THE RURAL CITY OF MURRAY BRIDGE

ANNUAL BUSINESS PLAN & BUDGET 2026-27



GROWING. THRIVING. STRONG.

THE RURAL CITY OF MURRAY BRIDGE

ACKNOWLEDGEMENT OF COUNTRY



Image Credit: Glenn Power

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

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

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MAYOR AND CEO MESSAGE



Our 2026-27 Annual Business Plan and Budget sets out what Council plans to deliver next year, including services, community projects and proposed rates.

Council has taken a balanced and responsible approach to developing this budget, carefully considering the increasing cost-of-living pressures facing households, while maintaining a strong focus on long-term financial sustainability.

We've done the work over the past three years to put Council in a strong, sustainable position - ensuring our operations are resilient and our rural city can continue to progress through this period of growth, investment and development.

We have continued to grow our relationship with key leaders and agencies within the State Government and this has culminated in a $100m State election investment promise, the largest on record for our Council area – including for our outer townships.

Additionally, the Australian Government has invested $4.85m towards the upgrade of our Sturt Reserve Precinct, including construction of the incredible Pondi Playspace (see more p23). This will replace the ageing playground and add value to a much-loved community asset.

We're also in a different operating environment now following the sale of the Lerwin Residential Aged Care Facility. This helps put Council in a surplus financial position for the first time in three years. This has secured an important 80-bed facility for Murray Bridge and ensures Council can operate in a more sustainable operating environment. A decision on how to invest the sale proceeds will be made after our new Council is elected later this year.

When it comes to the numbers, this strong financial position means Council can maintain current service levels without reducing services or increasing borrowings beyond endorsed limits.

The Valuer General reported substantial increases in our Council area's property values. The Budget considers this context, and while Council does not determine property valuations, it will lower the rate in the dollar to help reduce impacts.

This aligns with our Long Term Financial Plan (LTFP) and has enabled Council to deliver an average general rate increase of 3.9% that remains below CPI, helping to ease some financial pressure on our community.

This year, we've also broken down our rates notice charges in detail (see page 33), with an example based on the average residential home value of $545,000.

Now, we look forward to working with our people and community to deliver on this plan in 2026-27.

Wayne Thorley
Mayor

Heather Barclay
Chief Executive Officer

STATEMENT OF AMENDMENTS MADE TO DRAFT ANNUAL BUSINESS PLAN & BUDGET

As per Section 123(6a) of the Local Government Act, Council must include a statement in the adopted Annual Business Plan which outlines any significant amendments from the draft (on which they undertook public consultation) and the reason for those amendments.

A number of changes have been made to the Annual Business Plan and Budget 2026-27 since the Draft Plan was released for public consultation between 20 May to 9 June 2026.

- A decrease in rates income allocation of $170,000 following receipt of the final Valuer-General data and lower than anticipated valuation growth.
- An increase in Future Fund income allocation of $170,000 to maintain the forecast operating surplus.
- An increase in key project expenditure allocation of $10,000 for Cat Management Engagement
- A decrease in key project expenditure allocation of $10,000 for Council Members Contingency
- An increase in grant income allocation of $4,850,000 for Sturt Reserve Precinct Upgrades and Pondi Playspace.
- An increase in capital expenditure allocation of $8,300,000 for Sturt Reserve Precinct Upgrades and Pondi Playspace.
- Minor grammatical amendments

SUMMARY OF COMMUNITY ENGAGEMENT FOR THE DRAFT ANNUAL BUSINESS PLAN & BUDGET

The following activities were undertaken as part of the community engagement process:

- The Draft Annual Business Plan & Budget, Fees and Charges, Rating Policy and Long Term Financial Plan were available via murraybridge.sa.gov.au and letstalk.murraybridge.sa.gov.au between 20 May to 9 June 2026.
- Hard copies of the Draft Annual Business Plan & Budget, Fees and Charges, Rating Policy and Long Term Financial Plan were available at the Local Government Centre and Murray Bridge Library
- Public Notice and advertisement in the Murray Valley Standard
- Article in the Murray Bridge News
- A Draft Annual Business Plan & Budget Summary document was made available
- Social media posts were shared via Council's Facebook Page
- Electronic communication was circulated broadly to identified networks
- Opportunity for verbal submissions was provided at the Council Meeting on 9 June 2026.

The community engagement approach was delivered in accordance with Council's Community Engagement Policy.

The Annual Business Plan & Budget was adopted at the Special Council Meeting held on 17 June 2026.

OUR RURAL CITY



RURAL CITY SNAPSHOT

POPULATION
23,539

1,002KM ROADS
500KM SEALED
503KM UNSEALED

1,828KM²
COUNCIL AREA

1,465
LOCAL BUSINESS

9,566
LOCAL JOBS

43
MEDIAN AGE

5.6%
FIRST NATIONS PEOPLE

PARKS, RESERVES, PLAYGROUNDS
166

13%
BORN OVERSEAS

FOOTPATHS/ VERGE
356KM

25%
TRADE QUALIFICATION

Data Source: REMPLAN and Department for Housing and Urban Development

COUNCIL MEMBERS

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



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COUNCIL MEETINGS

Council meetings are held each month, generally on the second Monday, at 7:00pm in the Council Chamber, Local Government Centre, 2 Seventh Street, Murray Bridge. Meetings dates can be found on Council's website www.murraybridge.sa.gov.au.

Council agendas are posted online three clear days prior to the scheduled meeting. Minutes from the Council meetings are posted online five days following the meeting.

COMMUNITY ENGAGEMENT

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

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



STRATEGIC PLANNING



STRATEGIC PLANNING FRAMEWORK

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

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

COMMUNITY PLAN

16 YEAR TIME-FRAME

Reflects our community's aspirations and sets out a shared vision for Thriving Communities.

STRATEGIC PLAN

4 YEAR TIME-FRAME

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

LONG TERM FINANCIAL PLAN

10 YEAR TIME-FRAME

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

ASSET MANAGEMENT PLANS

10 YEAR TIME-FRAME

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

ANNUAL BUSINESS PLAN AND BUDGET

1 YEAR TIME-FRAME

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

COMMUNITY PLAN 2016-2032

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



While our Community Plan was developed some time ago, it remains highly relevant today and continues to guide our focus delivering Thriving Communities.

The Community Plan's four key themes describe what Thriving Communities look like in practice and what our community will see and experience.

These themes are:

GREAT PEOPLE AND LIFESTYLE

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

People thrive when they experience great people and lifestyle.

VALUED ENVIRONMENT

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

People thrive when they spend time in a valued environment.

DYNAMIC ECONOMY

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

People thrive when they participate in a dynamic economy.

CONNECTED COMMUNITIES

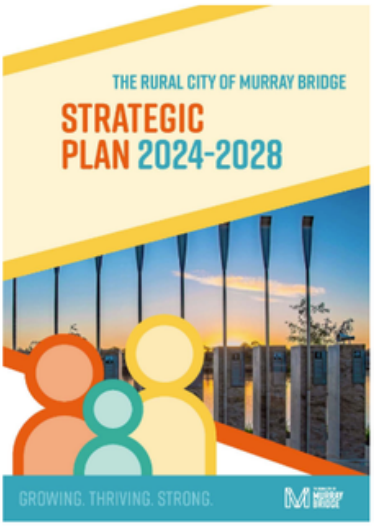
Where people get involved, contribute to, and are supported by the community around them.

People thrive when they belong to connected communities.

STRATEGIC PLAN 2024-2028

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

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



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

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

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

We will continue to focus on:

1 ACTIVATING OUR RURAL CITY AND ATTRACTING PEOPLE AND INDUSTRY

2 CONNECTING PEOPLE AND PLACES

3 ENHANCING OUR PLACES AND SPACES

4 SUPPORTING OUR COMMUNITIES

DELIVERING FOR OUR THRIVING COMMUNITIES



GROWTH DIRECTIONS

Murray Bridge is growing to become South Australia's largest regional city providing local jobs, services and amenities along with affordable housing. Council is actively preparing for well planned growth and connected communities.

A CLEAR AND BOLD VISION

Council's work aligns closely with the Greater Adelaide Regional Plan (GARP), which sees Murray Bridge growing to become a satellite city providing local jobs, services, amenities and affordable housing.

LAYING STRONG FOUNDATIONS FOR GROWTH

Strategic Plan 2024-2028: sets out how we are actively preparing for growth. Structure Plan 2024: guides future land use for development and informs state and local plans.

ADVOCATING FOR WHAT'S IMPORTANT TO OUR COMMUNITY

Partnerships with government bodies to achieve the things that matter for Murray Bridge – public transport, freight bypass and managing the environment.

