council's ongoing commitment to long term financial planning, alignment between service levels and funding capacity and disciplined use of debt for long life infrastructure.

The ESCOSA review reinforced the importance of continued focus on asset lifecycle management, growth related infrastructure funding and maintaining operating results that are sustainable over the long term. Council acknowledges that its growth profile presents both opportunities and financial risks; particularly in relation to the timing of infrastructure delivery, cost escalation and the need to balance affordability for existing and new ratepayers.

Overall, the review outcomes provide confidence that Council's current fiscal strategies are supporting financial sustainability while enabling investment in critical infrastructure to service population growth. Importantly, the findings support Council's approach of using long term financial planning, prudent debt and controlled rate increases as key mechanisms for maintaining fiscal stability in a high growth environment.

ESCOSA ADVICE		MBDC RESPONSE
1	**Disclose** material changes to its capital expenditure forecasts as part of its annual review and update to its longterm financial plans.	Council has detailed the material changes in the 2026 - 2036 Long Term Financial Plan
2	**Report** on actual or projected operating cost efficiency gains in its Long Term Financial Plan, to provide evidence of constraining cost growth (on a per property basis) across its operations and service delivery.	Council has highlighted efficiency gain projections in future iterations of the Long Term Financial Plan.
3	**Obtain** independent expert financial advice to ensure the development of financial risk measures and targets are appropriate and support its propose borrowing levels.	As part of the annual revision of the Long Term Financial Plan, Council will obtain independent external expert financial advice on financial risk measures, targets and borrowing levels.[1]
4	**Adhere** to the asset management principles underpinning its strategic management plans and provide greater clarity on plans to manage its asset renewal requirement in the context of its overall capital programme.	Sustainable asset management principles have informed Council's capital works program to ensure asset renewal is delivered in accordance with financial targets.
5	**Complete** its planned update to its asset class infrastructure asset management plans; and in future years, align the sequence of its asset planning processes so they are informed by current and accurate information.	Asset class plans were completed in 2025. New plans developed for 2026/27.
6	**Aim** to align increases in long-term rates and charges with inflation and consider opportunities for rate adjustments below inflation where financial sustainability allows.	Council's draft Long Term Financial Plan aligns future General Rate increases with inflation. Projected General Rate settings are tested as part of the annual review of the Long Term Financial Plan.
7	**Monitor** affordability risks for its ratepayers and wastewater customers and ensure that costs are appropriately shared between current and new ratepayers.	Council considers affordability risk and intergenerational equity to the community as part of the annual revision of the Long Term Financial Plan.

[1] Provided to Council Members as part of budget adoption

ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA

Advice

Local Government Advice

Mount Barker District Council

February 2025

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
ADELAIDE SA 5001

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

The Essential Services Commission is an independent statutory authority with functions in a range of essential

Mount Barker District Council
AT A GLANCE

OVERVIEW

The Essential Services Commission finds the Mount Barker District Council's current and projected financial performance **mostly sustainable,** given its effective management of assets and growth, with planned average rate increases of 2.5% per annum per property. However, its high projected borrowing levels, which are required in order to deliver the programs and services necessary to support development and growth in the region, have the potential to risk future sustainability. The Council will need to continue to carefully monitor and assess those risks through its strategic management planning processes, including to adjust the rate of investment to maintain alignment with the need for infrastructure.

FINANCIAL PERFORMANCE

Past 10 years
Sustainable

Current
Sustainable

Projected
Mostly Sustainable

RISKS IMPACTING SUSTAINABILITY

- ⚠ Delays or cost increases on infrastructure projects, operating, and capital expenditure programs, or not achieving associated efficiency and effectiveness measures.
- ⚠ Misalignment between infrastructure spending and the growth of ratepayers to use and fund that infrastructure.
- ⚠ Not prioritising the renewal and replacement of existing assets, which may increase asset sustainability risks or result in lower service levels to its community.

KEY FACTS

- ▶ Population in 2023 was **42,297 residents** (1)
- ▶ Council covers **594.6 square kilometres** (1)
- ▶ **19,369 rateable properties** in 2022-23 (2)
- ▶ **$50.6 million of rates income** in 2022-23 (2)
- ▶ Value of assets held in 2022-23 equals **$749.6 million** (2)

Source: (1) Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/ (2) The Council's Financial Reporting Template provided to the Commission.

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1 Executive summary

1.1 Summary of observations

The Essential Services Commission of South Australia finds the Mount Barker District Council's current financial performance and position to be sustainable. Over the last 10 years, the Mount Barker District Council has consistently run operating surpluses, indicating that the operating income it collects generally exceeds its operating expenses by a reasonable margin.

The Council's region is undergoing significant development following the rezoning of land in 2010 by the Minister for Urban Development and Planning. The number of rateable properties has increased on average by 3.0 percent per annum over the period from 2013-14 to 2022-23. The investment in growth areas is funded by a combination of developer contributions, grants, ratepayers and wastewater customers.

The Council has planned a large capital expenditure program over the next four years to support continuing growth in the region. That capital expenditure program includes ongoing investment in wastewater infrastructure. To finance this, it plans to borrow up to a balance of $160.4 million by 2027-28 and it will continue to rely, to some extent, on income from developer contributions, ratepayers and wastewater customers to repay these borrowings.

The Council's planned debt levels during the forecast period materially exceed the upper limit of the suggested Local Government Association's target range for Net Financial Liabilities Ratio. This is not unusual for a council undergoing the rate of growth projected by the Council: it is important that a council can fund the growth necessary for population and economic growth in a timely and efficient manner, returning to a more moderate Net Financial Liabilities Ratio once the relevant programs and projects are completed. Nevertheless, this could raise some prudential risk for the Council, and it will be important for it to continue to carefully manage the structure of its debt and the timing of development of new assets, relative to projections for the timing of new land development and the take-up of allotments.

The Council's current Long-Term Financial Plan forecasts a small deficit in 2028-29 following the four-year period of significant infrastructure investment but forecasts surpluses in all other years of the forecast period. Importantly, it is not forecasting higher than Consumer Price Index rate increases over the long-term.[1]

To assist in achieving this, the Essential Services Commission considers that the Council could improve the reporting on its operating cost efficiency gains (on a per property basis) embedded in its forecasts to provide evidence of constraining cost growth. It is also noted that the residential rates are marginally higher than similar councils; however, the socio-economic ranking for the community is also higher than other South Australian councils, suggesting a generally higher capacity to pay.

The Council's strategic planning processes appear robust and well developed. It has a suite of strategic management plans, including separate plans for its wastewater operations. It also regularly consults with its stakeholders and community, as it is required to do under legislation. The Essential Services Commission recommends that the Council continues its good work to understand the community's preferences on new service provision, existing service levels, and funding preferences for major project expenditures.

[1] The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

1.2 Summary of Recommendations

The Council has a range of sound practices in its strategic planning and asset management, including:

- updating its strategic management plans, incorporating asset condition assessments, and asset valuations at least every four years, in consultation with stakeholders and the community
- reviewing growth rates in the Long-Term Financial Plan, associated with rateable properties, wastewater connections, and developer activity
- smoothing out inflationary impacts in general rates where circumstances allow, in order to provide rate stability for its community, and
- reviewing the charges for wastewater services in accordance with the regulatory regime in place.

To further strengthen the Council's sustainability, the Commission recommends that the Mount Barker District Council:

1. **Disclose** material changes to its capital expenditure forecasts as part of its annual review and update to its Long-Term Financial Plans.
2. **Report** on actual or projected operating cost efficiency gains in its Long-Term Financial Plan, to provide evidence of constraining cost growth (on a per property basis) across its operations and service delivery.
3. **Obtain** independent expert financial advice to ensure the development of financial risk measures and targets are appropriate and support its proposed borrowing levels.
4. **Adhere** to the asset management principles underpinning its strategic management plans and provide greater clarity on plans to manage its asset renewal requirement in the context of its overall capital program.
5. **Complete** its planned update to its asset class infrastructure asset management plans; and in future years, align the sequence of its asset planning processes so they are informed by current and accurate information.
6. **Aim** to align increases in long-term rates and charges with inflation and consider opportunities for rate adjustments below inflation where financial sustainability allows.
7. **Monitor** affordability risks for its ratepayers and wastewater customers and ensure that costs are appropriately shared between current and new ratepayers.

2 About the advice

2.1 Background

The State Parliament has tasked the Essential Services Commission of South Australia (**Commission**), South Australia's independent economic regulator and advisory body, to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (**SMP**), and on the proposed revenue sources, including rates, which underpin those plans.[2]

A primary purpose of the Local Government Advice Scheme (**Advice** or **the Scheme**) is to support councils to make financially sustainable strategic decisions in their annual business plans and budgets, in the context of their Long-Term Financial Plans (**LTFP**) and Infrastructure and Asset Management Plans (**IAMP**). IAMPs are commonly referred to as Asset Management Plans (**AMP**). The LTFP and the IAMP are both required as part of a council's SMP.[3]

Financial sustainability encompasses intergenerational equity,[4] 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 all revenue sources, as 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. The Commission has selected 17 councils for advice in the third year (2024-25) of the Scheme, including the Mount Barker District Council (**Council**).

