DISTRICT COUNCIL OF LOXTON WAIKERIE

ANNUAL BUSINESS PLAN 2025-26

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District Council of Loxton Waikerie
Annual Business Plan

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COMMUNITY ENGAGEMENT

FRIDAY 31 JANUARY 2025

A community engagement campaign was launched, enabling community feedback from two separate activities (Community Survey & Pitch Your Project). The campaign received 110 submissions across the activities.

WEDNESDAY 19 MARCH 2025

Results from the community engagement campaign were presented to Elected Members at the Council meeting held 19 March 2025 and referred to during budget preparation and workshops.

WEDNESDAY 14 MAY 2025

The 2025-26 Draft Annual Business Plan was released for public consultation, inviting written submissions from the community online, in person, via email or by post.

THURSDAY 29 MAY 2025

A formal public meeting to hear community representations on the Draft Annual Business Plan 2025-26 was held at the Loxton Precinct and via Zoom.

WEDNESDAY 4 JUNE 2025

Public consultation concluded, with all community submissions on the 2025-26 Draft Annual Business Plan due by 5pm.

WEDNESDAY 18 JUNE 2025

A report containing all submissions on the Draft Annual Business Plan 2025-26 was presented to the Council meeting.

INTRODUCTION

Welcome to the District Council of Loxton Waikerie's Annual Business Plan for the 2025–26 financial year. This document outlines Council's strategic priorities, key initiatives, and operational focus for the year ahead, serving as a clear roadmap to guide decision-making and service delivery across our district.

At the heart of local government is our responsibility to support and enhance community wellbeing through the provision of essential services and infrastructure. The Annual Business Plan articulates how we intend to meet the evolving needs of our residents, while advancing the long-term strategic objectives identified in our Community Plan—all within a framework of sound financial management and accountability.

The development of this Plan has been informed by valuable feedback received from community members, stakeholders, elected representatives, and Council staff through a series of engagement activities. It reflects a shared vision of Loxton Waikerie as a connected, inclusive, and economically resilient region. The Plan outlines the specific actions we will take to achieve our goals, along with performance measures to track our progress and ensure transparency.

This document also provides an overview of the key influences, opportunities, and fiscal considerations that have shaped our priorities for the 2025–26 period. It details the proposed capital works and strategic initiatives for the coming year, supported by our financial statements, rate revenue strategy, and a summary of recent community engagement outcomes.

This year's plan includes the assessment by the Essential Services Commission of SA which highlights that Council has been and is currently financially sustainable, but like all local governments is challenged to maintain its asset base and services in to the future.

It is important to note that this Annual Business Plan does not include provision for several major capital projects that may be finalised during the 2025–26 financial year, including the proposed Waikerie Recreation and Sport Centre upgrade, and the redevelopment of the Waikerie and Loxton swimming pools. While these projects remain under active investigation and development, their inclusion in Council's capital program will be subject to the completion of detailed planning, community consultation, funding confirmation, and formal Council endorsement. Council remains committed to progressing these significant community assets in a financially responsible and transparent manner, and further updates will be provided as these initiatives advance.

Council remains committed to principles of good governance—transparency, accountability, and responsiveness. We welcome continued community involvement and encourage residents, businesses, and stakeholders to provide feedback or engage with us throughout the year via council@lwdc.sa.gov.au as we deliver on our commitments and work towards a strong and sustainable future for our district.

FROM THE MAYOR

It is my privilege to present the District Council of Loxton Waikerie's Annual Business Plan for 2025-26. As we look ahead to the coming year, we do so with a clear focus on resilience, recovery, and renewal.

Over the past year, our district has faced significant challenges. Prolonged drought conditions, frost and sustained low grape prices have placed considerable strain on our local industries, particularly our growers and producers across the Riverland. These pressures are being felt across our economy, affecting jobs, local businesses, and household wellbeing. Council recognises the seriousness of these impacts, and we are committed to advocating strongly for our region and working collaboratively with industry partners, state and federal governments to deliver meaningful support.

While last year's efforts focused on flood recovery, this year our focus must broaden to include water security, agricultural sustainability, and economic diversification. We are committed to ensuring that our strategies respond directly to these evolving conditions, supporting not only immediate recovery but also the long-term viability of our communities.

In this challenging economic environment, we remain determined to manage our resources prudently while continuing to invest in the infrastructure, services, and local projects that matter most to our residents. This plan reflects our efforts to strike that balance—delivering value, maintaining community assets, and supporting growth where it's needed most.

In recognition of the ongoing cost-of-living pressures faced by many families, Council has introduced a fee waiver for entry into both the Loxton and Waikerie Swimming Pools for the upcoming season. This initiative is a small but meaningful way of giving back to our community—helping to ease financial pressure while encouraging health, wellbeing, and connection in the warmer months.

As always, I invite and encourage feedback from our community. This Annual Business Plan is your plan—it should reflect your priorities, your aspirations, and your voice. We welcome your ideas, insights, and participation as we shape the year ahead together.

Thank you for your continued support and commitment to our district. I look forward to working alongside you as we navigate the challenges ahead and build a resilient and thriving future for all.

Trevor Norton
Mayor

FROM THE CEO

The District Council of Loxton Waikerie remains committed to delivering responsive, sustainable, and forward-looking local governance. Our focus continues to be on building a resilient district, one that is capable of withstanding current economic challenges while positioning itself for future prosperity.

The economic environment remains uncertain, with ongoing cost-of-living pressures continuing to affect households and businesses throughout our region. The drought in our farming areas is creating uncertainty after a poor 2024 harvest. In addition, the sustained downturn in wine grape pricing presents a significant challenge to our local economy, particularly given the central role the wine industry plays in our district. Council recognises the need for a measured and compassionate approach in the face of these conditions—one that balances financial responsibility with the need to support our community.

Our financial strategy for 2025–26 is built on the principles of prudence, efficiency, and transparency. We remain committed to ensuring that Council operations are conducted in a cost-effective manner, without placing unnecessary financial pressure on ratepayers. Strong internal controls, rigorous budget oversight, and enhanced reporting will continue to underpin our financial management practices.