CREATING PARTNERSHIPS TO GUIDE GROWTH

We have established strong partnerships with Department for Infrastructure and Transport, Department for Housing and Urban Development, Department of State Development, developers and industry to drive our growth work. Attracting and global and national investment.

PLANNING FOR THE FUTURE

Key strategies to support our future, including: A Wellbeing Strategy to enhance quality of life. An Open Space Strategy to guide planning and design of public spaces. A Growth and Economic Development Strategy to support a dynamic local economy.

KEY ENABLERS OF GROWTH

Community Infrastructure Model to plan future sport, recreation and community facilities. Code Amendments to unlock land for housing and employment. Murraylands Skills Centre and Murray River Study Hub for a job-ready community.

OPERATING EXPENDITURE

Services		Annual Budget (000s)
Business Undertakings	Business Undertakings	$1,524
	Business Undertakings Total	$1,524
Community Support and Services	Aged Care Services	$1,419
	Community Support	$3,167
	Public Order and Safety	$781
	Services to Family and Children	$591
	Community Service Other	$3,673
	Community Support Total	$9,631
Cultural Services	Cultural Services	$1,240
	Cultural Services Total	$1,240
Economic Development	Economic Development	$3,641
	Economic Development Total	$3,641
Environment	Environment and Coastal Protection	$267
	Stormwater Management	$505
	Street Maintenance	$965
	Environment Total	$1,737
Libraries	Libraries	$2,331
	Libraries Total	$2,331
Other Expenses	Other Expenses	$1,182
	Other Expenses Total	$1,182

Services		Annual Budget (000s)
Recreation	Recreation Other	$5,939
	Parks and Gardens	$156
	Sports and Recreation	$1,482
	Recreation Total	$7,577
Regulatory Services	Other Regulatory Sevices	$1,725
	Planning and Building	$3,300
	Regulation Services Total	$5,024
Roads and Transport	Bridges and Culverts	$10
	Footpath and Kerbing	$231
	Roads - Formed	$22
	Roads - Sealed	$12,499
	Traffic Management	$424
	Roads and Transport Total	$13,186
Waste Management	Green Waste Collection and Disposal	$1,026
	Ordinary Solid Waste Collection and Disposal	$2,363
	Other Waste Management	$598
	Recycling Collection and Disposal	$1,503
	Waste Disposal Facilities	$119
	Waste Management Total	$5,609
TOTAL 2026-27 OPERATING EXPENDITURE		$52,682

KEY PROJECTS

	Project Name	Income	Expenditure	Nett
VALUED ENVIRONMENT	Stormwater Management Plan	$90,000	$130,000	$40,000
GREAT PEOPLE AND LIFESTYLE	Regional Public Health Plan	-	$5,000	$5,000
	Desexing Program	-	$10,000	$10,000
	Cat Management Engagement	-	$10,000	$10,000
DYNAMIC ECONOMY	Council Members Contingency	-	$40,000	$40,000
	Electoral Commission SA charge for Elections	-	$180,000	$180,000
	Council Members Mandatory Training	-	$10,000	$10,000
	Murraylands Skills Centre	$354,000	$354,000	$0
	Major Events Program	$50,000	$203,000	$153,000
	Events Grants	-	$251,000	$251,000
	Riverfront Activation Grants	-	$14,000	$14,000
	Quick Wins Grants	-	$40,000	$40,000
	Fleurieu Study Hub	$306,400	$306,400	$0
	Kangaroo Island Study Hub	$170,345	$170,345	$0
	Future City Program	-	$200,000	$200,000

KEY PROJECTS

	Project Name	Income	Expenditure	Nett
CONNECTED COMMUNITIES	Wellbeing Hub Services	-	$20,000	$20,000
	Bridge Festival (Youth Week Event)	-	$16,000	$16,000
	Sport & Recreation Facilities	-	$30,000	$30,000
	Reconciliation Action Plan	-	$10,000	$10,000
	Sector Success Program	$50,000	$50,000	$0
		$1,020,745	**$2,049,745**	**$1,029,000**

KEY FOCUS AREAS FOR 2026-27

Council's focus for the financial year is on supporting and strengthening our community, environment and region by developing a responsible budget which recognises our unique constraints, and delivers essential services, prudent resource management and sustainability.

The key focus areas for 2026–27 reflect the core services and ongoing work funded through Council's operating expenditure, which underpin day-to-day service delivery.

SOME OF THE HIGHLIGHTS INCLUDE:

- Strengthen Murray Bridge's economic position through targeted advocacy that supports sustainable growth and investment.
- Ensure tracking and advocacy to progress commitments under the State Government's plan for Murray Bridge.
- Develop a strategy to position Murray Bridge as an attractive destination for investment.
- Strengthen regional collaboration to drive economic development.
- Manage 2026 Council Elections and induction of new Council Members.
- Deliver onsite wastewater management education and compliance program.
- Continue Riverbank Stabilisation and Flood Recovery advocacy.
- Begin implementation of the Growth & Economic Development Strategy.
- Finalise the Basic Infrastructure Scheme and support implementation.
- Support the Gifford Hill development, including early-stage application development and precinct planning.
- Implement the Disability Access and Inclusion Plan.
- Implement the Open Space Strategy (multi-year).
- Implement early stages of the Community Wellbeing Plan.
- Develop an Active Ageing Strategy.
- Implement the Reconciliation Action Plan.
- Implement the Smarty Grants platform.

CAPITAL PROJECTS



CAPITAL PROJECTS

Capital projects are broken into two categories including Capital Renewal and Capital Enhancement. Some of our highlights are summarised below:

BMX DIRT BIKE TRACK

Council will invest $230,000 towards a community collaboration project to build a new track at Sturt Reserve.

COUNCIL-WIDE STORMWATER UPGRADES

Significant investment ($609k renewal, $300k enhancement) into stormwater infrastructure. This includes junction box and pit renewals, targeted work to enhance performance and additional investment in reuse infrastructure to irrigate our parks and gardens.

MOORUNDI WHARF RENEWAL

Minor upgrade to the Moorundi Wharf, valued at $200,000.

PUBLIC TOILET UPGRADES

An initial investment of $600,000 to commence implementation of the Public Toilet Strategy.

FOOTPATH FOCUS

A program of new and upgraded sections of footpaths in popular pedestian areas, and key community connection points - including Murray Bridge East.

SWIMMING CENTRE KEY WORKS

Critical energy efficiency renewal works to our swimming centre, including $288,000 for new pool covers, filtration and heating system improvements and a small pool boiler.



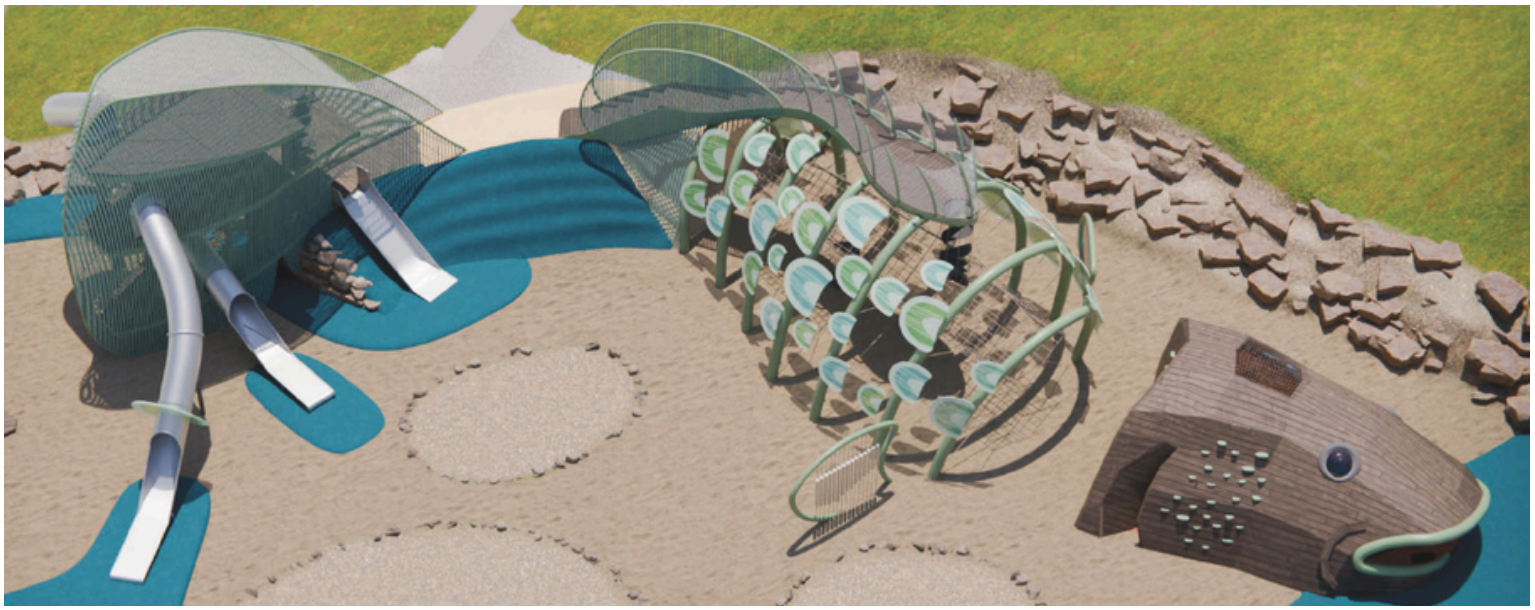


Capital Renewal projects are based on Council's Asset Management Portfolio Plan and other individual Asset Management Plans. Capital Enhancement projects are projects to construct new or upgrade existing infrastructure.