This report provides the Local Government Advice for the Council in 2024-25.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2025-26 Annual Business Plan (including any draft Annual Business Plan) and in subsequent plans until the next cycle of the Scheme.[8] The Council is not compelled under the LG Act to follow the advice.

The Commission thanks the council for meeting with Commission staff and for providing information to assist the Commission in preparing this advice.

2.2 The Commission's approach

In providing its Advice to the Council, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (**F&A**).[9]

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2 Amendments to the *Local Government Act 1999* (**LG Act**) (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).

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

The Commission has considered the Council's SMP documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating Surplus Ratio (OSR), the Net Financial Liabilities Ratio (NFLR) and the Asset Renewal Funding Ratio (ARFR).[10] Analysis of these three indicators captures financial and service sustainability, in addition to cost control and affordability risk.[11]

Mount Barker District Council – Strategic Management Plan Documents

- Annual Business Plan (*consolidated*), 2024-25 (July 2024)
- Wastewater Service, Annual Business Plan, 2024-25 (July 2024)
- Long-Term Financial Plan (*consolidated*), 2024-2034 (June 2024)
- Wastewater Service, Long-Term Financial Plan, 2024-2034 (June 2024)
- Strategic Asset Management Plan, 2024-2034 (June 2024)
- Wastewater Service, Asset Management Plan, 2024-2034 (May 2024)
- Long-Term Financial Plan (*consolidated*), 2023-2033 (March 2023)
- Wastewater Service, Long-Term Financial Plan, 2023-2033 (March 2023)

The Commission notes that most of the Council's infrastructure asset base is covered by its current Strategic Asset Management Plans (SAMP), and asset valuations for the majority of these assets have been carried out since 1 July 2020.[12]

Given that the Commission must, in providing advice, have regard to the objective of councils maintaining and implementing their IAMP and LTFP,[13] it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMP, and the alignment between its LTFP and AMP,[14] are discussed in section 5.

The Commission has also reviewed the Council's template data which contains its 2024-25 LTFP forecasts for 2024-25 to 2033-34, as well as its 2023-24 LTFP forecasts, historical financial data, the number of rateable properties and council staff (Full Time Equivalent or FTE) numbers from 2013-14 onwards.[15] [16] The charts and tables in the Advice are primarily sourced from these datasets. In addition,

[10] The indicators are specified in the Local Government (Financial Management) Regulations 2011. Since 2011, each council has been required to refer to these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. The councils can adopt their own target range for each ratio, but the Commission has adopted the previously suggested Local Government Association (LGA) target ranges as a basis for its analysis, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

[11] The F&A listed 29 analytical questions that the Commission has answered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

[12] Mount Barker District Council, *General Purpose Financial Statements for the year ended 30 June 2023*, Note 7 Infrastructure, Property, Plant and Equipment, pp.22 - 25. The Council has recently published its 2023-24 Financial Statements which indicate that its Bridges and Major Culvert assets, and its Footpath assets were last revalued on 1 July 2023.

[13] LG Act s122(1g)(a)(i).

[14] As required under s122(1b) of the LG Act.

[15] Sourced from the Local Government Grants Commission (including data reported by the Office of the Valuer-General) and the Council's data.

[16] The Council's estimates for the 2023-24 financial year, relied on at the time of preparing this advice, were unaudited.

the Commission has reviewed the Council's Audit and Risk Committee reports, and other public information, as appropriate.

The Commission has reported estimates in nominal terms, for consistency with the Council's plans and actual rate levels, but it has compared estimated inflation impacts to these trends as a guide to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (CPI) line shows the cumulative growth in the CPI (Adelaide) series from 2013-14, and then projections of this series from 2024-25 based on the Reserve Bank of Australia (RBA) (Australia-wide) inflation forecasts (to the December quarter 2026), and the midpoint of the RBA target range (2.5 percent) thereafter.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including the face-to-face onsite meeting at the Council offices and the individual circumstances of the Council, consisting of:

- its location as an urban regional council
- its income level ($63.6 million in 2022-23) excluding developer contributions, and
- the size of its rates base (19,369 rateable properties as at 2022-23[17]).

Throughout this paper the Commission has identified several key points and assigned the following risk category to those points:

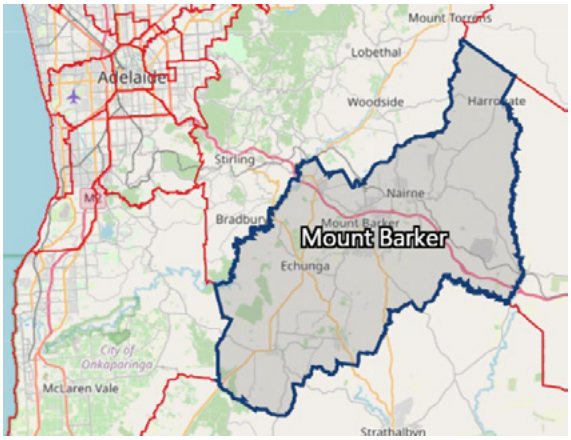
Legend: Low-risk Moderate-risk High-risk

[17] Based on the estimated number of property assessments in 2022-23.

3 Council profile

The Council is classified by the Commission as an 'Urban Regional' council and is one of nine in this category in South Australia.[18] The Council is located between 20 and 45 kilometres south-east of Adelaide.[19] The Council comprises 594.6 square kilometres, an estimated resident population of 42,297 (at 30 June 2023),[20] and 19,369 rateable properties (at 30 June 2023).[21]

Figure 1: Council Area



In 2010, the Mount Barker Urban Growth Development Plan Amendment (MDPA) was gazetted, rezoning approximately 1,310 hectares of land.[22] The main growth area is approximately 21.5 percent developed, with full development projected over the next 15 to 20 years.[23]

The Council region also has the following attributes:

- a high rateable property growth of approximately 3.0 percent per annum[24]
- population density of 71 persons per square kilometre (at 30 June 2023)[25]
- 419 kilometres of sealed roads and laneways, and 400 kilometres of unsealed roads and laneways (at 30 June 2023)[26], and
- largest employment sectors in retail trade (10.5 percent), construction (9.8 percent), education and training (9.6 percent), and public administration and safety (7.2 percent) (at 30 June 2021).[27]

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18 Commission, *Fact Sheet - Local Government Advice Scheme – Schedule of Councils*, May 2023, available at https://www.escosa.sa.gov.au/ArticleDocuments/21947/20240731-Advice-ScheduleOfCouncils-FactSheet.pdf.aspx?Embed=Y.

19 Refer to the Mount Barker District Council website available at https://www.mountbarker.sa.gov.au/business/economic-strategy.

20 Refer to Australian Bureau of Statistics, *Data by region*, available at https://dbr.abs.gov.au/region.html?lyr=lga&rgn=44550.

21 Based on the Council's Financial Reporting template provided to the Commission.

22 Mount Barker District Council, *MDPA Area Separate Rates* web page, available at https://www.mountbarker.sa.gov.au/infrastructure/planning/mdpaseparaterates.

23 Mount Barker District Council, *Letter to the Commission*, 30 September 2024.

24 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) for the period from 2013-14 to 2022-23. Based on the Council's Financial Reporting template provided to the Commission.

25 Footnote 20 applies.

26 Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, *2022-23 Database Reports*, available at: https://www.dit.sa.gov.au/local-government/grants-commission/publications#database.

27 Footnote 20 applies.

4 Material plan amendments in 2024-25

The Council publishes its key planning documents for its consolidated Council operations and for Wastewater operations – this section focuses on consolidated operations, comparing the nine overlapping years of the Council's 2024-25 plans and those published for 2023-24. The Council's amendments in its 2024-25 budget and forward projections include adjustments to a range of operating and capital assumptions. The material amendments to some of its main financial forecasts are listed in the table below (in nominal terms).[28]

4.1 Key points

- Good practice of regularly updating and developing its strategic management plans in consultation with its stakeholders and community.
- Improvement needed on the disclosure of key financial plan amendments to inform its stakeholders and the community.
- Increased forecast capital expenditure by 26.9 percent (or $104.3 million) in its 2024-25 LTFP estimates (with $60.8 million of this increase attributable to wastewater infrastructure).