This Annual Business Plan outlines a targeted program of projects and initiatives that address immediate community priorities while progressing our longer-term strategic goals. From infrastructure renewal and service delivery to economic development and environmental stewardship, every action taken by Council is guided by a desire to improve quality of life for our residents and to safeguard the future of our district.

Council is thankful for the continue Federal Government support with Financial Assistance Grants, Roads to Recover Funding and other program access that supports our financial sustainability and service delivery and reduces the burden on us as ratepayers.

I would like to thank our community for their continued support and engagement. Working together, we will navigate the challenges ahead and build on the strengths that make the Loxton Waikerie district a vibrant and thriving place to live, work, visit, and invest.

David Beaton
Chief Executive Officer

YOUR COUNCIL

ELECTED MEMBERS

Our Elected Members are responsible for policy making and decisions that impact on our district, community, businesses, and environment.

The roles of our Elected Members are to:

- Participate in the deliberations and civic activities of our Council.
- Keep the Council's objectives and policies under review to ensure appropriateness and effectiveness.
- Keep the Council's resource allocation, expenditure and activities and the efficiency and effectiveness of its service delivery under review.
- Represent the interests of residents and ratepayers, provide community leadership and guidance, and facilitate communication between the community and the Council.

Trevor Norton
Mayor

Cr Jody Flavel
Deputy Mayor

Cr Sonya Altschwager

Cr Kent Andrew

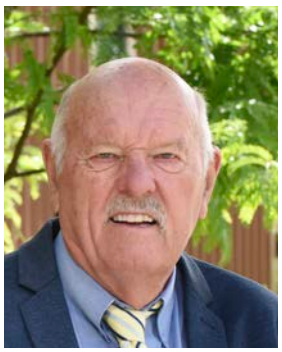
Cr Craig Ferber

Cr Sonia Fowler

Cr Michelle Hill

Cr Ian Light

Cr Clive Matthews



Cr Gary Pfeiler

Cr Michael Vowles

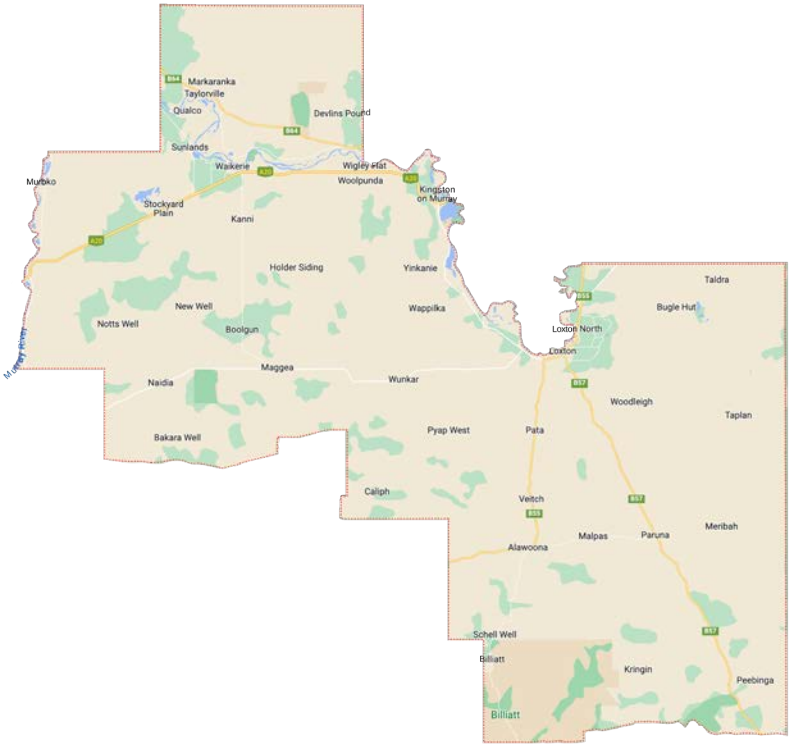
ABOUT THE COUNCIL

The District Council of Loxton Waikerie is located on the River Murray in the Riverland of South Australia, spanning from the Blanchetown bridge in the west to the Victorian border in the east.

The townships of Loxton and Waikerie are our main service centres and our district also contains many smaller towns and communities.

Our main industries include agriculture and horticulture, with the district contributing significantly to the national output of food and beverage. Important value-adding activities also occur locally, with food and beverages being processed; packaged; stored; and distributed within and from the local area.

Tourism also plays an important part in the mix of our local economy, with an increasing and coordinated effort evident in this sector in recent years.



FAST FACTS

Population - 11,949

(estimated resident population)
(ABS statistics as at 2024)

Main Towns -
Loxton (3,947)
Waikerie (1,670)

Area - 7,767km²

Road Network -
Sealed (433km)
Unsealed (1,873km)

Rateable Properties - 8,230

VISION AND VALUES

Our Vision

Our vision statement is our inspiration and provides us with purpose, strategic direction, motivation, and purpose.

In 2035, with a population of 15,000, we are a vibrant, productive, connected community with outstanding facilities, lifestyle and environment.

Our Mission

Our mission aligns with our strategic objectives and indicates how we will achieve our vision. It provides an indication of how we are going to get to where we want to be.

We are committed to:

- Actively enhancing the quality of life of our communities by encouraging health, wellbeing and safety.
- Encouraging and supporting a strong diverse economy that will provide prosperity, growth and employment opportunities for our community.
- Responsibly managing our built and natural environment.
- Providing genuine and accountable leadership that inspires confidence within our community and ensures the responsible management of our resources.
- Being an organisation that has a constructive culture and the capacity to be innovative.
- Effective and efficient delivery of quality services to the community.

Our Core Values

Our core values are the principles, attributes and qualities we hold as important that we will display in the way we go about our business.

We are
GENUINE
Adhering to moral and ethical principles, being honest, accountable, trustworthy and authentic.

We are
UNITED
Working as a team in an inclusive, co-ordinated and collaborative manner to achieve our common goals.

We will aim for
EXCELLENCE
Consistently delivering quality service outcomes and endeavouring to be a high performance organisation.