In 2026-27 we will be delivering a total capital works program of $21m including $12.4m on renewal and $8.7m on enhancement, supported by $6.35m in external grant funding. Key projects in this year's budget include:

- Upgrade to Sturt Reserve's Lawn Tennis Association fencing
- Improvements to local sport and recreation facilities
- Progression of the Open Space Renewal Program
- Bell's Landing Reserve boat ramp renewal
- Sealed and unsealed road programs planned across the region
- Infrastructure focus for East Side

More on capital projects can be found over the page and at Appendix 7.



ABOVE: Artist's impression of the Pondi Playspace.

STURT RESERVE PRECINCT UPGRADES AND PONDI PLAYSPACE

The next phase of the Sturt Reserve Master Plan is the development of the Pondi Playspace, part of the overarching Sturt Reserve Precinct Upgrades. This project, supported by a $4.85m grant from the Australian Government, will deliver world-class and unique community infrastructure at the riverfront in Murray Bridge.

Co-designed by the Ngarrindjeri community, the project will create a new open-air recreation/playspace that will represent the Dreaming – how the River Murray was formed.

This award-winning and nature-based design not only includes installation of the iconic giant Murray Cod (Pondi) climbing and play structure, but will also be flanked by a flying fox, swings, sand play, slides, trampoline and disability accessible play equipment.

Further, the precinct upgrade will include amenities to support visiting families, including sheltered seating, bespoke shade structure, outdoor classroom (circular outdoor seating), soundscape installation, bins, barbecues, drinking fountain, public artworks, lighting and major landscaping improvements.





ABOVE: Artist's impression of the Pondi Playspace.

LEFT: Artist's impression of the Sturt Reserve Precinct upgrade.

CAPITAL PROJECTS

	Project Name	Renewal	Enhancement
VALUED ENVIRONMENT	Footpath Expansion Program	-	$454,000
	BMX Dirt Jump Track	-	$230,000
	Open Space Renewal Program	$1,972,317	-
	Stormwater Program	$608,657	$300,000
	Water & Wastewater Renewal Program	$471,837	-
GREAT PEOPLE & LIFESTYLE	Sturt Reserve Precinct Upgrades and Pondi Playspace	$2,075,000	$6,225,000
DYNAMIC ECONOMY	Infrastructure Program	$4,862,328	$1,343,000
	Plant & Fleet Program	$465,973	$135,000
	Building Renewal Program	$1,372,200	-
	Fixtures Furniture Equipment	$140,000	-
	IT Renewal Program	$359,000	-
CONNECTED COMMUNITIES	Sport & Recreation Facilities	$30,000	-
		$12,357,312	**$8,687,000**

BUDGET SUMMARY



CURRENT ECONOMIC CLIMATE

The global economy in early 2026 remains modest but uneven, shaped by ongoing geopolitical instability. This environment has contributed to elevated inflation, softer growth and increasing financial pressure - particularly in developing economies.

In Australia, these global conditions are flowing through to the domestic economy. Inflation remains elevated while economic growth, although still positive, is tracking below long-term trends.

South Australia continues to perform relatively strongly; however, the state is not immune to broader economic forces. Key sectors such as transport, construction and agriculture - particularly in regional areas - are experiencing the impacts of rising costs and supply chain pressures. While the state remains structurally well positioned, it is increasingly influenced by national inflationary pressures and global cost shocks.

Looking ahead to the 2026–27 financial year, the outlook is cautiously optimistic but remains highly dependent on geopolitical conditions. A stabilisation in the global environment would likely see inflation begin to ease and support a gradual recovery in both global and domestic growth. However, if current conditions persist, ongoing supply disruptions and elevated energy prices are expected to continue weighing on growth and keeping inflation higher for longer.

Against this backdrop, local government is operating in an increasingly uncertain environment, with sustained cost pressures across key areas including construction materials, fuel, interest rates and contracted services.

BUDGET SNAPSHOT

Council has adopted a total budget of $73.7m in 2026-27. This includes $52.7m to deliver services and key projects, $12.4m on renewal of community assets and $8.7m on enhancing and upgrading assets.

Rates revenue is budgeted to be $41.6m in 2026-27.

Like the community, Council continues to face rising costs for services and materials. In response, the budget includes measures to manage these pressures and minimise impacts on ratepayers.

To help reduce the impact on the community, Council has lowered the rate in the dollar, while remaining aligned with Council's Long Term Financial Plan (LTFP) and continuing to support Council's long term financial sustainability. The 2026-27 Budget is based on a 3.9% increase in general rate revenue from existing ratepayers, together with growth in the rating base arising from new developments, additional assessments and property improvements.

Based on an average residential property value of approximately $545,000, the average residential rates payable for existing ratepayers is estimated to be $2,547. Further information on the composition of a rates notice is provided on page 33 under "What's on My Rates Notice?".

SALE OF LERWIN RESIDENTIAL AGED CARE

In November 2025, Council reached an agreement with specialist aged care provider Roshana Care for the sale of the Lerwin Residential Aged Care Facility. This step was taken to secure Lerwin's long-term future as a residential aged care service for our community. The sale was finalised, and management transitioned to Roshana Care on 30 January 2026. Proceeds from the sale will be reinvested into the community.

At its meeting on 10 March 2026, Council formalised a recommendation to the incoming Council to consider establishing a new Section 41 Committee. The Committee would provide advice on how to use the proceeds from the Lerwin sale. The Council will also talk to the community at the right time about how this money can best be used. The sale proceeds will remain ring-fenced within the budget. This means the funds will be set aside for future use and will not be used for day-to-day operational expenses.

The sale of Lerwin has reduced Council's ongoing operating exposure, returning a modest operating surplus, and supported improved long term financial sustainability.

BUDGET SNAPSHOT

LONG TERM FINANCIAL PLAN

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

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

Council have updated, consulted and adopted a new Long Term Financial Plan in alignment with the consultation and adoption of the 2026-27 Annual Business Plan and Budget.

HOW IS YOUR MONEY SPENT?

As per outlined in Council's Statement of Comprehensive Income, operating expenditure for 2026-27 is budgeted at $52.7m.

This is inclusive of:

- $23.2m on Employee Costs to deliver Services
- $16.8m on Materials and Contractors to deliver Services
- $12.2m of Depreciation
- $0.5m on Financing Costs

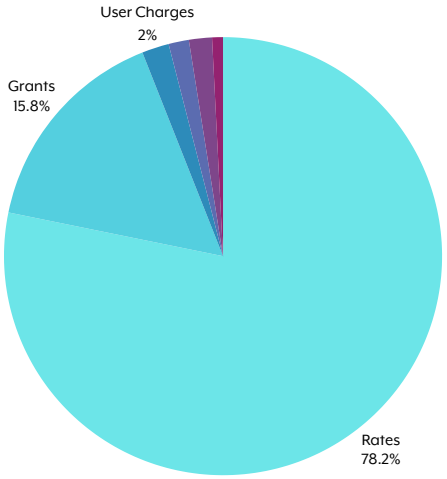
Council has budgeted to spend $12.4m on the renewal and replacement of existing assets, ensuring an Asset Renewal Funding Ratio of 116%. This means Council's existing non-financial assets (infrastructure, property, plant and equipment are being renewed and replaced at optimal levels as outlined in Council's Asset Management Plans.

The difference between Asset Renewal Expenditure ($12.4m) and Depreciation ($12.2m) is being utilised to fund capital enhancements and aquisitions, increasing service capacity and enhancing community infrastructure across the Rural City of Murray Bridge.

HOW IS THE PLAN FUNDED?