Table 1: Summary of Plan Amendments

Selected Financial Item	Sum of 2024-25 to 2032-33 estimates in 2023-24 LTFP ($ million)	Sum of 2024-25 to 2032-33 estimates in 2024-25 LTFP ($ million)	Change in 2024-25 estimates ($ million)	Change in 2024-25 estimates (percent)
Employee costs	251.4	286.2	+34.8	+13.9
Finance costs	45.7	33.7	-12.0	-26.3
Capital expenditure on renewal of assets[29]	117.0	168.3	+51.4	+43.9
Capital expenditure on new and upgraded assets[30]	271.2	324.2	+53.0	+19.5

4.2 General observations on the LTFP and IAMP

The Commission observes from information provided by the Council and publicly, that the Council has a structured and consultative process to its strategic planning. Both the LTFP and Annual Business Plan are guided by the Council's Integrated Planning Strategic Financial Framework, which sets its strategic directions over the medium and long-term and converts these into annual actions and

[28] This table shows only selected financial items to demonstrate the material amendments made by the Council in its 2024-25 estimates. It excludes various financial items, and individual items may not sum to totals.
[29] The capital expenditure estimates are based on the 2024-25 LTFP projections provided by the Council to the Commission (in an Excel template).
[30] Footnote 29 applies.

outcomes.[31] Overall, the strategic context of the Council includes: a 15-year Community Plan, 10-year LTFP and Strategic AMP; 4-year Corporate Implementation Plan; and ABPs.[32]

The Council developed a suite of AMPs for its municipal assets in 2019, covering the major asset classes of transport, buildings, recreation and open space, and stormwater (but does not cover ICT, fleet and plant assets). These individual AMPs have been integrated into its municipal SAMP, which was endorsed on 7 September 2020. More recently the Council has updated and adopted its municipal SAMP and its wastewater SAMP/AMP on 3 June 2024. The Council undertook stakeholder and public consultation on its SAMP in line with its legislative requirements to review this within two years of council elections.[33] The Council states it is in the process of updating individual municipal AMP which are expected to be endorsed in early 2025.[34]

The Council also regularly indexes the values of its assets and has a rolling four-year program for major asset revaluations. Most of the Council's asset base was last revalued in 2020, with its largest asset class, road assets, last revalued in 2022 (accounting for 39 percent of its asset base on 30 June 2023).[35] Additionally, the Council appears to undertake regular condition assessments and monitoring of its asset and has recently completed a comprehensive condition assessment of its sealed roads and kerbs.[36]

4.3 Operating performance

The Council has reported to the Commission several reasons for the changes in some operating income and expenses line items; the Commission observes that the overall changes in total operating income and total operating expenses do not appear to be material (that is the changes are smaller than plus or minus five percent between annual updates of its LTFP).

Larger changes, in dollar terms, were identified for the Council's employee costs and finance charges, which reflect an increase of $34.8 million (or 13.9 percent) and decrease of $12.0 million (or -26.3 percent), respectively over the nine-year comparative period to 2032-33, compared to the 2023-24 LTFP forecast estimates (as shown in Table 1 above).[37]

The Council states that the increase in employee costs and FTEs is a deliberate action to improve its operations and maintenance programs, and to increase organisational capacity to deliver services to its growing community and is a result of community feedback. The Council indicates this is also to accommodate the wastewater operations and infrastructure expansion and reflects a structural increase in the operational workforce through insourcing several previously outsourced contracts.[38]

The reduction in finance costs is driven by a combination of a rephased capital works program, lower interest rate assumptions (than previously used in its 2023-24 LTFP, which was developed during a period of uncertain interest rate movements) and a change to the accounting treatment which capitalises interest costs during the construction of the Laratinga Water Recovery Plant project.

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31 Mount Barker District Council, *Long-Term Financial Plan 2024-2034*, June 2024, p. 9.
32 Mount Barker District Council, *Annual Business Plan 2024-25,* July 2024, p. 14.
33 LG Act s122(4)(a) and (b). General elections were last held for SA Councils on 11 November 2022.
34 Mount Barker District Council, *Email to the Commission,* 24 April 2024.
35 Mount Barker District Council, *General Purpose Financial Statements for the year ended 30 June 2023*, Note 7 Infrastructure, Property, Plant and Equipment, p. 22.
36 Mount Barker District Council, *Strategic Asset Management Plan*, June 2024, p. 8.
37 These increases are in nominal terms and are inclusive of CPI increases.
38 The Council indicates the insourcing of costs from contractors and transitioning to internal staff reflects a cost shift from 'material, contracts and other' expenses to 'employee costs'.

4.4 Observations on indexation and growth

The Commission observes that the Council regularly reviews its indexation and growth assumptions, which are key factors of projected financial performance. The Council has considered several assumptions covering projections for CPI, Road and Bridge Construction Index, general rate income, employee and waste collection costs, and projections for rateable properties and wastewater connections.

Growth modelling is conducted internally by the Council considering historical trends, lodged development applications (and developer sentiment) and expected economic and infrastructure activity. The Council is forecasting sustained high growth, averaging 3.0 percent per annum from 2024-25 to 2032-33, which is consistent with its previous LTFP estimates (and historical growth).[39] This is underpinned by Council's estimates of population growth increasing from 42,000 currently to 58,000 by 2036.[40]

Overall, the changes in indexation and growth assumptions, between the current and previous LTFPs, do not suggest a material change in the Council's views. The Commission considers the documentation of these assumptions is appropriate, as it assists interested parties in identifying 'real' rather than inflationary effects in material plan amendments.

4.5 Changes to capital expenditure estimates

The Council's 2024-25 LTFP projections indicate a material amendment (increase) in capital expenditure by $104.3 million (or 26.9 percent), compared to its previous years' LTFP projections (for the period from 2024-25 to 2032-33). Approximately $60.8 million of this increase is related to the Council's revisions to its wastewater infrastructure expenditure. Overall, the Council attributes this to updated cost estimates and indexation; rephasing of some project expenditure into future years; and higher wastewater infrastructure spend, including associated with Stage 2 of the Laratinga Water Recovery Plant estimated in the latter half of its planning period.

The Council's capital expenditure outlook is discussed further, in the context of its asset renewal funding and broader financial sustainability, in section 5.3. The associated increase in the Council's borrowing requirements is discussed in section 5.2.

The Commission's review of the Council's LTFP indicates that while the Council has robust processes in place, further transparency around the key reasons for its capital expenditure estimates (between annual updates) may be of benefit to stakeholders and allow for future assessments of financial sustainability. These material changes should be clearly documented as part of its annual LTFP reviews, and accordingly, the Commission recommends that the Council:

1. **Disclose** material changes to its capital expenditure forecasts as part of its annual review and update to its Long-Term Financial Plans.

[39] Mount Barker District Council, *Long-Term Financial Plan 2024-2034*, June 2024, p. 44.
[40] Mount Barker District Council, *Long-Term Financial Plan 2024-2034*, June 2024, p. 19.

5 Financial sustainability

5.1 Operating performance

5.1.1 Key points

- Operating surpluses were generally achieved from 2013-14 to 2022-23, with OSR averaging 4.3 percent, or an accumulated surplus of $22.7 million.
- In its forward projections, the OSR is forecast to average 3.6 percent per annum from 2024-25 to 2033-34.
- It will be necessary for the Council to adapt its pace of investment in new infrastructure if the pace of development and uptake of new rateable properties materially changes from the Council's assumptions.
- Over the forecast period, operating costs per property are projected to grow at an average annual rate of 1.6 percent.

5.1.2 Operating Surplus Ratio

This section relates to the operating performance of the Council's consolidated operations, with the charts depicting this. Where relevant, wastewater operations are considered separately.

Figure 2:Operating surplus ratio – historical and forecast

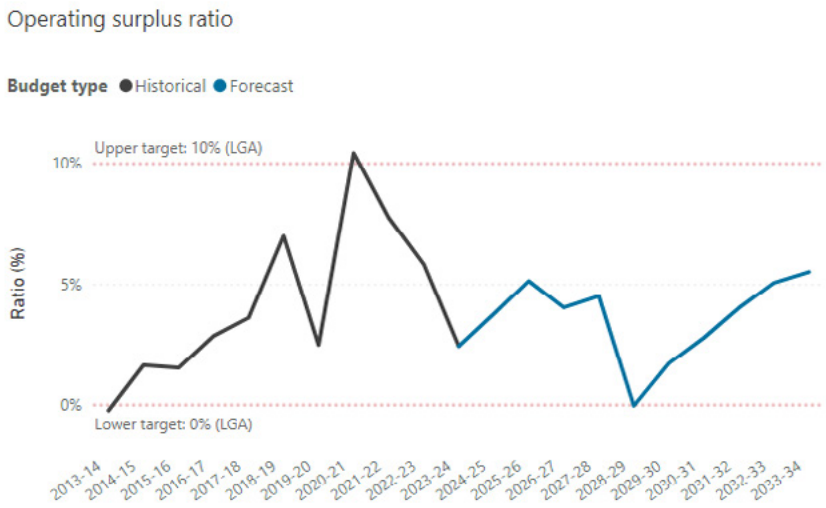
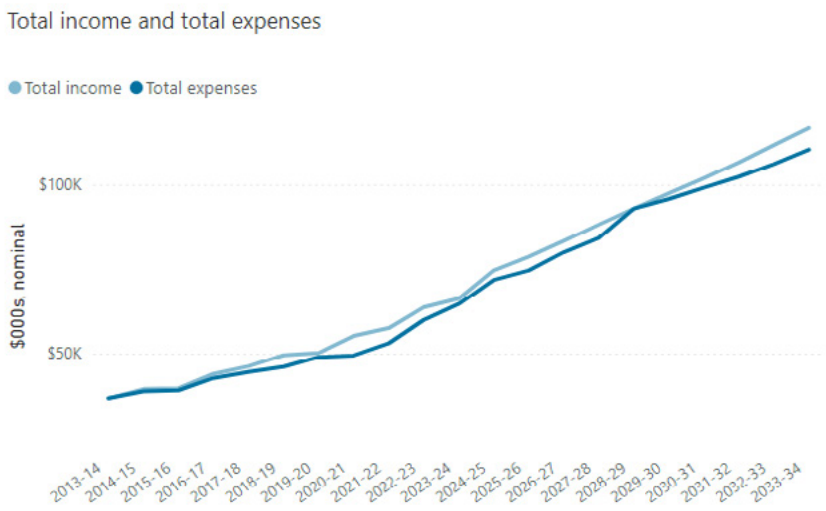