We will
LISTEN
Communicating as well as engaging the community in an open, honest and constructive manner at all times.

We will be
INNOVATIVE
Seeking out and making use of new ideas and opportunities, showing initiative and being progressive, proactive and creative.

We are
CARING
Showing respect, compassion and empathy and being supportive of each other and our community.

COUNCIL SERVICES

Like all Councils, the District Council of Loxton Waikerie has mandatory responsibilities under the Local Government Act, the Planning, Development and Infrastructure Act, the Public Health Act, the Landscape South Australia Act and other relevant legislation.

Regulatory Activities

- Maintaining the voters' roll
- Property ownership data
- Supporting Elected Members

Finance and Governance

- Setting rates
- Preparing an annual budget
- Determining longer term strategic management plans for our district

Infrastructure Management

- Community buildings, roads and footpaths
- Parks and public open spaces
- Stormwater drainage

Maintenance

- Street cleaning
- Kerbside waste collection
- Recycling

Development

- Development planning and policy
- Building control
- Building fire safety assessment

Environment

- Health standards inspections
- Waste control application assessment
- Dog and cat management
- Bushfire management

Council also delivers a raft of discretionary services which further enhance the health, wellbeing and prosperity of our community.

Community

- Recreation centres and sporting facilities
- Community swimming pools
- Public libraries
- Community funding programs
- Arts and culture

Tourism

- Visitor Information Centres
- Event support
- Online tourism presence

Other

- Community Wastewater Management Systems (CWMS)
- On street parking management to maximise use of kerbside spaces
- Waste education

Council operates several facilities on behalf of the community. These facilities provide important community benefits and include the stand-alone business units of the Loxton Riverfront Holiday Park and the Loxton Retirement Village. It is noted these two business units require no support from rates.

STRATEGIC DOCUMENTS

Council has a number of strategic plans that shape the structure and content of each Annual Business Plan. These are reviewed in development of the ABP, guiding the projects included and ensuring they are prioritised accordingly.

More information on each of Council's strategic documents has been outlined:

ANNUAL BUSINESS PLAN

Council's Annual Business Plans set out our key directions and projects for the coming year, what these projects are aiming to achieve, their cost, and how they will advance the overall strategic direction for our district.

ANNUAL REPORT

The Council must prepare and adopt an annual report relating to the operations of the council for the financial year ending on the preceding 30 June.

COMMUNITY STRATEGIC PLAN

The Community Strategic Plan has been developed to provide our community with a clear picture of what Council's strategic direction will be for the next fifteen years. This is a robust plan that provides direction for achieving the aspirations and goals of the community for the future of the district.

CORPORATE PLAN

The Corporate Plan is a short-term plan that outlines the priorities and actions of Council within its current term, to achieve the Community Strategic Plan's strategies and provide operational direction.

LONG TERM FINANCIAL PLAN

The purpose of a Long Term Financial Plan is to express, in financial terms, the activities Council intends to undertake over the next 10 years to achieve its objectives. It guides the future planning of Council's financial operations in regard to key components such as rate increases, service levels to our community, infrastructure asset replacement/ renewal.

ASSET MANAGEMENT PLAN

The Asset Management Plan is a key component of Council's strategic planning framework. It outlines the service levels and renewal strategies needed to ensure the sustainable management of Council's infrastructure assets, supporting long-term community needs and financial responsibility.

OTHER

- Growth Strategy
- Community Land Management Plan *
- Boating and Riverfront Facilities Plan *
- Houseboat Management Plan
- Arts and Culture Strategic Plan

* Currently under review.

INFLUENCES

Several significant factors have influenced the preparation of Council's Annual Business Plan and Budget 2025-26.

COST OF LIVING PRESSURES

The current cost of living pressures has a broad impact on a range of community groups including residents and business. To alleviate this, council aims to keep rates low to ensure the burden on ratepayers remains manageable.

FINANCIAL PRESSURES

Financial factors have influenced the preparation of the Annual Business Plan including:

- Increase in the Consumer Price Index (CPI) of 2.2% for the year ending March 2025 (Adelaide all groups).
- A provision for an increase in salaries and wages in accordance with the relevant Enterprise Bargaining Agreements.
- Increasing costs in public liability insurance, property insurance and electricity supply.
- Ongoing increased pricing of trades and materials.

GRANT FUNDING

Through strategic partnerships with State and Federal Governments, Council secures significant funding to support the enhancement of community infrastructure, often requiring financial contributions from Council. The 2025–26 Budget includes several key grant-funded projects, such as major upgrades to the Community Waste Management System, the construction of an off-road shared path in the townships of Loxton and Waikerie, and the completion of the 2022–23 flood recovery works.

SUSTAINABLE ASSET MANAGEMENT

The requirement to maintain and improve ageing infrastructure assets to acceptable standards, including roads, footpaths, stormwater drainage, street trees, open space and Council properties is a key priority and responsibility. One of the greatest challenges for Council is maintaining its large asset base and prioritising capital works programs and determining what it can afford.

LONG TERM SUSTAINABILITY

Council needs to meet its current obligations without leaving a significant financial impost for future generations. Council is committed to being more efficient in its operations to ensure it is delivering the most important services to the community. Where possible council will identify cost savings and efficiencies to reduce increases in its operational expenditure.

STRATEGIC OBJECTIVES

Outlined in the Council's strategic documents, these objectives serve as a guiding framework for key initiatives and actions, shaping the Council's approach to planning for the district's future. The strategic objectives include:

- Our Community - Actively enhancing the quality of life of our communities by encouraging health, wellbeing, and safety.
- Our Economy - Encouraging and supporting a strong, diverse economy that will provide prosperity, growth, and employment opportunities for our community.
- Our Infrastructure - Providing the infrastructure the community needs now and into the future.
- Our Environment - Responsibly managing our built and natural environment.

COMMUNITY ENGAGEMENT

Council's community engagement activities play a vital role in shaping the Annual Business Plan by ensuring the voices, needs, and priorities of the community are heard and considered. Through consultation and feedback, Council aligns its goals and initiatives with what matters most to residents.