The main source of income for Council is rate revenue which makes up 78% of total revenue for 2026-27 with other sources being:

- Grants
- User charges
- Statutory charges
- Other income
- Reimbursements and investments



OUR BUDGET AT WORK

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



$3

BUSINESS UNDERTAKINGS/ OTHER EXPENSES



$23

COMMUNITY SUPPORT/ CULTURAL SERVICES

$7

ECONOMIC DEVELOPMENT



$10

REGULATORY SERVICES



$3

ENVIRONMENT



$4

LIBRARIES

$25

ROADS & TRANSPORT



$14

RECREATION



$11

WASTE MANAGEMENT

RATES, LEVIES & OTHER CHARGES



RATES OVERVIEW

Rates are the main source of funding for Council services, infrastructure, programs and projects. General rates represent about 78% of the total operating revenue estimated for this year.

WHAT ARE RATES?

Rates are levied as a tax on property in accordance with the Local Government Act. They are not a fee for service, but are based on property value, meaning higher value properties contribute more than lower value properties.

Rates support the delivery and maintenance of Council services, infrastructure, programs and projects. Council manages assets—including roads, drainage, sporting facilities, footpaths and buildings—with a current value of approximately $406 million. These assets require ongoing maintenance, renewal and replacement to continue meeting community needs.

Rate revenue provides a stable funding source to maintain these assets and sustain service levels. Council is mindful of the impact on ratepayers and is committed to seeking efficiencies and alternative funding sources where possible.

In addition to general rates, Council collects service charges for specific services, including waste collection, the Community Wastewater Management System (CWMS), and the State Government's Regional Landscape Levy.

RATING POLICY

In accordance with Section 147 of the Local Government Act, all land within the area of a council is rateable, except for land specifically exempt, such as Crown land and land occupied by Council. Council reviews its Rating Policy annually to ensure that it is fair and equitable to all.

HOW LAND IS VALUED

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

Council has continued to see significant increases in property valuations during the 2025-26 property valuation process across the Rural City of Murray Bridge, particularly within the residential land use category. These updated property valuations form the basis for the calculation of rates for the 2026-27 financial year.

While Council does not determine property valuations, it will lower the rate in the dollar to help reduce the impact of these valuation increases on the community, while remaining aligned with Council's Long Term Financial Plan (LTFP) and continuing to support long term financial sustainability.



GENERAL RATES FOR 2026-27

Council intends to raise approximately $41.6m from rates in 2026-27. This includes an increase in general rate revenue from existing ratepayers of approximately 3.9%, together with growth in the rating base arising from new developments, additional assessments and property improvements.

DIFFERENTIAL RATE (RATE IN THE DOLLAR)

Council currently applies the following differential rating relativities across land use categories:

LAND USE CATEGORY	DIFFERENTIAL RATE
Residential	0.00467326
Commercial	0.00747716
Industrial	0.0065426
Primary Production	0.00420594
Vacant Land	0.00700994
Other	0.00467326

Refer to the Statement of Expected Revenue for more information at Appendix 8.

RATE COMPARISONS

The average residential rate for existing ratepayers in 2026-27 will be $2,547.

MINIMUM RATE

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

Council therefore sets a minimum rate each year. This minimum rate will increase in 2026-27 to $1,234.00 per annum, compared to $1,176.00 in 2025-26, an increase of $58.



Image Credit: Darren Clements

WHAT'S ON MY RATES NOTICE?

To make it easier to understand your rates notice, here's a breakdown of the most common costs.

This example is calculated based on a residential property with:

- An average residential capital value of $545,000
- No connection to Community Wastewater Management System (CWMS)
- Access to Council's waste service
- No outstanding fees, charges, or outstanding rates

BELOW: Breakdown of costs on an example annual rates notice.

CHARGE	AMOUNT
Capital value multiplied by rate in the dollar	$2,547
Regional Landscape Levy	$70
Kerbside Recycling Service	$110
Green Waste Collection Service	$69
Fines & interest (for overdue rates and charges)	if applicable
TOTAL DUE	$2,796
THIS QUARTER	$699

Rates

The rate in the dollar that applies to the property's land use code (e.g. Residential, Primary Production etc), multiplied by the property's capital value (as set by the Valuer General).

Regional Landscape Levy

A State Government tax collected by Council to fund the regional landscape boards that manage SA's natural resources. Council does not keep this money, nor control how it is spent. The 2026-27 Regional Landscape Levy is 0.00012933 in the dollar of capital value. Refer page 35.

Kerbside Recycling

Charges applied for those who receive the recycling (yellow lid) kerbside bin service.

Green Waste

Charges applied for those who receive the green waste (green lid) kerbside bin service.

Fines & interest

These are calculated if/when you pay your rates after the due date, or your account has an overdue balance.

Total due

Total amount due this financial year.

This quarter

You can choose to pay annually (the total amount above) or, if you opt to pay quarterly, we'll send you a rates notice each quarter. You can also choose to set up weekly, fortnightly, or montly payments.

HOW YOUR RATES ARE CALCULATED

Council calculates the amount of rates paid based on:

- The capital value of each property as assessed by the Valuer-General.
- Applying different rates in the dollar to each category (land use).
- Multiplying the value of a property (as assessed by the Valuer-General), by the rate in the dollar.
- Applying any additional levies or service charges (e.g. kerbside bin collection, CWMS).

WHY IS MY CHANGE IN RATES DIFFERENT?

The amount shown on your notice may differ from the average rates listed above. This is because your rates are calculated based on factors specific to your property, including its capital value, and any development that may have occured on the property.

PAYING RATES

Council offers a range of assistance options to ratepayers for the payment of rates.

REBATES

Council may provide mandatory rebates in relation to land used for:

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

In addition, Council may provide discretionary rebates. Refer to our Rating Policy or Rate Rebate Policy for more information.

RATE REMISSIONS, RATE POSTPONEMENTS, RATE REBATES AND RATE CAPPING

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

RATE CAPPING

Rate capping is a benefit available on application in writing, where a rate increase exceeds 15% or 7.5% for age pensioners, and this increase is not a result of capital improvements (e.g., home extensions, new builds or upgrade, etc.) or a change in land use (e.g. from vacant to residential).

RATES HARDSHIP

Council provides support for ratepayers having difficulty paying their rates. If you're struggling, please contact us to talk about your payment options.

Refer to our Rates Financial Hardship Policy for more information.

POSTPONEMENT OF RATES FOR SENIORS

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

Seniors must pay the first $500 of rates charged each year but can postpone payment of any amount above this.

Refer to our Senior Rates Postponement Policy for more information.

FOR MORE INFORMATION

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

Copies of Council policies are available in person from the Local Government Centre or on our website www.murraybridge.sa.gov.au.

OTHER LEVIES AND CHARGES

COMMUNITY WATER & WASTEWATER MANAGEMENT SYSTEMS (CWMS)

The CWMS at Riverglen and Woodlane are funded separately. The cost of running these schemes has been examined with the view to arriving at a sustainable charge that when applied, not only funds both the schemes' day-to-day operations, but also whole-of-life costs.

Council recovers the cost of operating and maintaining water and sewerage schemes at Riverglen and Woodlane.

CWMS SERVICE RATES + CHARGES	RATE
Riverglen Commercial	$780 + 0.303717 cents in the dollar*
Riverglen Allotments	$780 + 0.05945 cents in the dollar*
Woodlane	$997 + 0.153521 cents in the dollar*

*Cents in dollar multiplied by capital value

METERED WATER CHARGES		RATE
RIVERGLEN	<140kL	$2.357 per kL
	140kL - 520kL	$3.365 per kL
	>520kL	$3.646 per kL
WOODLANE	<130kL	No charge
	>130kL	$3.646 per kL

SOLID WASTE MANAGEMENT

NEW GARBAGE COLLECTION SERVICE

The supply of household garbage bins to new properties will incur a one-off charge of $105 per bin in 2026-27.

REPLACEMENT BINS

Replacement of lost, damaged or stolen bins will incur a service charge of $105 per bin in 2026-27.

ADDITIONAL GARBAGE COLLECTION SERVICE

The supply of an additional garbage bin to a property in which a service is provided will incur a service charge of $173 per bin in 2026-27.

KERBSIDE RECYCLING AND GREEN WASTE SERVICE

A service charge of $110 will be applied in 2026-27 for the provision of a kerbside recycling service. An additional $69 will be applied to properties that receive the green waste service.