Figure 3: Total income and expenses – historical and forecast



Over the last 10 years, the Council's operating surplus ratio[41] has averaged 4.3 percent (or an accumulated surplus of $22.7 million), marginally below the mid-point of the suggested Local Government Association of South Australia (LGA) target range of between zero and 10.0 percent. Over the forecast period, from 2024-25 to 2033-34, the Council's OSR is projected to be mostly positive, averaging 3.6 percent per annum (see Figure 2), reflecting an accumulated surplus of $34.9 million.

5.1.3 Operating income

The Council's operating income grew on average by 6.3 percent per annum from 2013-14 to 2022-23, with 80.1 percent of its total operating income from rates, 8.5 percent from grants and 5.7 percent from user charges. Over the period of the LTFP, from 2024-25 to 2033-34, the Council is forecasting average annual operating income growth of 5.1 percent per annum, with rates income of 5.8 percent per annum.

Average annual growth in rates per rateable property is 2.5 percent to 2033-34, which is broadly consistent with the projected long-term inflation rate of 2.6 percent per annum (rates are discussed in more detail in section 6).[42] The reason for growth in rates per rateable property being lower than that for overall rate income is because of the forecast increase in rateable properties, as new dwellings are constructed and occupied.

The Council's projected average annual growth in the number of rateable properties is 3.2 percent over the period from 2024-25 to 2033-34. There is some inconsistency between projected growth reported to the Commission and that in the Council's LTFP (of 3.0 percent per annum). This relates to higher average annual growth being reported to the Commission, showing a large increase of 7.0 percent and 8.0 percent in 2032-33 and 2033-34, respectively (and is depicted in some charts in this Advice). The Commission recommends that the Council review its growth estimates to ensure they are consistent with its financial estimates.

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[41] The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10.0 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised,* May 2019 (LGA SA Financial Indicators Paper), p. 6), available at financial_sustainability_information_paper_9.pdf

[42] The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

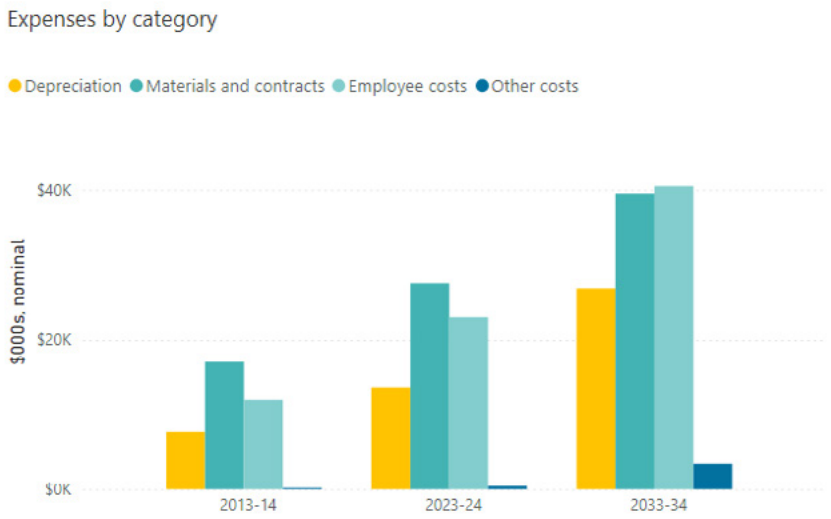
The Council's growth assumptions underpin its financial sustainability and the LTFP forecasts sustained high growth in rateable properties, which is also consistent with historical growth rates. Forecast population growth is a key factor, and the Council projects 58,000 persons by 2036 (from 42,000 currently). It will be necessary for the Council to adapt its pace of investment in new infrastructure if the pace of development and uptake of new rateable properties (and developer activity) materially changes from Council's assumptions.

In addition to its operating income discussed above, the Council also obtains developer contribution income. This is used to cover part of the cost of the rollout of the infrastructure to support the expansion in the number of dwellings forecast over the coming two decades. Over the period of the LTFP, the Council is forecasting total 'amounts received specifically for new or upgraded assets' of $144.1 million (which includes developer contributions).[43] Without this, the Council may need to recover this cost via its community.

5.1.4 Operating expenses

Over the historical ten years to 2022-23, the Council's expenses exhibited an annual average growth rate of 5.6 percent. This was primarily due to an average annual increase of 6.4 percent in 'depreciation, amortisation and impairment' expenses, 5.5 percent in employee costs,[44] and 5.1 percent in 'materials, contracts and other' expenses (see the changes by expense type in Figures 4 and 5).

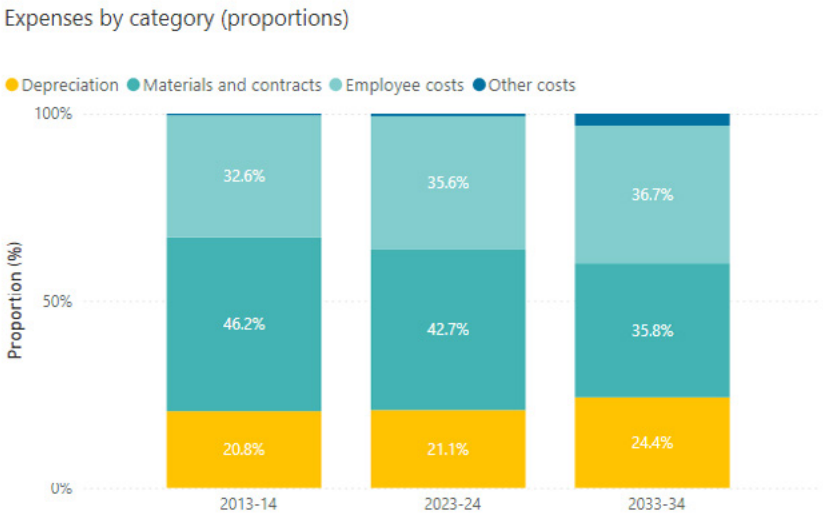
Figure 4: Expenses by category – historical and forecast



[43] Mount Barker District Council, *Long-Term Financial Plan 2024-2034*, June 2024, p. 50.

[44] The Council's template data shows that employee numbers increased by 33 FTEs over this period. The Council's unaudited data for 2023-24 shows a further increase of 44 FTEs, and its long-term planning assumptions show an increase of approximately 8 FTEs per year to 2033-34.

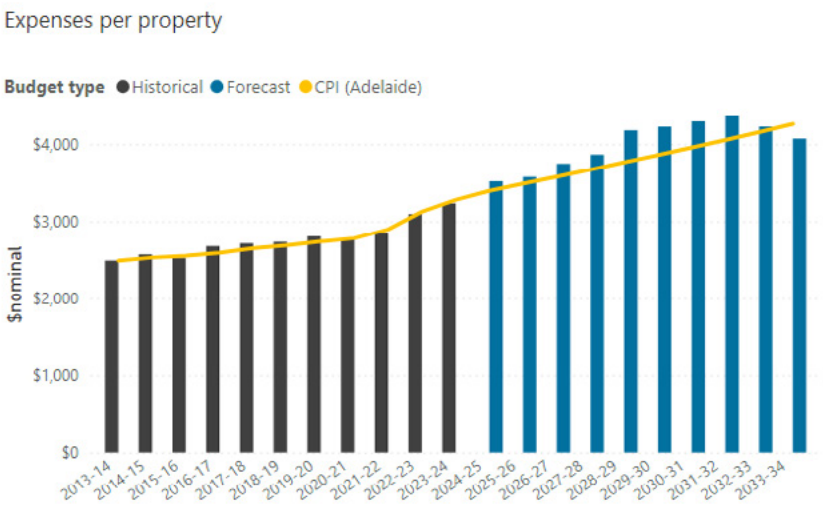
Figure 5: Expenses by category - proportions



Over the period of the LTFP, the forecast annual average growth rate for expenses is 4.9 percent. Expenses per rateable property are projected to increase by an average of 1.6 percent per annum (from 2024-25 to 2033-34), which is below inflation projections (see Figure 6). This is a result of the forecast increase in rateable properties (refer to previous section).