STATUTORY REPORTING AND REQUIREMENTS

There are several statutory matters that absorb significant amounts of staff time. in 2024-25, Council was part of the Local Government Advice scheme for Tranche 3. This review was completed by the Essential Services Commission of SA (ESCOSA). The revised legislation has benefits in terms of public transparency and accountability, but it does also add financial costs to Councils. A copy of the review has been attached at the end of this Annual Business Plan.

PRIORITIES AND OPPORTUNITIES OF INTEREST

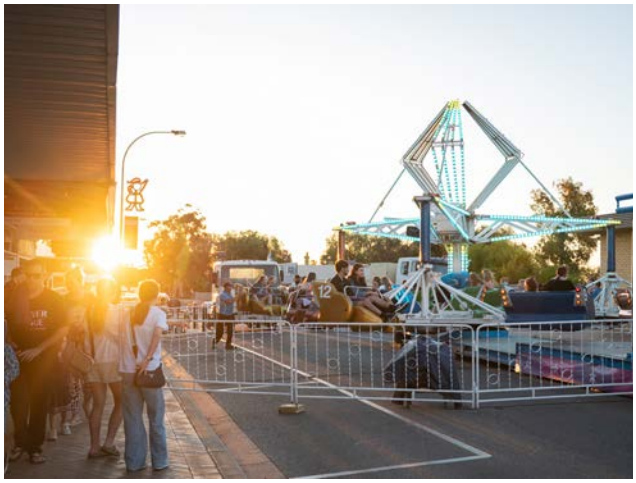
In 2025-26 the Council will continue to work through projects already underway and projects that are prioritised from our strategic management plans and allocations from State or Federal Governments. In addition to this, Council also considers the following priorities and opportunities of interest:

ECONOMIC GROWTH AND PROSPERITY

Economic activity and growing the population are important for Council. Council has allocated funding to the following strategic activites:

Loxton Chamber of Commerce	$16,000
Riverland West Chamber of Commerce	$16,000
Destination Riverland	$65,000

In addition to the above, in 2025-26, Council will finalise the Housing Support Program, which has assisted in developing and delivering master plans, design documentation, and development applications for Loxton, Loxton West, and Waikerie. This initiative will strengthen Council's planning capabilities, enabling the fast-tracking of housing development in the Riverland Region.



TOURISM SUPPORT AND DEVELOPMENT

Tourism will again be a focus for Council during 2025-26. Council works closely with Destination Riverland and the South Australian Tourism commission to promote the region.

In an effort to support growth within the arts and culture sector, Council will continue to resource the arts and cultural facilitator role, partner with organisations and neighbouring Councils, and look to attract funding. This investment will strengthen the community on a social and economic level, fostering creativity for individuals, groups, and the community as a whole.

COMMUNITY DEVELOPMENT AND WELLBEING

Council will continue its investment to support community organisations during 2025-26 at a figure of $250,000. Included within this amount are the funding of various events and projects. An approved list can be found on Council's website.

Council together with the Office for Recreation, Sport and Racing will continue to deliver the Connected and Active Communities Program. The Program is a place-based approach that leverages local strengths to increase physical activity participation and grow communities.

Council will partner with regional councils, the Murraylands and Riverland Local Government Association, and Preventive Health SA to co-fund a Preventative Health Project Officer. This role will lead a proactive, evidence-based approach to key health priorities - obesity, substance use, tobacco and vaping, mental health, and suicide prevention - across the Riverland.

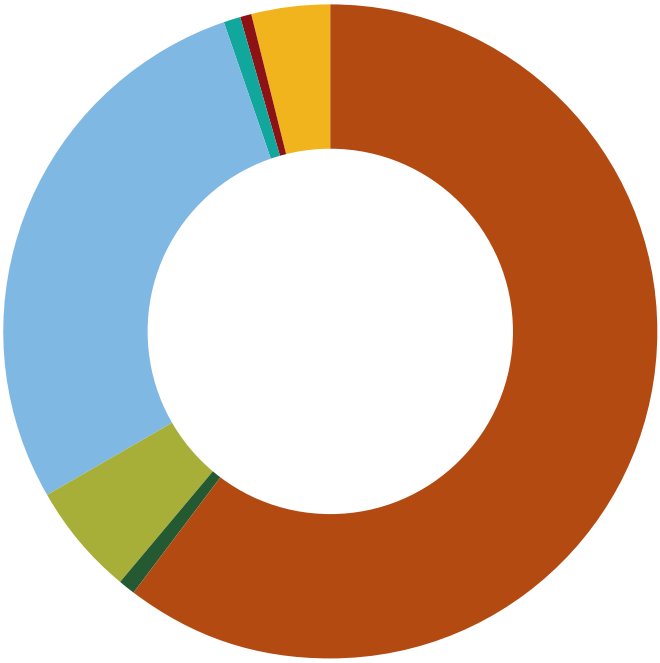
FUNDING THE ANNUAL BUSINESS PLAN

FUNDING THE ANNUAL BUSINESS PLAN

The 2025-26 budget forecasts an operating surplus of $8,000. The operating surplus measures the difference between operating revenue and expenses for the financial year. Our long-term financial sustainability is dependent on ensuring that over time, our expenses are (on average) less than our revenue and a target of better than breakeven is strived for.

Operating Income

INCOME	$'000
Rates Revenue	16,193
Statutory Charges	253
User Charges	1,497
Grants, Subsidies and Contributions	7,531
Investment Income	245
Reimbursements	115
Other Income	1,031
Total Income	26,865



- Rates Revenue 60.28%
- Statutory Charges 0.94%
- User Charges 5.57%
- Grant's Subsidies and Contributions 28.03%
- Investment Income 0.91%
- Reimbursements 0.43%
- Other Income 3.84%

RATES

Our rate revenue includes general rates and separate charges for Community Waste Management System (CWMS), Kerbside Waste Collection and Regional Landscape Levy.

USER CHARGES

These comprise charges for our fee-based facilities such as: Loxton Retirement Village, cemeteries, waste transfer stations, sundry sales and hall hire.