REGIONAL LANDSCAPE (FORMALLY NRM) LEVY

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

The levy is a SA Government tax imposed under the Landscape South Australia Act 2019. Council is obliged to collect the levy on behalf of the SA Government. It is based on the capital value of land and is shown as a separate line on the rates notice. The Landscape Board have advised that the levy for the Rural City of Murray Bridge will increase from $958k to $988k, an increase of 3.2%. For information about how the levy is used visit: www.landscape.sa.gov.au/mr/home

MEASURING OUR PERFORMANCE



OUR COMMITMENT TO TRACKING PROGRESS

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

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

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

Our reporting includes:

ANNUAL REPORT

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

PROGRESS REPORTS

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

FINANCIAL REPORTING

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

COMMUNITY ENGAGEMENT AND EXPERIENCE REPORTS

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

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

KEY FINANCIAL INDICATORS

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

ASSET RENEWAL FUNDING RATIO

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

ADJUSTED NET FINANCIAL LIABILITY RATIO

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

ADJUSTED OPERATING SURPLUS/(DEFICIT) RATIO

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

Indicator	2025-26 Forecast	2026-27 Budget
Asset Renewal Funding Ratio	88.3%	116.4%
Adjusted Net Financial Liability Ratio	55.5%	43.9%
Adjusted Operating Surplus/(Deficit) Ratio	(1.6%)	1.1%

PROGRESS UPDATE

ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA

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

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

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

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

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

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

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

ESCOSA RECOMENDATION	RURAL CITY OF MURRAY BRIDGE PROGRESS
Continue to review its inflation forecasts in its budget and forward projections each year.	This is in line with our annual Long Term Financial Plan review and formulation of the Annual Business Plan and Budget. The 2026-27 budget is predicated on an acknowledgment of the 4.9% CPI for Adelaide assumption, and includes impacts from such items as cost increases both inline with and above CPI across the suite of its services; and organisational alignments for changing service provision requirements. All rate increases have been in consideration of cost of living pressures within the community, and thus a proposed average rate increase of 3.9% for existing rate payers. Furthermore the consideration in 2026-27 includes efficiencies and project savings to ensure the correct balance to manage the additional cost pressures direct to Council delivering services to the same community. The Long Term Financial Plan aligns CPI forecast to that of the South Australian Centre for Economic Studies.

ESCOSA RECOMENDATION	RURAL CITY OF MURRAY BRIDGE PROGRESS
Review employee expense projections and better explain the need for a projected peak in costs in 2026-27 in its updated long-term financial plan.	Following the sale of the Lerwin Residential Aged Care Facility in January 2026, the Long Term Financial Plan has recut the extrapolation of employee costs, and includes allowances for the forecast increase in employees required to align with the BDO internal audit on Council's capability and capacity, and the alignment to the structure plan and the implications flowing from increased growth.
Consider coordinating annual updates of its budget and business plans for annual updates to its long-term financial plan to provide more transparency to the community on the longer-term impacts of its short-term decisions.	An updated Long Term Financial Plan is being consulted and will be adopted in conjunction with the 2026-27 Annual Business Plan and Budget.
Continue to report cost savings and efficiencies in its future budgets, to show efficiencies across its operations and service delivery.	Savings of $1.065m were achieved in the 2023-24 financial year, and verified by an independent review completed by BDO. In the 2024-25 financial year the original target of $165k was over achieved by a further $600k of savings and has an ongoing commitment to operational savings and efficiencies demonstrated by $350k and $250k savings and efficiencies within the 2025-26 and 2026-27 Annual Business Plan and Budget, with the on-flowing impacts incorporated and reported within the Long Term Financial Plan.
Review its asset management plans, particularly plant and fleet assets, to ensure they cover a period of 10 years.	A fulsome review and update of all the Infrastructure and Asset Management plans have been conducted, together with specific Asset Management Plans currently in consultation for the more complex service assets such as Water and Waste Water, Plant and Fleet and the Swimming Pool.
Update its asset condition assessments, valuations, and useful life estimates in its asset management plans, to ensure they contain the most current information available	During the 2024-25 financial year Council updated and adopted its Asset Management Portfolio Plans. The 2025-26 Annual Business Plan and Budget saw the incorporation of additional resource allocations on an ongoing basis ($80k annually) to facilitate and deliver Asset Conditions Assessments and Valuations to compliment the annual review, and periodic updates of all Asset Management Plans, ensuring asset information is current and accurate going forward.
Include more detail about the renewed, new, or upgraded capital spending on infrastructure to better align and provide transparency between asset management and long-term financial plans.	Greater project detail is included in the Annual Business Plan and Budget and Long Term Financial Plan with both renewal and enhancement assumptions and allocations reported for the life of the plan.
Continue to update existing and complete new asset management plans with a focus on considering the community's desired service levels, capital spending requirements, and alignment with long-term financial plan projections.	A fulsome review and update of all the Infrastructure and Asset Management plans have been conducted, together with specialised plans for the more complex service assets such as water and waste water, plant and fleet and the swimming pool.

ESCOSA RECOMENDATION	RURAL CITY OF MURRAY BRIDGE PROGRESS
Report estimated average annual change for rates and other charges, together with how much of annual revenue it expects to collect, in its annual business plan, to provide greater clarity and transparency to its ratepayers.	The average change for rates and separate charges are all aligned to changes with reference to CPI and an estimation of growth impact. This is depicted in the annual business plan and budget document with the clear intent to limit the rate burden on the ratepayers. The Long Term Financial Plan aligns CPI forecast to that of the South Australian Centre for Economic Studies.
Review the rateable property growth forecasts in its budget each year to ensure they do not create a need for additional rate increases to generate the same level of projected revenue.	The Rural City of Murray Bridge is a growth Council and although we feel the growth estimates in the Long Term Financial Plan are conservative, they are reviewed annually with the most recent data available. Within the 2025-26 Annual Business Plan and Budget there has been a focus on projects that harness growth opportunities, further justifying all growth assumptions in forecasts. This has been further demonstrated with a realignment of services to include Growth & Economic Development specific roles and projects, and an ongoing Future City mindset that provide insight and considerations to inform these forecast assumptions.
Review and consider limiting further rate increases to reduce cost-of-living pressure on the community.	This is apparent with our continual reduction of the rate in the dollar over the last several years to limit the average increase of rates across all differentials with a reference to the March Adelaide CPI reading. This is demonstrated by the fact over the past 5 years (including the 2026-27 Annual Business Plan and Budget) the overall cumulative impact has been less than that of CPI.

APPENDICES



RURAL CITY OF MURRAY BRIDGE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2027

APPENDIX I

	Actual 2024/25 Audited	2025/26 Forecast	Proposed Budget 2026/27	Variance
INCOME	**$'000**	**$'000**	**$'000**	**$'000**
Rates	36,384	39,097	41,626	2,529
Statutory Charges	718	754	790	36
User Charges	3,299	2,447	1,062	(1,385)
Grants, Subsidies and Contributions	21,240	12,113	8,432	(3,681)
Investment Income	215	184	112	(72)
Reimbursements	567	351	291	(60)
Other Income	809	901	906	5
Net gain - joint ventures & associates	40	31	32	1
Total Income	**63,272**	**55,878**	**53,251**	**(2,628)**
EXPENSES				
Employee costs	28,569	26,456	23,215	3,241
Materials, contracts and other expenses	19,837	19,866	16,827	3,039
Depreciation, amortisation and impairment	12,826	12,596	12,165	431
Finance costs	716	605	475	130
Total Expenses	**61,948**	**59,523**	**52,682**	**6,841**
OPERATING SURPLUS / (DEFICIT)	**1,324**	**(3,645)**	**569**	**4,214**
Amts received spec for new or upgraded assets	3,289	1,154	6,352	5,198
Physical resources received free of charge	4,094	244	-	(244)
Net Gain/Loss on Disposal or Revaluation of Assets	(2,311)	-	-	-
Operating result from discontinued operations	-	-	-	-
NET SURPLUS/(DEFICIT)	**6,396**	**(2,247)**	**6,921**	**9,168**
Revaluation reserve Adjustments	4,401	-	-	-
Shares of Other Comprehensive Income	5	-	-	-
Total Other Comprehensive Income	**4,406**	**0**	**0**	**0**
TOTAL COMPREHENSIVE INCOME	**10,802**	**(2,247)**	**6,921**	**9,168**
Financial Assistance Grant Adjustment	**(2,689)**	**2,689**	**0**	**(2,689)**
UNDERLYING OPERATING SURPLUS/(DEFICIT)	**(1,365)**	**(956)**	**569**	**1,525**