The projected increase in expenses per rateable property is 0.8 percent (per annum) lower than what was achieved in the past (of 2.4 percent per annum), suggesting the Council is forecasting scale or efficiency gains in its operating costs. The review of the LTFP presented limited evidence of how the Council proposes to realise those gains. The decline in expenses per property in the last two years of the forecast period (see Figure 6) is driven by 7.0 percent and 8.0 percent forecast increases in the number of rateable properties respectively.

Figure 6: Expense by rated property - historical and forecast



Finance costs are increasing, consistent with the infrastructure development program and loan uptake (refer to section 5.2) to, in part, finance this. Depreciation expenses and employee costs increase at broadly a similar rate (compared to the past). The increase in employee costs (discussed previously) reflects both the expansion of organisational capacity to deliver growth and the bringing in-house of

previous outsourced operations and maintenance contracts. Employee numbers are projected to increase from 225 FTEs (in 2023-24) to 304 FTEs (in 2033-34).

5.1.5 Commission's advice on operating performance

Overall, the Council's operating performance forecast largely reflects its approach to the infrastructure rollout to support the increase in dwellings over the next two decades, and how it plans to distribute the associate cost between its community and infrastructure developers. Other than ensuring robust cost controls and an appropriate distribution of these costs between its community and developers, the Commission considers much of remaining operation performance risk relates to ensuring the timing of the infrastructure rollout and take-up of new dwellings is as aligned as possible. This is considered further in subsequent sections. In the context of operating performance, the Commission recommends that the Council:

2. **Report** on actual or projected operating cost efficiency gains in its Long-Term Financial Plan, to provide evidence of constraining cost growth (on a per property basis) across its operations and service delivery.

5.2 Net financial liabilities

5.2.1 Key points

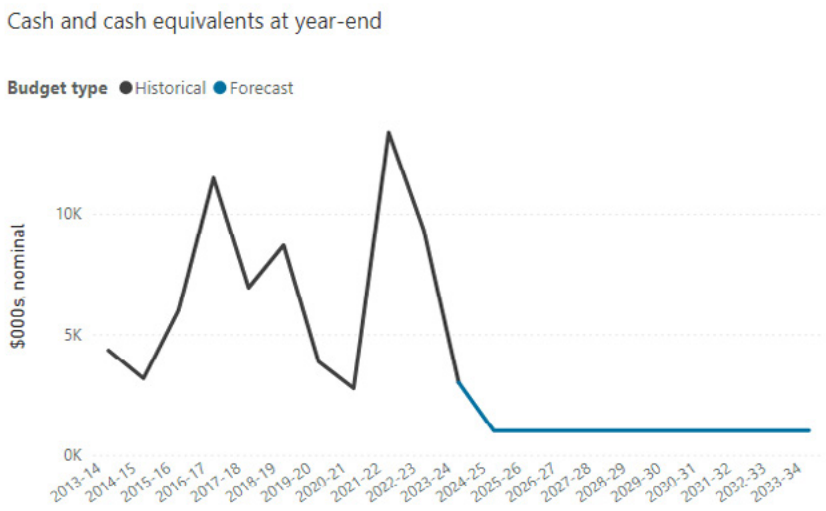
- Net cash flows after operating and investing (that is, capital-related) activities averaged $0.5 million per annum between 2013-14 and 2022-23.
- Forecast total borrowings to fund new infrastructure peak in 2027-28 (to $160.0 million), resulting in a materially higher NFLR of 188.5 percent (higher than the suggested LGA target range).
- It will be important for Council to continuously adapt and manage emerging prudential risks and consider seeking independent expert financial advice on its financial risk measures and targets.

Over the historical 10-year period to 2022-23, the Council's net cash flows after operating and investing (that its, capital-related) activities averaged $0.5 million annually between 2013-14 and 2022-23.[45] These are the cash flows generally available for debt repayments (and are after interest payments) and indicate the Council has been able to repay some borrowings without utilising its cash reserves as needed. Throughout this period, the Council's net financial labilities ratio was generally within the LGA range, with a maximum of 25.6 percent in 2019-20.

Over the period of the LTFP, the Council's financial position will fundamentally shift, relative to its history. Cash held by the Council at the end of each year, including financing activities, declines to $1.0 million (Figure 7), while total liabilities are expected to accelerate significantly on the back of additional borrowings (Figure 8).

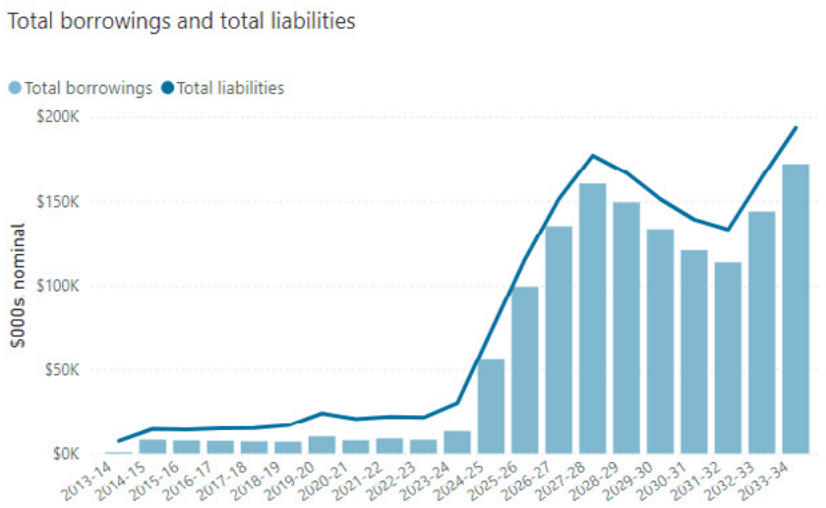
[45] This figure provides a general indication on whether the Council has a capacity to repay borrowings or has an emerging cash flow sustainability issue. A negative or relatively small figure should be viewed in the context of the Council's revenue base and existing cash balances, which could indicate it is able to service cash flow deficits over a long period.

Figure 7: Cash and cash equivalents at year end – historical and forecast



By 2027-28, current and non-current borrowings total $160.4 million, moving to $172.2 million by 2033-34. This includes funding for the new Laratinga Water Recovery Plant Stages one and two (replacing the existing wastewater treatment plant), four new sewer trunk mains, as well as asset renewals.[46] Debt will also be used for other municipal capital projects over its LTFP period.[47] Part of the cost of the infrastructure investments will be funded from developer contributions, commercial partnerships, and external grants (to which the State and Federal Governments have committed).

Figure 8: Total borrowings and total liabilities – historical and forecast



[46] Mount Barker District Council, *Wastewater Service Long-Term Financial Plan 2024-2034,* June 2024, p. 29.

[47] Mount Barker District Council, *Long-Term Financial Plan 2024-2034*, June 2024, p. 40: Regional Aquatic and Leisure Centre, Town Square, Summit Leisure and Entertainment Precinct, Commercial Office, Community Hub and Parking Solution Mount Barker.