GRANTS AND PARTNERSHIPS

Each year Council receives significant contributions from Commonwealth Financial Assistance Grants which are administered and distributed by the South Australian Local Government Grants Commission. In addition, Council seek to attract as much external grant funding as possible from other levels of government. Major projects of wider state benefit are also usually jointly funded in partnership with the State Government and other relevant parties.

STATUTORY CHARGES

These are fees and charges for services set by regulation and collected by us for functions including: Planning Development and Infrastructure Act applications, rate searches, animal registration and fines, parking and expiation fees, health, environment control and litter control fines, waste control system fees and other licence fee/fines.

Operating Expenditure

EXPENDITURE	$'000
Employee Costs	8,005
Materials, Contracts and Other	9,659
Finance Costs	55
Depreciation	9,138
Total Expenditure	26,857

- Employee Costs 29.81%
- Materials, Contracts and Other 35.96%
- Finance Costs 0.20%
- Depreciation 34.03%

EMPLOYEE COSTS

Employees are responsible for delivering Council services, including the ongoing maintenance of open spaces. Increases in employee costs are due to provisions in existing Enterprise Agreements and the increase in the Superannuation Guarantee Contribution. There is no increase in the number of Council employees.

MATERIALS, CONTRACTS AND OTHER

Council's 'Materials, Contractors and Other' budget includes physical goods, purchases for consumables, utility payments, building costs, repairs and maintenance. Services are provided by external providers and Council uses contractors to assist in the provision of major services such as waste collection.

FINANCE COSTS

Finance costs include costs, interest and other charges associated with Council's borrowings. Council has minimal borrowings, with all current loans taken on behalf of community groups. Council's 2025-26 annual business plan will be funded from grant funding and existing financial capacity without the need for borrowing.

DEPRECIATION

Depreciation forms a significant portion of Council's operating expenditure. Depreciation is an accounting treatment used to allocate the costs of an asset over its useful life. It represents how much of an asset's value has been used.

Capital Revenue

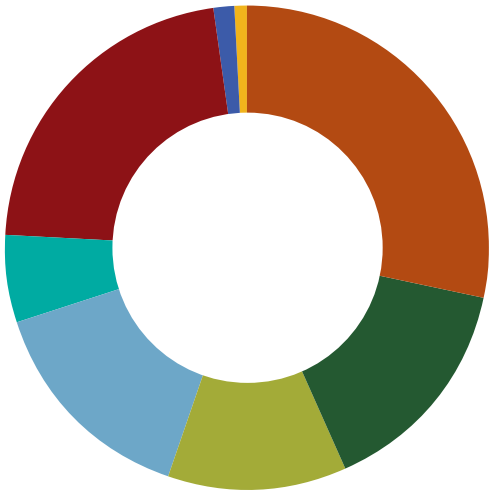
CAPITAL GRANTS AND CONTRIBUTIONS

Council has incorporated $3.103m in capital grants and contributions towards new capital works planned in 2025-26.

Capital Expenditure

Council is responsible for a large portfolio of assets with a current value of approximately $267m. In determining its capital works program Council has been mindful of the need to maintain and renew current assets. The proposed capital renewal program is $11.310m, whilst the proposed new and upgraded assets capital projects total $4.721m.

CAPITAL EXPENDITURE	$'000	
Roads	4,490	28.0%
Footpaths, Kerbing & Walking Trails	2,344	14.6%
Plant	1,856	11.6%
Essential Council Services *	2,301	14.4%
Buildings	1,163	7.3%
Open Space (Recreation, Riverfront, Parks & Gardens)	3,534	22.0%
Other	246	1.5%
Organisational	98	0.6%
Total Capital Expenditure	16,031	



** Council's essential services include waste and community waste management systems*

This Annual Business Plan excludes several major projects still under consideration, including the Waikerie Recreation and Sport Centre upgrade and the Waikerie and Loxton pool redevelopments. Their inclusion in the capital program depends on planning, consultation, confirmed funding, and Council approval. Council remains committed to progressing these projects responsibly and will provide updates as they evolve.

Impacts on Council's Financial Position

To assist Council in meeting its objective of financial sustainability a series of financial indicators are endorsed by the Local Government Association. The below table outlines the adopted key financial indicators and adopted targets.

Key financial ratios are forecast to be within their targeted ranges for the 2025-26 year.

The Operating Surplus Ratio is the operating surplus/(deficit) expressed as a percentage of total operating revenue.

Net financial liabilities are a key indicator of the Council's financial position. It measures total liabilities less financial assets (i.e., what the Council owes to others, less money the Council has or is owed).

The Asset Sustainability Ratio is the net capital expenditures on the renewal and replacement of existing assets and excludes new capital expenditure. This ratio indicates whether the Council is renewing or replacing existing assets at the rate of consumption. Council's long-term target of 100% ensures that Council aims to invest adequately in maintaining its asset base.

KEY FINANCIAL INDICATOR	ADOPTED TARGETS	2025-26 ADOPTED BUDGET	2024-25 ADOPTED BUDGET
Operating Surplus Ratio	0%	0.03%	0.01%
Net Financial Liabilities Ratio	0-100%	57%	47%
Asset Sustainability Ratio	90-110%	190%	127%
Underlying Asset Sustainability Ratio*	90-110%	143%	-