RURAL CITY OF MURRAY BRIDGE
BALANCE SHEET
AS AT 30 JUNE 2027

APPENDIX 2

	Actual 2024/25 Audited	2025/26 Forecast	Proposed Budget 2026/27	Variance
ASSETS	$'000	$'000	$'000	$'000
Current Assets				
Cash and cash equivalents	227	4,205	5,460	1,249
Cash and cash equivalents - Restricted	3,577	3,329	4,497	(1,568)
Rates Receivable	1,821	1,335	1,400	65
General Debtors & Other Receivables	749	608	465	(143)
Prepayments & Accrued Revenue	515	506	480	(26)
Inventories	830	515	540	25
Non-Current Assets Held for Sale	146	-	-	-
Total Current Assets	**7,865**	**10,498**	**12,842**	**(398)**
Non Current Assets				
Equity Accounted Investments	826	857	889	32
Fixed Assets	430,472	428,781	412,386	(16,395)
Work in Progress	2,075	1,754	2,854	1,100
Total Non Current Assets	**433,373**	**431,392**	**416,129**	**(15,263)**
Total Asset	**441,238**	**441,890**	**428,971**	**(15,661)**
LIABILITIES				
Current liabilites				
Trade Payables	1,914	1,779	2,766	(298)
Deposits/Trusts/Payments Rec'd in Advance	13,288	11,145	4,182	(8,414)
Rates Paid in Advance	734	737	773	36
Current Loan Liabilities	7,994	5,781	3,521	(2,260)
Employee Entitlements (LSL)	2,080	2,231	2,231	-
Employee Entitlements (AL)	2,192	2,330	1,781	(549)
Other Employer Entitlements	125	372	372	-
Other Current Liabilities (accruals)	1,971	839	839	-
Total Current Liabilities	**30,298**	**25,214**	**16,465**	**(11,485)**
Non Current Lliabilities				
Non Current Loan Liabilities	8,382	16,302	18,562	2,260
Employee Entitlements (LSL)	910	973	677	(296)
Total Non Current Liabilities	**9,292**	**17,275**	**19,239**	**1,964**
Total Liabilities	**39,590**	**42,489**	**35,704**	**(9,521)**
NET ASSETS	**401,648**	**399,401**	**393,267**	**(6,134)**
EQUITY				
Accumulated Surplus / (Deficit)	120,277	116,235	113,988	(2,247)
Asset Revaluation Reserves	285,413	285,413	272,358	(13,055)
Surplus/(Deficit)	(4,042)	(2,247)	6,921	9,168
TOTAL EQUITY	**401,648**	**399,401**	**393,267**	**(6,134)**

RURAL CITY OF MURRAY BRIDGE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2027

APPENDIX 3

	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
Actual 2024/25 Audited	**$'000**	**$'000**	**$'000**
Balance at end of previous reporting period	120,277	281,012	401,289
Net Surplus/(Deficit)	(4,042)		(4,042)
Transfer to Reserves		4,401	4,401
Transfer between reserves			-
Balance at end of the reporting period	**116,235**	**285,413**	**401,648**
Forecast 2025/26			
Balance at end of previous reporting period	116,235	285,413	401,648
Net Surplus/(Deficit)	(2,247)	-	(2,247)
Transfer to Reserves	-	-	-
Transfer between reserves	-	-	-
Balance at end of the reporting period	**113,988**	**285,413**	**399,401**
Proposed Budget 2026/27			
Balance at end of previous reporting period	113,988	285,413	399,401
Net Surplus/(Deficit)	6,921	-	6,921
Transfer to Reserves	-	(13,055)	(13,055)
Transfer between reserves	-	-	-
Balance at end of the reporting period	**120,909**	**272,358**	**393,267**

RURAL CITY OF MURRAY BRIDGE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2027

APPENDIX 4

	Actual 2024/25 Audited	2025/26 Forecast	Proposed Budget 2026/27	Variance
Cash Flows from Operating Activities	**$'000**	**$'000**	**$'000**	**$'000**
Receipts				
Operating Receipts	66,285	55,540	53,251	(2,289)
Investment Receipts	215	184	112	(72)
Payments				-
Operating Payments to Suppliers and Employees	(51,109)	(45,440)	(40,045)	5,395
Finance Payments	(734)	(670)	(475)	195
Net Cash provided by (or used in) Operating Activities	**14,657**	**9,614**	**12,843**	**3,229**
Cash Flows From Investing Activities				
Receipts				
Amounts Received Specifically for New/Upgraded Assets	2,624	1,154	6,352	5,198
Sale of replaced Assets	235	-	-	-
Sale of Surplus Assets	901	146	-	(146)
Distributions Received from Equity Accounted Council Businesses		-	-	-
Repayments of loan by Community Groups	7	-	-	-
Payments				-
Expenditure on Renewal/Replacement of Assets	(10,338)	(8,283)	(12,357)	(4,074)
Expenditure on New/Upgraded Assets	(5,029)	(1,846)	(8,687)	(6,841)
Capital Contributed to Equity Accounted Council Businesses		-	-	
Net cash provided by (or used in) Investing Activities	**(11,600)**	**(8,829)**	**(14,692)**	**(5,863)**
Cash Flows from Financing Activities				
Receipts				
Proceeds from Borrowings	7,485	14,089	7,065	(7,024)
Proceeds from Aged Care Facility Deposits	3,296	2,880	-	(2,880)
Payments				-
Repayments of Borrowings	(9,128)	(8,933)	(2,793)	6,140
Repayment of Aged Care Facility Deposits	(3,024)	(2,880)	-	2,880
Net Cash provided by (or used in) Investing Activities	**(1,371)**	**5,156**	**4,272**	**(884)**
Net Increase (Decrease) in Cash Held	1,686	5,941	2,423	
Cash & Cash Equivalents at beginning of period	**(93)**	**1,593**	**7,534**	**5,941**
Cash & Cash equivalents at end of period	**1,593**	**7,534**	**9,957**	**5,941**

RURAL CITY OF MURRAY BRIDGE
UNIFORM PRESENTATION OF FINANCES
FOR THE YEAR ENDED 30 JUNE 2027

APPENDIX 5

	Actual 2024/25 Audited	2025/26 Forecast	Proposed Budget 2026/27	Variance
Operating Activities	**$'000**	**$'000**	**$'000**	**$'000**
Operating income	63,272	55,878	53,251	(2,627)
less: Operating expenses	61,948	59,523	52,682	6,841
a - Operating Surplus/(Deficit)	**1,324**	**(3,645)**	**569**	**4,214**
Capital Activities				
Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of existing Assets	10,338	8,283	12,357	(4,074)
less: Depreciation, Amortisation and impairment	12,826	12,596	12,165	(431)
less: Proceeds from Sale of Replaced Assets	235	-	-	-
b - Net Outlays on Existing Assets	**(2,723)**	**(4,313)**	**192**	**(4,505)**
Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets	(5,029)	1,846	8,687	(6,841)
less: Amounts received specifically for New and Upgraded Asets	2,624	1,035	6,352	(5,317)
less: Proceeds from Sale of Surplus Assets	235	146	-	146
c - Net Outlays on New and Upgraded Assets	**(7,888)**	**665**	**2,335**	**(1,670)**
Net Lending/(Borrowing) = a - b - c	**11,935**	**3**	**(1,958)**	**(1,961)**

RURAL CITY OF MURRAY BRIDGE
FINANCIAL INDICATORS
FOR THE YEAR ENDED 30 JUNE 2027

APPENDIX 6

	Actual 2024/25 Audited	2025/26 Forecast	Proposed Budget 2026/27	Variance
Operating Surplus Ratio *Operating Surplus* Operating surplus before capital revenues/total income	2.1%	(6.5%)	1.1%	7.6%
Adjusted Operating Surplus Ratio Operating Surplus adjusted by advance payments made by the Federal Government Adjusted Operating Surplus before capital revenue/total income	(2.2%)	(1.6%)	1.1%	2.7%
Net Financial Liabilities Ratio *Net Financial Liabilities* (Total Liabilities - Financial Assets)/Total Income	52.0%	55.5%	43.9%	(11.6%)
Asset Renewal Funding Ratio *Net Assets Renewal* Net Assets renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.	139.0%	88.3%	116.4%	28.1%
Net Interest Ratio Net Interest Costs as a % of Total Operating Revenue	1.1%	1.1%	0.9%	(0.2%)

Schedule of Footpath Expansion Works	
Mitchell Avenue, Murray Bridge East	
Warrigal Avenue, Murray Bridge East	
Thule Drive, Murray Bridge East	
Donald Avenue, Murray Bridge East	
Eleanor Terrace, Murray Bridge	
Cromwell Road, Murray Bridge	
Industry Road, Murray Bridge	
Edwards Square, Murray Bridge	Footpath works improving accessibility
Schedule of Unsealed Road Renewal Works	
Bells Road, Monteith	Sladden Road to East Gunn Road
Ettrick - Captman Bore	Karoonda Road to North East Karoonda Road
Humphrey Lane, Brinkley	Brinkley Road to driveway 1,585m southwest Brinkley Road north
Samuels Road, Callington	Strathalbyn Road to Council Boundary
Swamp Road, Mobilong	Bridge to Pump Road and road opening process
Sladden Road, Monteith	
Skeldon Road, Wellington	
Boundary Road, Burdett - Ettrick	4,080m north Bowhill Road to 6,040m north Bowhill Road
Quandong Road, Mypolonga	Kalinda Drive to 262m east Cocky Hill Road