Figure 9: Net financial liabilities ratio – historical and forecast

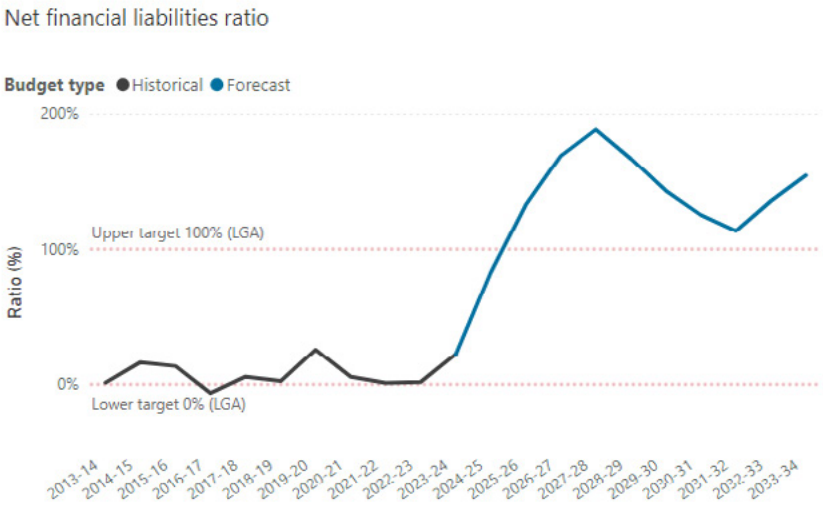
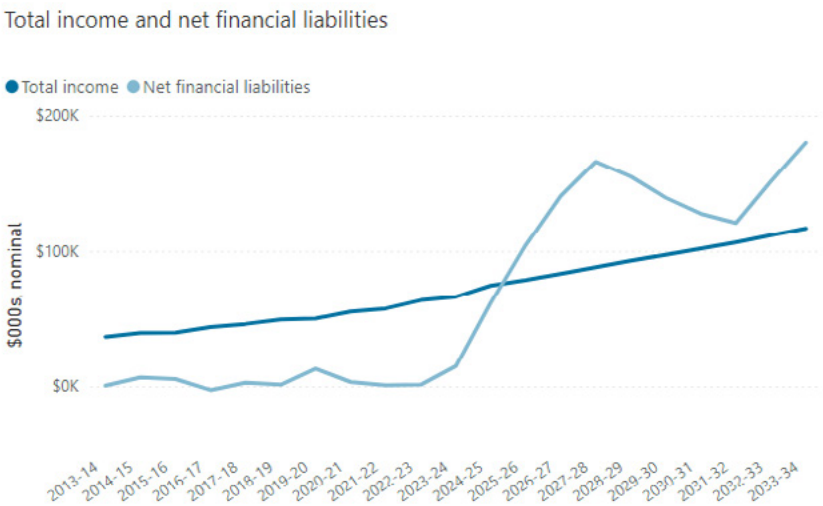


Figure 10: Total income and net financial liabilities – historical and forecast



The result of this is the Council's NFLR[48] exceeds the LGA upper limit of 100.0 percent by a considerable margin from 2025-26. The Commission considers this a consequence of the circumstances the Council is managing. It is having to finance considerable infrastructure development to provide services to prospective purchasers of the new dwellings being constructed. In effect, the Council is supporting the building of a new town. This will inevitably result in significant short to medium term high levels of debt.

The Council has developed its own target ranges for the NFLR for consolidated operations (municipal and wastewater operations) of less than or equal to 180.0 percent. The municipal operations NFLR is less than or equal to 120.0 percent; while for wastewater it is less than or equal to 500.0 percent.[49] If the Council is to achieve an NFLR of 180.0 percent or below for its consolidated operations, its

[48] The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100.0 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

[49] Mount Barker District Council, *Long-Term Financial Plan 2024-2034*, June 2024, p. 47.

municipal operations must be carrying more weight than wastewater. Based on the Council's thresholds, the only year in the LTFP that the Council exceeds the 180.0 percent is 2027-28, with consolidated operations registering 188.0 percent and wastewater 605.0 percent.

The Commission notes that, from a risk management perspective, the extent to which the Council's chosen NFLR are based upon independent expert financial advice and benchmarks is relevant. Basing them on independent advice reduces the potential for the Council choosing NFLR upper thresholds at its discretion that are potentially favourable to the LTFP, that may embed risk which independent expert analysis deems unsustainable. For example, independent advice may suggest differing upper thresholds for the three NFLRs (consolidated, as well as municipal and wastewater separately) being used, or differing debt repayment periods or debt structure.

The Commission also observes that the NFLR upper threshold associated with the wastewater operations is very high and the fact the Council states the debt associated with it will be repaid over a longer period. Given this, these operations (and so the Council and its community) are exposed to financial risk over a long period of time and the Commission considers that the Council should, if it has not done so already, consider whether there is benefit in the operations being fully separated, legally and operationally, from its municipal operations, as an entirely separate business. This may reduce the risk of it impacting the municipal operations, while also making it more straightforward to sell the wastewater operations to another operator, if the need arose and/or this was of benefit to the community.

5.2.2 The Commission's advice on financial liabilities

The Commission recommends that the Council:

3. **Obtain** independent expert financial advice to ensure the development of financial risk measures and targets are appropriate and support its proposed borrowing levels.

5.3 Asset renewals expenditure

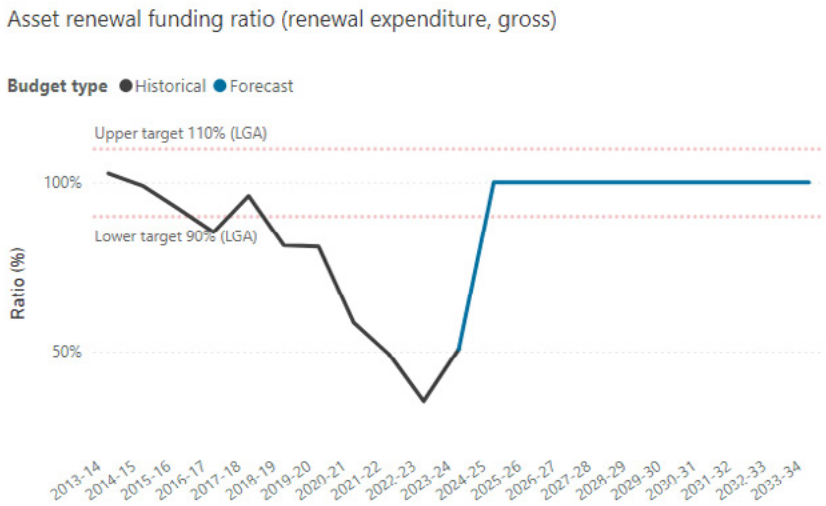
5.3.1 Key points

- ⚠ Between 2013-14 and 2022-23, the gross ARFR averaged 78.1 percent, and has not met the LGA target range. Part of this was impacted by the deferral of the wastewater treatment plant.
- ✓ The Council is forecasting a reversal in its asset renewal approach, with asset renewals expenditure in line with its AMP, with gross ARFR consistently at 100 percent.
- ✗ The Council has forecast approximately a three times larger capital expenditure program, compared with the historical period, increasing risk of project overruns and to financial sustainability.
- ✓ The Council has the good practice of reviewing asset revaluation assumptions (and indexation) in its plans and periodically undertaking independent asset valuations.

The Council's NFLR performance discussed in the previous section is reliant on successful implementation of its LTFP capital program. The program is ambitious and may present a delivery risk for the Council as it is constructing more infrastructure than it has historically, while dealing with an asset renewal shortfall and, thereafter, will have heightened asset maintenance and renewal requirements – all at a time of potentially more challenging construction market conditions. These matters are discussed further below.

Between 2013-14 and 2022-23, the Council generally did not meet the LGA target range for its ARFR,[50] achieving an average of 78.1 percent over this period,[51] with deterioration from 2018-19 to 2022-23 (see Figure 11). This indicates that the Council did not meet the renewal and replacement needs of its asset stock as detailed in its AMP. Expenditure on new and upgraded assets, on the other hand, was twice that of asset renewal, suggesting the Council struggled to maintain a focus on asset renewal at a time when it was rolling out new infrastructure. This all occurred at a time when conditions in the construction market were more benign.

Figure 11: Asset renewal funding ratio (renewal expenditure gross) – historical and projected



Over the period of the LTFP the Council is forecasting a reverse in its approach to asset renewal. This is illustrated in Figure 11 above, with the ARFR consistently at 100 percent. This is occurring at a time when the Council is anticipating total capital expenditure at a level approximately three times higher than seen historically. Capital expenditure on new and upgraded assets accounts for 67.7 percent of this (or $388.6 million), with asset renewal comprising the remaining of $185.6 million. Both asset renewal expenditure and that on new and upgraded assets are also approximately three times higher than seen in the historical period.

There is limited evidence available in the Council's LTFP or municipal and wastewater SAMP as to how it plans to achieve this logistically. Without this, the Commission notes that there is a heightened risk of project overruns that may increase costs. These would have to be absorbed through increases in revenue and/or debt or mitigated through reducing the scope of the capital program, which may place asset renewal at risk, potentially resulting asset renewal ratios more like those seen historically.

Also unclear from the available documentation is the extent to which the Council's understanding of its future asset renewal needs is complete. The current municipal and wastewater SAMPs were endorsed by the Council in mid-2024. However, it is the Commission's understanding that the Council is in the process of endorsing various IAMP that sit within the higher level SAMP. Noting that the current IAMPs were endorsed in 2019, this may suggest that the Council does not have 'current' IAMP – albeit that those are now being updated. Robust and complete asset condition and valuation assessments for

[50] The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90.0 to 110.0 percent (LGA SA Financial Indicators Paper, p. 9).

[51] The quoted averages for the ratio are based on 'gross asset renewal expenditure' (before the sale of replaced assets) rather than 'net asset renewal expenditure'.

various asset classes also appear to be over four years old. Given this, a risk of Council is whether or not the revised IAMPs are based upon reliable information about the asset condition and valuation assessments of assets to which they relate. In this context, the Commission notes and supports the Council's intent to adopt a rolling four-year program for major asset revaluations (and asset life reviews).