** Excludes Loxton Retirement Village and flood recovery works.*

CAPITAL PROJECTS

CAPITAL WORKS PROGRAM

Project Name	Budget ($)	New or Renewal	Comment	Estimated Completion
OUR INFRASTRUCTURE - Providing the infrastructure the community needs now and into the future.				
Flood Recovery Projects	2,027,000	R	Deliver restoration projects in Paisley, Holder, Waikerie and Loxton (post and rail replacement, campgrounds, shelters, boat ramps, bank stabilisation, street furniture & walking trails).	Qtr 4
Roads - Resheet	2,875,000	R	Undertake road resheeting works in line with Council's approved program.	Qtr 4
Roads - Resealing	1,051,213	R	Re-sheeting as per Council approved work program.	Qtr 4
Edwin Lane (Loxton)	28,474	R	Base preparation and sealing of laneway to prevent erosion during rainfall events.	Qtr 3
Plant Replacement	1,856,039	R	Replace various plant and fleet items in line with operational requirements.	Qtr 4
Loxton Wastewater Treatment Plant Upgrade Project	885,500	N	Implement wastewater treatment systems to allow unrestricted reuse and reduce flooding near showgrounds and sports fields. Staged over 2025-26 and 2026-27.	Qtr 4
Waikerie Wastewater Treatment Plant Upgrade Project	600,000	N	Increase wastewater capacity to support an additional 628 domestic connections. Staged over 2025-26 and 2026-27.	Qtr 4
LX18 CWMS Chamber Upgrade	352,880	R	Upgrade to a larger effluent chamber at LX18 to increase storage and allow for future area growth.	Qtr 3
LX4 CWMS Chamber Upgrade	50,040	R	Replace lid and install non-return valve at LX4 wastewater chamber.	Qtr 1
LX1 CWMS Chamber Upgrade	50,040	R	Replace lid and install non-return valve at LX1 wastewater chamber.	Qtr 1
LX16 CWMS Chamber Upgrade	47,160	R	Replace lid and install non-return valve at LX16 wastewater chamber.	Qtr 1
Ramco Road Effluent Upgrade	41,224	R	Install ventilation stack and upgrade the syphon break at Ramco Road for improved system performance.	Qtr 1
Loxton Retirement Village Unit Refurbishment	764,688	R	Continue general and changeover refurbishment of Loxton Retirement Village units.	Qtr 4
Footpaths and Kerbing - Loxton and Waikerie	573,684	R	Deliver footpath projects as outlined in the Council's approved work program.	Qtr 4
Loxton Shared Path	565,713	N	Construct off-road shared use path in the Loxton township. Staged over 2025-26 and 2026-27.	Qtr 4

CAPITAL WORKS PROGRAM

Project Name	Budget ($)	New or Renewal	Comment	Estimated Completion
Waikerie Ramco Shared Path	565,713	N	Construct off-road shared use path in Waikerie and Ramco townships. Staged over 2025-26 and 2026-27.	Qtr 4
Woodleigh Childcare Centre Paving and Footpath	270,720	N	Install new kerbing and paved footpath along Coral Street and Kokoda Terrace.	Qtr 4
Luther Road Kerbing and Footpath	68,760	N	Construct new kerbing and footpath along Luther Road for the proposed subdivision.	Qtr 2
Pram Ramps	20,000	N	Continue pram ramp installations across the district to improve accessibility.	Qtr 4
Beautification of the Waikerie Town Entrances - stage 1	300,000	N	Enhance Waikerie's town entrance through landscaping and visual upgrades.	Qtr 4
Loxton Riverfront Shelters	250,000	N	Install two shelters with BBQs and seating at the Loxton Riverfront - Snake Island and Lion's Park.	Qtr 4
Waikerie Institute - Stage 2	200,000	R	Enhancing functionality of the Waikerie Institute by continuing improvements to effluent disposal, water supply, kitchen facilities, and upgrades to the staging area.	Qtr 4
Playground Equipment Replacement + Installation	100,000	N/R	Ongoing program to replace ageing playground equipment in Loxton, Waikerie, and surrounding areas.	Qtr 3
Loxton North Sporting Precinct Shelter	97,472	N	Installation of a new shelter near the playground for spectators and events.	Qtr 4
Loxton Lions Park Post Replacement	49,730	R	Replace existing chain fence and steel bollards with new bollards for safety and appearance.	Qtr 3
Moorook Kingston Curved Shelters	43,800	R	Replace two shelters and pave underneath three shelters at Moorook.	Qtr 3
Crush Terrace + Civic Avenue beautification	30,254	N	Implement beautification works at Crush Terrace and Civic Avenue.	Qtr 2
Promnitz Garden Wall Restoration (Waikerie)	22,500	R	Undertake restoration of the stone wall at Promnitz Garden.	Qtr 2
Moorook Riverfront Irrigation	9,004	N	Install irrigation and undertake general beautification works on the Moorook Riverfront across from the Moorook Club.	Qtr 1
Loxton Depot Detailed Designs	50,000	N	Develop a proposal for a new or relocated Infrastructure Services depot in Loxton.	Qtr 2
Loxton Waste Transfer Station Fencing	8,110	N	Replace 315m of fence at the Transfer Station due to tree removal and public access concerns.	Qtr 1

CAPITAL WORKS PROGRAM

Project Name	Budget ($)	New or Renewal	Comment	Estimated Completion
OUR COMMUNITY - Actively enhancing the quality of life of our communities by encouraging health, wellbeing, and safety.				
Loxton Oval #2/Skatepark Toilet	150,000	N	Install a surplus toilet unit to upgrade existing facilities at the Loxton Oval #2/Skatepark.	Qtr 4
CBD Electronic Signage - Loxton & Waikerie	92,000	N	Install electronic signage in Loxton and Waikerie to replace current banner system and promote Council and community events.	Qtr 3
Wireless Speakers for East Terrace	35,000	N	Replacement and upgrade of existing speaker system in East Terrace.	Qtr 2
Waikerie Cliff Top Walk Toilet	25,000	N	Collaborative project with Rotary Club of Waikerie to install a fully accessible unisex toilet facility along the Waikerie Cliff Top Walk, enhancing inclusivity and convenience for all visitors.	Qtr 4
Automated External Defibrillator Maintenance	10,000	N	Allocate ongoing budget to meet legislative AED requirements in all public access buildings, including pad and battery replacement.	Qtr 2
CORPORATE SERVICES - Council services that support the governance of the Council and its efficient operation.				
Capital Items to Reduce Operating Expenditure	100,000	N	Continue installation of solar panels, batteries, and automated irrigation to reduce energy costs and improve efficiency.	Qtr 4
IT Upgrades	60,000	R	Upgrade Council servers, hardware, and IT assets as required.	Qtr 4
Authority Projects	30,000	N	Continue development and enhancement of Council's corporate software systems.	Qtr 4

STRATEGIC PROJECTS

STRATEGIC PROJECTS

In 2025-26, Council will invest $534,400 into strategic projects. These projects are considered 'one-off' and are funded through operating expenditure of Council.