CAPITAL RENEWAL PROGRAM

APPENDIX 7

Schedule of Unsealed Road Renewal Works	
Bremer Range, Callington	North Bremer Road to Wundy Road
Chauceys Line Road, Monarto South	Harvey Road to driveway 3,000m east Council Boundary
Schulz Road, Kepa	700m north Orland Road to Kepa Road Orloand Road to 700m north Orland Road
Schedule of Sealed Road Renewal Works	
Amanda Street, Murray Bridge	Slade Street to Sturt Street
Best Street, Murray Bridge	Lohmann Street to Swanport Road
Bremer Road, Murray Bridge	Adelaide Road to Doecke Road
Bremer Road Cemetery, Murray Bridge	Along North side of Children's Section
Brinkley Transfer Station, Brinkley	Around east side of Large Recycle Drop Off Shed
Burdekin Avenue, Murray Bridge	Frances Street to Lachlan Avenue
Frances Street, Murray Bridge	Homburg Drive to Laura Street
Gail Crescent, Murray Bridge	Homburg Drive to Pfitzner Close
Gladstone Street, Murray Bridge	Gray Street to Mulgundawah Road
Grassmere Drive, Murray Bridge	Sherwood Road to Warner Road
Hindmarsh Road, Murray Bridge	Hume Avenue to Old Swanport Road
Hirt Avenue, Murray Bridge	Kintore Avenue to Pugh Avenue

CAPITAL RENEWAL PROGRAM

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Schedule of Sealed Road Renewal Works	
Homburg Drive, Murray Bridge	Darling Avenue to Hindmarsh Road Gail Crescent to Frances Street Heddle Avenue to Cawte Street
Humphrey Street, Murray Bridge	Lohmann Street to Leslie Street
Laura Street, Murray Bridge	Frances Street to Whitehead Avenue
Lookout Drive, Murray Bridge East	Old Princes Highway to Siesta Drive Thiele Road to Thule Road
Melville Terrace, Murray Bridge	Gray Street to Mulgundawah Road
Mulgundawah Road, Murray Bridge	Swanport Road to Hill Street
Murray Avenue, Woodlane	Woodlane Drive to 185m north Woodlane Drive
Myall Avenue, Murray Bridge	Standen Street to William Street
Old Princes Highway, Monarton South	Driveway 1,770m east Thomas Crescent to Frahns Farm Road
Ovens Avenue, Murray Bridge	Homburg Drive to Hennig Street
Oxford Street, Murray Bridge	Cooke Street to Monash Terrace
Parish Crescent, Murray Bridge	Stonyfell Drive to Leslie Street
Pelican Court, Woodlane	Woodlane Drive to 139m north west Woodlane Drive
Railway Terrace, Murray Bridge	Fourth Street to Second Street
Reserve Court, Murray Bridge	Reserve Drive to 37m west Reserve Drive Reserve Court to Freida Street

CAPITAL RENEWAL PROGRAM

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Schedule of Sealed Road Renewal Works	
Ritter Street, Murray Bridge	Standen Street to Sturt Street
Ritter Street Service Road, Murray Bridge	Ritter Street west to Ritter Street east
River Street, Murray Bridge	Sturt Street to Gray Street
South Bokara Road, Mypolonga	Green Street to Kellett Road
Standen Street, Murray Bridge	38m south Adelaide Road to Ella Street Myall Avenue to Hill Street Thomas Street to Ritter Street
Sturt Reserve Road, Murray Bridge	Olympic Drive to Murray Cods Drive
Sturt Street, Murray Bridge	Verdun Road to Hill Street
Verdun Road, Murray Bridge	Edwards Street to Mulgundawah Road
Weigall Avenue, Murray Bridge	Hill Street to Kintore Avenue
Wiliam Street Murray Bridge	Myall Avenue to Hill Street
Footpath and Car Parking Bays Adelaide Road and Standen	Standen Corner and first 2 Parking Bay areas

STATEMENT OF EXPECTED REVENUE

APPENDIX 8

Statement on Expected Rate Revenue

Expected Rates Revenue

	2025-26 (as adopted)	2026-27 (estimated)		Change	Comments
General Rates Revenue					For 2026-27, the Budget is based on a 3.9% increase in General Rate revenue from existing ratepayers, together with an estimated 2.7% increase attributable to growth in the rating base from new developments and property improvements.
General Rates (existing properties)		$ 39,194,117	(a)		
General Rates (new properties)		$ 335,283	(b)	2.7%	
General Rates (GROSS)	$ 37,254,199	$ 39,529,400	(c)		
Less: Mandatory Rebates	$ 1,199,094	$ 1,095,577	(d)		
General Rates (NET)	$ 36,055,105	$ 38,433,823	(e)	6.6%	Net General Rates revenue is expected to increase by approximately 6.6%, reflecting both growth in the rating base and a reduction in mandatory rebates.
	(e)=(c)+(d)				
Other Rates (inc. service charges)					
Regional Landscape Levy	$ 957,512	$ 988,155	(f)		The Regional Landscape Levy is a State tax, it is **not retained** by council.
Waste collection	$ 1,834,401	$ 2,025,743	(g)		All bins - new, additional, recycling, green, reduced charges
Water supply	$ 58,684	$ 46,483	(h)		Woodlane & Riverglen
CWMS	$ 205,968	$ 221,570	(i)		
	$ 39,111,670	$ 41,715,774			
Less: Discretionary Rebates	$ 299,520	$ 413,525	(j)		
Expected Total Rates Revenue	$ 38,812,150	$ 41,302,249	(m)	6.4%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
	(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)				

Estimated growth in number of rateable properties

Number of rateable properties	12739	12878	(n)	1.1%
	Actual	*Estimate*		

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

Estimated Increases in General Rates Revenue

Rates from New Properties	$ 335,283.0	0.9% *Estimate*	Growth represents the additional rate revenue generated from new rateable properties and developments added to Council's rating base.
Rates from Completed Developments	$ 625,861.6	1.7% *Estimate*	
Rates from Existing Unchanged Properties	$ 1,417,573.4	3.9% *Estimate*	
Total Increase in Rates	$ 2,378,718.0	6.6% *Estimate*	

Estimated average General Rates per rateable property

Average per rateable property	$ 2,924	$ 3,070	(o)	5.0%
	(o)=(c)/(n)			

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

The estimated average movement per rateable assessment is approximately 5.0%, which includes estimated growth included in the assesment number of 1.1% from new additional assessments added to Council's rating base. Excluding this estimated growth component, the Budget is based on an overall increase in general rate revenue of approximately 3.9%.

Notes

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

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

Please Note: The percentage figure in *(e)* relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

(f) Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.

(i) Community Wastewater Management Systems

(j) 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 the *Local Government (Financial Management) Regulations 2011* reg 6(2)

STATEMENT OF EXPECTED REVENUE

APPENDIX 8

Statement on Expected Rate Revenue

Expected Rates Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the $
	2025-26	2026-27	Change	2025-26	2026-27	2025-26	2026-27	Change	2026-27
Land Use (General Rates - GROSS)									
Residential	$ 22,005,069	$ 24,564,032	12%	9391	9647	$ 2,378	$ 2,546 (p)	$168	0.4673260
Commercial	$ 4,938,986	$ 4,639,632	-6%	561	563	$ 8,627	$ 8,241 (p)	-$386	0.7477161
Industry	$ 2,422,669	$ 2,407,153	-0.6%	151	159	$ 15,800	$ 15,139 (p)	-$661	0.6542620
Primary Production	$ 5,534,569	$ 5,484,601	-0.9%	1678	1572	$ 3,343	$ 3,489 (p)	$146	0.4205940
Vacant Land	$ 1,517,639	$ 1,565,174	3%	737	717	$ 1,705	$ 2,183 (p)	$478	0.7009940
Other	$ 835,268	$ 868,807	4%	221	220	$ 3,796	$ 3,949 (p)	$153	0.4673260
Total Land Use	$ 37,254,199	$ 39,529,400	6.1%	12,739	12,878	$ 2,924	$ 3,070 (p)	$145	5.0%
GRAND TOTAL (GROSS)	$ 37,254,199	$ 39,529,400	6.1%	12,739	12,878	$ 2,924	$ 3,070 (p)	$145	5.0%

Council uses a differential rating system, using Land Use Codes as the factor to apply such differential rates.
In applying differential general rates, Council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all Council areas, particularly as it relates to the various sectors of the business and wider community.