Overall, the Commission recommends that the Council provide greater clarity regarding how, logistically, it will manage its asset renewal requirement in the context of its overall capital program. It also recommends the Council align the timing across IAMP development, and asset condition and revaluation assessments, to ensure that IAMPs are based upon the most current and accurate information – potentially adopting the same rolling program for the IAMP as proposed above for asset valuation and asset life/condition.

With respect to asset valuation, the Commission observes and supports the Council's current good practice of reviewing and applying annual indexation to asset valuations. This smooths out valuation increases and the resultant depreciation charges. In relation to depreciation, the Commission also notes that the asset renewal ratio can be measured on this basis but has not considered in this case. This is because this measure is better suited to more static environments with lower rateable property growth and infrastructure rollout, than the high-growth scenario being experienced at Mount Barker.

Figure 12: Net asset renewal and IAMP renewal expenditure – historical and projected

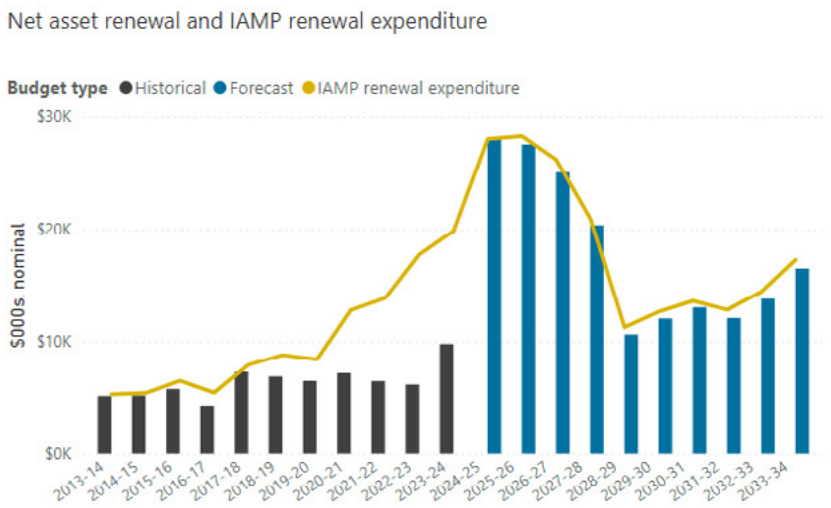
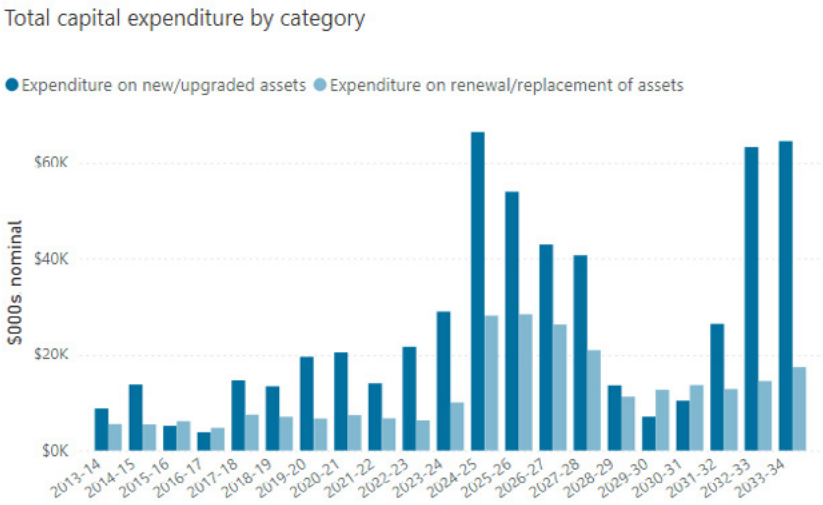
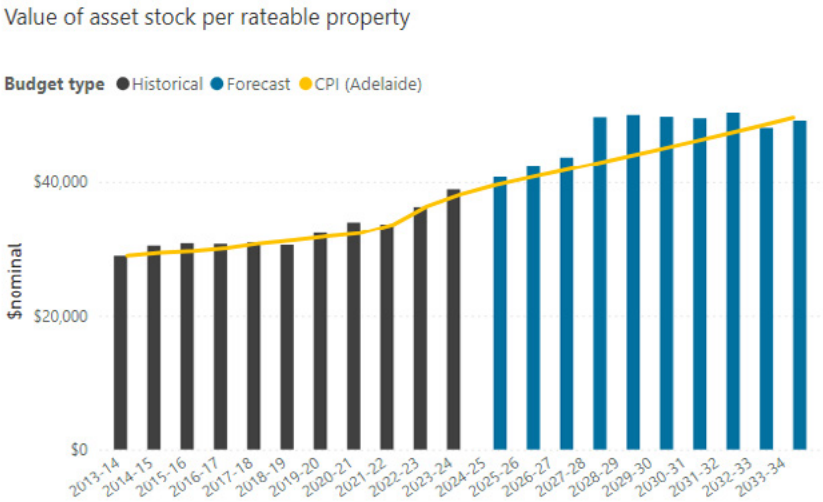


Figure 13: Total capital expenditure by category – historical and projected



Overall, the Council has expanded its asset base as development and growth have occurred in the Mount Barker region. Over the ten years to 2022-23, the Council's total capital spend was $198.4 million and it received $127.6 million in gifted assets.[52] Figure 14 shows that the value of asset stock per rateable property has been growing in line with historical inflation and exceeds CPI for much of the forecast period and then returns to alignment.[53] This will result in a future asset renewal liability stream for the Council and its community to manage.

Figure 14: Value of asset stock per rateable property – historical and projected



52 Mount Barker District Council, *General Purpose Financial Statements for the year ended 30 June 2014 to 30 June 2023* (included in its Annual Reports), available at https://www.mountbarker.sa.gov.au/. Gifted assets are recorded in the Council's 'Statement of Comprehensive Income' as 'Physical Resources Received Free of Charge'.

53 The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

5.3.2 The Commission's advice on asset renewals funding

The Council's ARFR has underperformed historically. While this might have been affected by the deferral of the renewal of the wastewater treatment plant (and related assets), the Council's performance on renewal and replacement of its other large asset classes, such as roads, drainage, or bridges and major culverts, is unclear.[54] The Commission recommends that the Council:

4. **Adhere** to the asset management principles underpinning its strategic management plans and provide greater clarity on plans to manage its asset renewal requirement in the context of its overall capital program.
5. **Complete** its planned update to its asset class infrastructure asset management plans; and in future years, align the sequence of its asset planning processes so they are informed by current and accurate information.

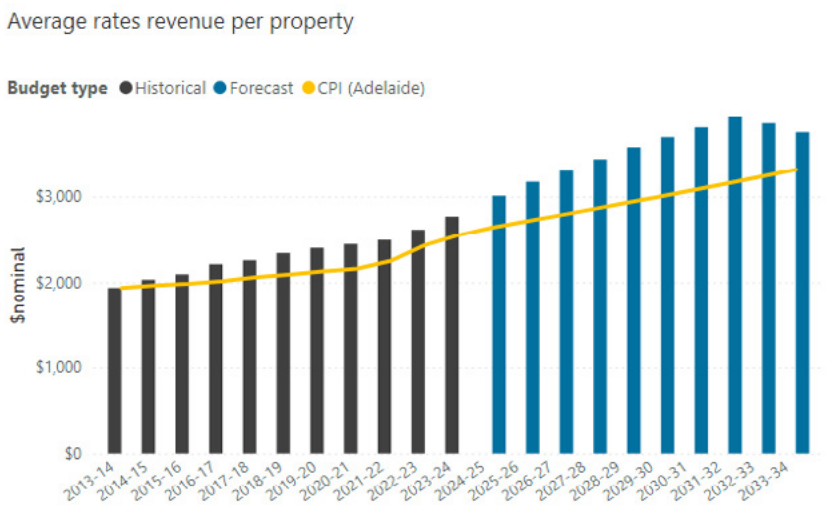
[54] The Commission understands there could be a range of reasons for differences between actual and planned renewal spending such as project delivery timing or scope changes; underspends / overspends; grant approval funding changes; or possibly changes associated with project efficiencies or savings.

6 Advice on current and projected rate levels

6.1 Key points

- Growth in rate revenue per property averaged 3.4 percent or $75 per annum for each property between 2013-14 and 2022-23, which is 0.8 percent higher than average CPI for the same period.
- The Council has adopted a general rate smoothing strategy, resulting in lower general rates in 2023-24 (compared to CPI). Over the forecast period to 2033-34 average rates (including wastewater charges) increase by 2.5 percent per annum, broadly consistent with forecast CPI.
- Affordability risk among the community for the further rate increases appears to be moderate, based on a range of factors, including an assessment of the economic resources available to the community, and community feedback.