Project Name	Budget ($)	New or Renewal	Comment	Estimated Completion
OUR INFRASTRUCTURE - Providing the infrastructure the community needs now and into the future.				
Stormwater Management Plans	$145,000	N	Progress development of Stormwater Management Plans for Loxton and Waikerie, with funding allocated across 2024-25 and 2025-26.	Qtr 4
Playground Asset Management Plan	$15,000	N	Engage consultant to develop an asset management plan for playgrounds, identifying equipment lifecycle and future capital needs.	Qtr 1
Waste Management Officer	$12,300	R	Continue support for the Waste Management Officer role across the MRLGA region.	Qtr 4
Designs for Waikerie Top Roundabout Beautification	$5,000	N	Develop landscaping and beautification designs for the top roundabout in line with Waikerie town entrance enhancements.	Qtr 2
Moorook Riverfront Playground Fencing	$9,000	N	Remove existing shrubs and install a safety fence between the road and playground in Moorook to enhance child safety.	Qtr 2
OUR ENVIRONMENT - Responsibly managing our built and natural environment				
Housing Support Program	$45,000	N	Strengthen council planning capabilities to accelerate housing development in the region.	Qtr 4
Food safety Inspection and Training	$8,000	N	Engage contractor to inspect Category 1 food premises to ensure compliance with legislative requirements and food safety standards.	Qtr 4
Food Safety Requirements Assistance	$3,000	N	Support local clubs in achieving certified food safety supervisor status to promote high standards of food hygiene across the district.	Qtr 4
OUR COMMUNITY - Actively enhancing the quality of life of our communities by encouraging health, wellbeing, and safety.				
Arts and Cultural Facilitator and Programming	$150,000	R	Delivery of arts and cultural programming through the Arts and Culture Officer.	Qtr 4
Connected and Active Communities Officer	$128,100	R	Connected and Active Communities Officer and Project Support.	Qtr 4
Event support and programming	$10,000	N	Event planning and coordination for the Connected & Active Communities project, to enhance local engagement through recreational activities and promoting healthier lifestyles.	Qtr 4
Main Street Pianos Project	$4,000	N	Install public pianos in Loxton and Waikerie main streets to support cultural engagement and join the global street piano initiative.	Qtr 1

RATES REVENUE

RATES IN 2025-2026

In setting the rates for the 2025-26 financial year Council considered the need to keep rate increases as low as possible whilst also considering the implementation of the following plans and issues:

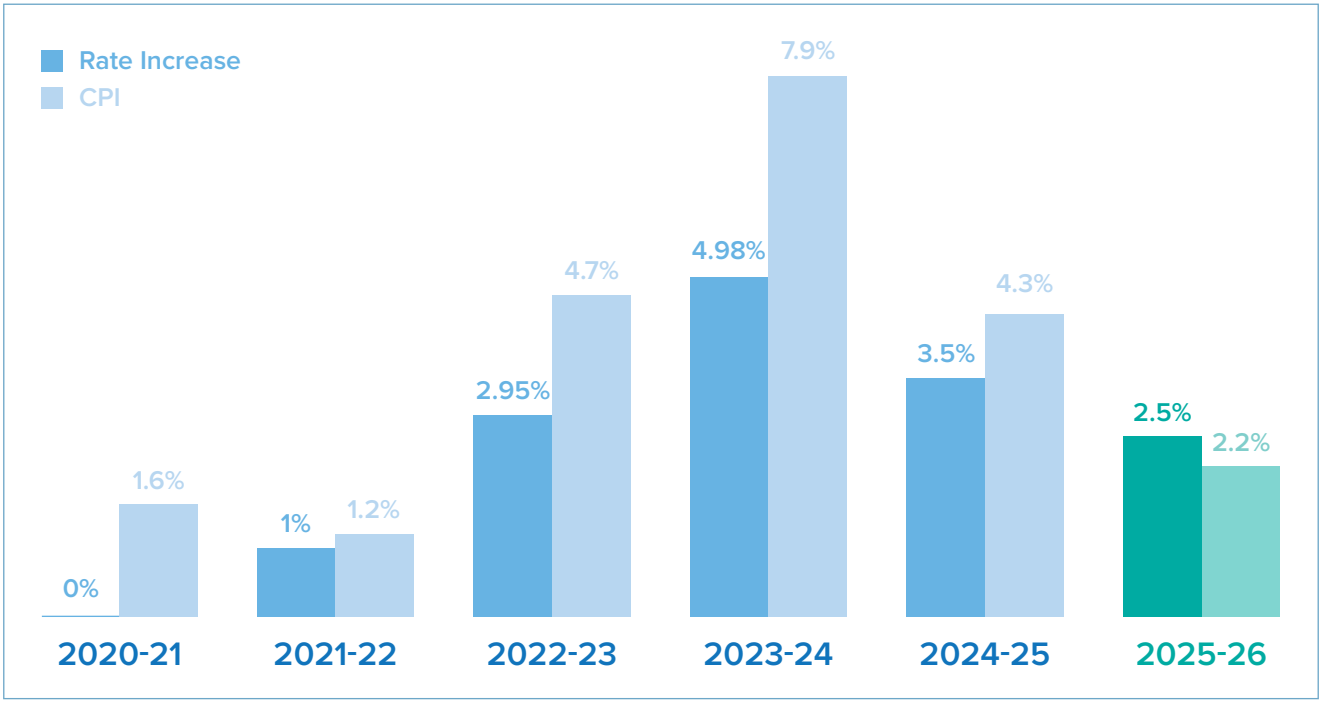
- Community Strategic Plan
- Corporate Pan
- Long Term Financial Plan
- Asset Management Plans
- Resources required to deliver Council services
- Changes in valuation
- Increased use of 'User Pays' cost recovery system.

Council has adopted a 2.5% general and fixed charge increase for the 2025-26 year. It is to be noted that the actual increase payable by any individual ratepayer may be more or less than this, depending on the movement in the capital value of their property (relative to the average).