For 2026-27, the Budget is based on a 3.9% increase in general rate revenue from existing ratepayers, together with growth in the rating base arising from new developments, additional assessments and property improvements. The estimated average increase per rateable assessment is approximately 5.0%, including growth of approximately 1.1% from additional assessments added to Council's rating base.

Minimum Rate

	No. of properties to which rate will apply		Rate			
	2026/2027	% of total rateable properties	2025/2026	2026/2027		Change
Minimum Rate	884	6.9%	$1,176	$1,234	(r)	$58

The Minimum Rate provides a mechanism where lower valued properties do not pay less than a minimum amount as determined by the council. Typically, only a small number of all properties (with no more than 35%) pay a minimum amount. Council proposes to set a minimum rate of **$1,234** which shall be applied to all rateable properties. This will affect **7.3%** of rateable properties.

Adopted valuation method

Capital Value/Site Value/Annual Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:
Capital Value – the value of the land and all improvements on the land;
Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or
Annual Value – a valuation of the rental potential of the property.

Council continues to use Capital Value as the basis for valuing land within the Council area. Capital value is used as the basis for valuing land as it broadly reflects the relative market value of properties across the district, supports the equitable distribution of rates, and aligns with the principles outlined within Council's Rating Policy

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided* by number of rateable properties within that category in the relevant financial year.

(q) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

(r) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA REPORT

APPENDIX 9

Advice

Local Government Advice

Rural City of Murray Bridge

February 2023

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

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

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Glossary of terms

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

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

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

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

Budgeting considerations

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

Providing evidence of ongoing cost efficiencies

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

Improvements to asset management planning

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

Reporting and containing rate levels

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

2 About the advice

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

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

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

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

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

2.1 Summary of advice

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

1 Amendments to the *Local Government Act 1999* (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).
2 Commonly referred to as asset management plans.
3 The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.
4 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.
5 Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.
6 LG Act s122(1f)(a) and (1g)(a)(ii).
7 LG Act s122(1f)(b) and (1g)(b).
8 LG Act s122(1h).
9 The Commission must publish its advice under LG Act s122(1i)(a).

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

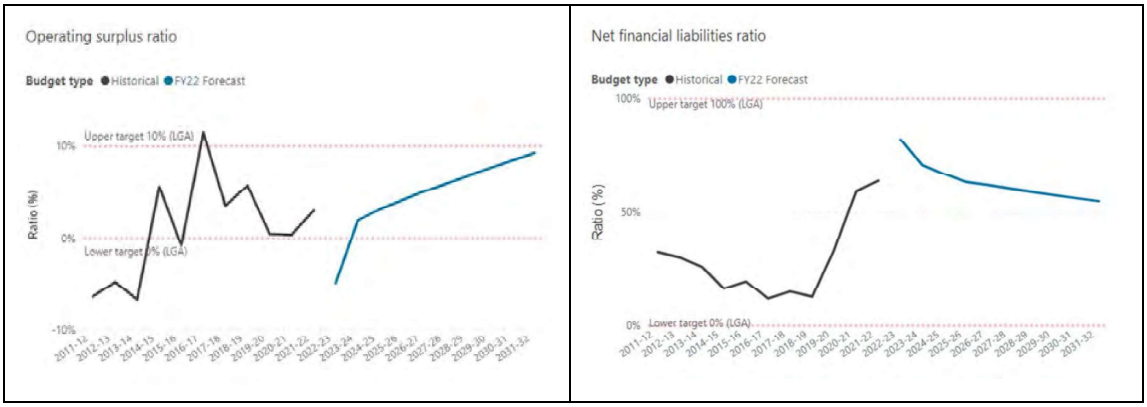
The Commission encourages the Council to continue to identify and report efficiencies and recurrent savings in its annual business plan, as it has been doing, to ensure that it continues to perform sustainably.

Large increases to rate levels in the past have resulted in comparatively higher rate levels for the Rural City of Murray Bridge[10] and affordability risk for the community at these levels is apparent. The Council has planned for rate increases more aligned with inflation (with accompanying high property growth) from 2022-23, which should help to reduce this risk over time. Higher projected operating surpluses might provide the Council with the opportunity to reduce rate levels further than those it has estimated in future years (noting it is still forecasting inflation-based rate increases).

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

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

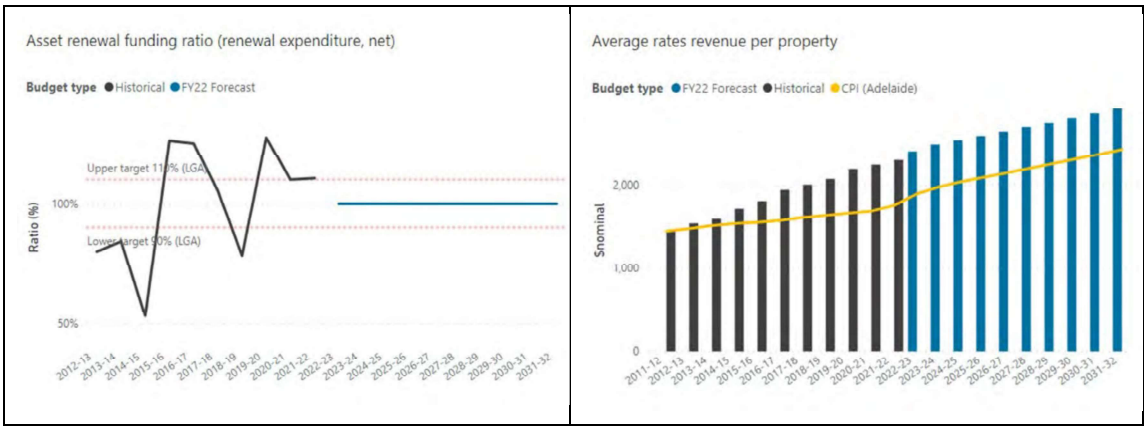
The charts below of the Rural City of Murray Bridge's past and projected operating surplus ratio, net financial liabilities ratio, asset renewal funding ratio[11] and average rate revenue per property, together support several the findings. The 'heat map' diagram over the page summarises the Commission's findings with reference to whether the Council has met the suggested LGA target ranges for the three main financial sustainability indicators[12] and the level of cost control and affordability risk identified for the Council over time.



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

[11] Calculated net of asset sales.

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



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

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

Ratio outside suggested LGA target range or higher risk

Ratio close to suggested LGA target range or medium risk

Ratio within suggested LGA target range or lower risk

2.2 Detailed advice findings

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

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

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

2.2.1 Advice on material plan amendments in 2022-23

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

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

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

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

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

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

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

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

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

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

[16] As per footnote 14.

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

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

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

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

2.2.2 Advice on financial sustainability

Operating performance

The Rural City of Murray Bridge has been in a financially sustainable position with operating surpluses since 2014-15. Accordingly, the operating surplus ratio[20] has generally been within the suggested LGA target range (of between zero and 10 percent) to 2021-22.

The financially sustainable position for the Council has been the result of average operating income growth of 4.4 percent per annum[21] exceeding average operating expense growth of 3.6 percent over 2011-12 to 2020-21. Rate contributions have led the income growth, increasing by an average of 5.7 percent per annum over this period, compared with 1.7 percent in the CPI[22] and 0.6 percent growth in property numbers. The associated affordability risks for the community are discussed in section 2.2.3 below. 'Grants, subsidies and contributions' income, which forms another important source of income for the Rural City of Murray Bridge, was relatively flat over this period (declining by 0.3 percent).[23]

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

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

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

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

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

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

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

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

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

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

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

Net financial liabilities

The Council's net financial liabilities ratio[28] has comfortably met the sector benchmark (between zero and 100 percent) [29] over the past 10 years, demonstrating that the Council has been incurring borrowings and other liabilities that its operating income can reasonably service.

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

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

Asset renewals expenditure

The Rural City of Murray Bridge has been meeting its asset renewal needs in line with its AMPs over the past 10 years with its asset renewal funding ratio[30] averaging 103 percent; and 110 percent in the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.2.3 Advice on current and projected rate levels

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

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

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

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

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

The Commission notes that the Council appears to have considered the impact on its community from rate rises in its annual business plan[37] and at this stage, its LTFP does not appear to have proposed any increases to existing average rate levels in real terms. To 2031-32, the Council has planned for rates per property to increase by an average of 2.2 percent per annum. This is lower than RBA-based forecast inflation growth of 2.8 percent per annum.[38] Around half of the Council's projected rates revenue growth is anticipated to be due to property growth (with the Council's assumption for average annual growth of 2.0 percent to 2031-32) and the remainder is due to projected inflation impacts.

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33 Under s6(ec).

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

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

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

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

38 See footnote 15.

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

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

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

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

2.3 The Commission's next advice and focus areas

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

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



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