Figure 15: Average rates revenue per property – historical and projected



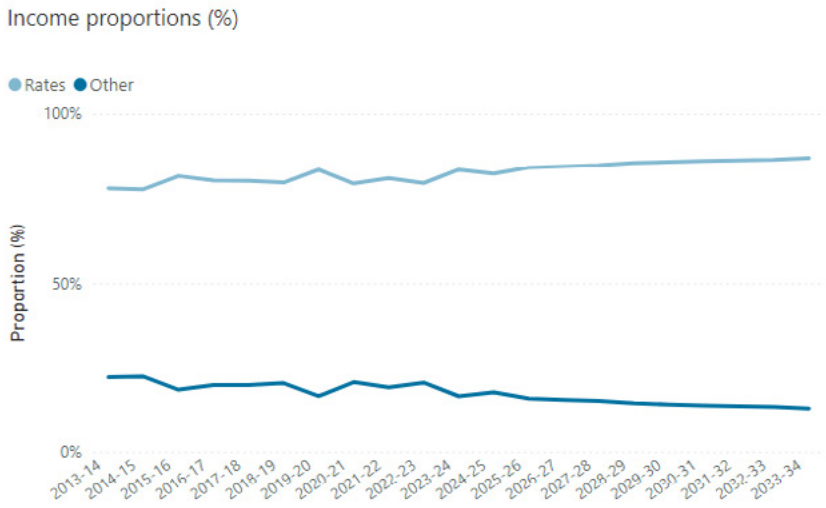
6.2 Historical rates growth

The Council's rate revenue per property growth has averaged 3.4 percent ($75) per annum over the past 10 years,[55] reaching an estimated average of $2,613 per property in 2022-23 (see Figure 15). This was higher than CPI growth of an average of 2.6 percent per annum over the historical period[56] and encompasses growth of 3.0 percent per annum in rateable property numbers in the Council's region.

[55] From 2013-14 to 2023-24.

[56] CPI Adelaide (all groups) increased by 2.6 percent per annum on average over the period from 2013-14 to 2022-23, based on historical ABS statistics. Available at https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/.

Figure 16: Income proportions (%)[57]



Over the historical period, on average, 80.1 percent of the Council's total operating income came from rates (including wastewater charges), and general rates are relatively higher for residential ratepayers and lower on average for non-residential ratepayers.[58] Other revenue was from grants, user charges, and statutory charges (refer to Figure 16). The Council remains reliant on its rate base (including growth) for its operating sustainability.

6.3 Proposed rate increases for 2024-25

The Council has budgeted for an average general rate increase of 5.3 percent for existing ratepayers, which is 1.0 percentage point more than the March Adelaide CPI of 4.3 percent and is consistent with the second year of the Council's general rate smoothing strategy.[59] The Council's general rate smoothing strategy has resulted in less variation (or volatility) in general rate increases over the period from 2023-24 to 2025-26.

Including wastewater and other charges, the Commission estimates the average rate increase is 7.6 percent,[60] which also accounts for the Council's proposed increase in CWMS charges of CPI plus 4.1 percent.

6.3.1 The Commission's advice on proposed rate increases for 2024-25

The Commission acknowledges the good practice of the Council in smoothing out inflationary impacts in general rates and offering rate stability for its community.

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57 This chart does not include developer income.

58 Refer to Councils in Focus rates data for 2021-22, available at https://councilsinfocus.sa.gov.au/councils/mount_barker_district_council. The Commission is not relying on these rate comparisons for its advice; the data source provides one indicator, among many, which has informed its advice on the appropriateness of the rate levels. Other rate charges such as for waste management and the regional landscape levy do not form part of this comparison.

59 Mount Barker District Council, *Annual Business Plan 2024-25,* July 2024, pp. 4 and 8.

60 Ibid, p. 41. Calculated from the Council's 2024-25 Uniform Presentation of ABP and Budget Proposal. Average rate increase, in this instance, includes income from general rates, regional landscape levy, waste collection, water supply, and CWMS/sewer.

6.4 Projected further rate increases

Over the forward years of its LTFP, the Council has projected average rate increases for its existing ratepayers of approximately 2.5 percent per annum from 2024-25 to 2033-34.[61] This is lower than its historical increases, which averaged 3.4 percent per annum, noted in section 6.2, and broadly in line with projected average CPI increases of 2.6 percent per annum.[62]

The Council's rate smoothing strategy extends to 2025-26, then over the remaining forecast years to 2033-34, the Council proposes to align its general rate increases with Adelaide CPI.[63]

The average rates projections (as shown in Figure 15) include the wastewater and waste collection charges income (as well as that for general rates). With respect to these other charges, the Council's 2024-25 LTFP states that:

- wastewater annual services charges have been modelled based on a full cost recovery basis; and charges for CWMS and Sewer customers are projected to align from 2029-30, following a 5-year period of CPI plus 4.1 percent increases in CWMS annual service charges.[64] From 2029-30 the Council assumes wastewater charges will increase with inflation, and
- waste collection charges reflect a 2023-24 procurement process that increased costs.

The Council's forecasts provide that rates will constitute an average of 85.4 percent of total revenue.

6.4.1 The Commission's advice on projected further rate increases

The Commission acknowledges the good practice of the Council in aligning its long-term general rate increases (and other charges) to inflation, as well as providing general rate smoothing. At times, it may also be appropriate for the Council to consider rate adjustments below inflation to pass on any efficiency gains (and where financial sustainability allows).

It is also noted that the wastewater charges included as part of overall rates are increasing substantially. These charges are regulated by the Commission under a separate regulatory regime, and the Commission notes the Council's obligation under that regime to only recover the economic costs of providing the wastewater service.

The Commission recommends that the Council:

6. Aim to align increases in long-term rates and charges with inflation and consider opportunities for rate adjustments below inflation where financial sustainability allows.

6.5 Affordability risk

Affordability risk among the community for these further rates increases appears to be moderate, on balance, when considering:

- the Council's relatively high socio-economic indexes for areas (SEIFA) economic resources ranking for the Council area[65]

[61] Based on the Council's Financial Reporting template provided to the Commission.
[62] The forecast average annual growth in the CPI from 2025-26 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.
[63] Mount Barker District Council, *Long-Term Financial Plan 2024-2034*, June 2024, p. 35.
[64] Mount Barker District Council, *Long-Term Financial Plan 2024-2034*, June 2024, p. 39.
[65] Mount Barker District Council is ranked 65 among 71 South Australian '*local government areas*' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the

- the effect of cumulative increases in general rates per existing ratepayer of approximately 2.5 percent per annum to the period 2033-34, which is broadly in line with the forecast rate of inflation, and
- a number of community concerns, with written submissions received by the Council during the 2024-25 budget process, with some ratepayers expressing concerns about the 2024-25 rate increase of 5.3 percent.[66]

The Commission notes that this assessment is based on the Council meeting the forecasts in its LTFP and its IAMP, and it assumes they are robust. This relies on the Council having accurately articulated the financial and construction risk it is bearing within these plans.

6.5.1 The Commission's advice on affordability risk

The Commission recommends that the Council:

7. **Monitor** affordability risks for its ratepayers and wastewater customers and ensure that costs are appropriately shared between current and new ratepayers.

Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021.

66 See Mount Barker District Council, *Special Council Meeting Agenda – 8 July 2024, Item 3.1 Public Submissions on the Draft 2024-25 Annual Business Plans and Budgets (Wastewater and Council Consolidated) and Draft Rating Policy*, p. 5, available at https://www.mountbarker.sa.gov.au/__data/assets/pdf_file/0029/1636535/Special-Council-Agenda-8-July-2024.pdf.

7 The Commission's next advice and focus areas

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

- ongoing performance against its LTFP estimates, including how the Council has adjusted these estimates relative to the pace of development in the region
- growth in rateable properties and wastewater connections
- financial risk management practices including assessment of targets associated with proposed borrowing levels
- capital expenditure program, including asset renewal and replacement in line with updated IAMP, and
- implications for affordability risks for ratepayers and wastewater customers.

8 Appendix: Glossary of terms

Item	Explanation
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	Asset Renewal Funding Ratio Since 2013, the asset renewal funding ratio has been defined as: Asset Renewal Expenditure ÷ IAMP Renewal Expenditure Where IAMP Renewal Expenditure is that required according to the IAMP.
CAGR	Compound Average Growth Rate
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Mount Barker District Council
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	*Local Government Act 1999*
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Pa per 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
MDPA	Mount Barker Urban Growth Development Plan Amendment
NFLR	Net Financial Liabilities Ratio Net Financial Liabilities are defined as: Total Liabilities LESS Current Assets (Cash and Cash Equivalents) LESS Current Assets (Trade and Other Receivables) LESS Current Assets (Other Financial Assets)

Item	Explanation
	LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in council businesses) The net financial liabilities ratio is: Net financial liabilities ÷ Total Operating Income
NWI	National Water Industry
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: Total Operating Income LESS Total Operating Expenses28 The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
The scheme or advice	Local Government Advice Scheme

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