General rates raised in 2025-26 will be $12.132m. This equates to 45.19% of Council's operating revenue.

As part of setting the rates, a review of council's service charges was carried out. This has resulted in an increase of 2.5% for Council's Kerbside Waste Management Service charge and the Community Waste Management System (CWMS) will increase by 6%.

Council is aware of the impact rate increases have on the community. We are continually looking for opportunities that allow this cost to be minimised, support our community during uncertain times, and maintain the fiscal responsibility of council.



Method used to Value Land

Council decided to continue to use capital value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers. Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

Capital Valuation Movements

Proposed capital values across the whole district for 2025-26 have increased by $217.32 million (6.41%) from last year.

Split by land use category values have changed as follows:

LAND USE CATEGORY	VALUATION 2024-25 ($)	VALUATION 2025-26 ($)	VALUATION MOVEMENT ($)	VALUATION MOVEMENT (%)
Residential	1,662,724,600	1,817,221,600	154,497,000	9.29
Commercial	116,402,180	133,829,700	17,428,520	14.97
Industrial	45,736,360	50,636,580	4,900,220	10.71
Primary Production	1,439,885,400	1,467,723,000	27,837,600	1.93
Vacant Land	65,419,680	69,887,280	4,467,600	6.83
Others	72,063,580	80,866,500	8,802,920	12.22
TOTAL	**3,402,231,800**	**3,620,164,660**	**217,932,860**	6.41

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

WITHIN TOWNSHIPS

LAND USE	YEAR	AVERAGE VALUATION ($)	NUMBER OF PROPERTIES	AVERAGE RATES ($)	AVERAGE INCREASE ($)	AVERAGE INCREASE (%)
Residential	2024-25	314,675	2,566	1,251	31	2.5
	2025-26	330,978	2,571	1,282		
Commercial	2024-25	278,053	287	1,629	41	2.5
	2025-26	328,495	279	1,670		
Industrial	2024-25	402,430	48	1,668	42	2.5
	2025-26	492,937	48	1,710		
Primary Production	2024-25	145,333	3	1,188	30	2.5
	2025-26	139,000	3	1,218		
Vacant Land	2024-25	147,088	81	782	19	2.5
	2025-26	136,547	74	801		
Other	2024-25	223,945	65	1,347	34	2.5
	2025-26	239,050	65	1,381		

OUTSIDE TOWNSHIPS

LAND USE	YEAR	AVERAGE VALUATION ($)	NUMBER OF PROPERTIES	AVERAGE RATES ($)	AVERAGE INCREASE ($)	AVERAGE INCREASE (%)
Residential	2024-25	381,613	2,171	1,391	35	2.5
	2025-26	428,961	2,195	1,426		
Commercial	2024-25	290,667	88	1,721	43	2.5
	2025-26	281,980	87	1,764		
Industrial	2024-25	382,245	49	1,934	48	2.5
	2025-26	413,173	49	1,982		
Primary Production	2024-25	662,023	2,158	2,095	52	2.5
	2025-26	678,040	2,158	2,147		
Vacant Land	2024-25	117,229	518	706	18	2.5
	2025-26	124,238	520	724		
Other	2024-25	49,602	178	521	13	2.5
	2025-26	52,781	181	534		

*Figures utilised were the valuations of the Valuer-General available to Council as at 8 June 2025. Average valuation has been calculated by dividing the total capital value for land use by the number of properties.

Rating Methodology

Council is proposing to utilise differential rating according to the land use and locality of the property, pursuant to the Local Government Act 1999 s156(1)(c) together with a fixed charge component on properties within the council area.

DIFFERENTIAL RATES

In applying differential general rates Council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all areas, particularly as it relates to the various sectors of the business and wider community. This satisfies the requirements of the Local Government Act 1999 s153(2).

Differential general rates will apply to all rateable land within the area based upon the capital value of the land varied by reference to the locality and use of the land. Differential general rates imposed by Council are separate and distinct from service charges imposed for the CWMS and Kerbside Waste Management. Details of service charges are provided further in this document. For the 2025-26 year, Council is proposing to raise differential general rate revenue of $9.364m. The following tables show the proportion of differential general rates raised by category of land use and location.

PROPORTION OF GENERAL RATES RAISED (DIFFERENTIAL/FIXED CHARGE)

	2024-25	% OF TOTAL GENERAL RATE	2025-26	% OF TOTAL GENERAL RATE
Differential	9,152	77.3	9,364	77.2
Fixed Charge	2,692	22.7	2,768	22.8
Total	**11,844**	**100**	**12,132**	**100**

FIXED CHARGE

The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) only one fixed charge is 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. The reasons for imposing a fixed charge is the Council considers it appropriate that all rateable properties contribute to the cost of creating and maintaining the physical infrastructure that supports each property.

Council proposes a fixed charge of $390. Expected revenue to be raised by the fixed charge component is $2.768 million. The proposed fixed charge, revenue generated, and percentages of total general rates are shown compared against the 2024-25 year as above.

SERVICE CHARGES

A total of $4.208m is proposed to be raised from separate rates (NRM Levy, CWMS, Kerbside Waste Management).

COMMUNITY WASTE MANAGEMENT SYSTEM SERVICE CHARGE

A total amount of $2.026m will be raised as a CWMS service charge to cover the operation, maintenance, and renewal of Council's respective community wastewater management systems across the district.

CWMS service charges will be $590 for occupied connections within the Loxton and Waikerie townships and $568 for vacant land connections.

Similarly, CWMS service charges will be $519 for occupied connections within the Moorook and Kingston on Murray townships ($497 for vacant land connections).

WASTE SERVICE CHARGE

A total amount of $1.642m will be raised as a Kerbside Waste Service charge to cover the cost of providing this service.

To cover collection and disposal, Kerbside Waste Management service charges will be as follows:

- 3 bin collection - $337 per collection
- 2 bin collection - $265 per collection
- Retirement village's collection - $224 per collection

REGIONAL LANDSCAPE LEVY

The Landscape South Australia Act 2019 requires Council to collect a levy on all rateable properties within its area on behalf of the Murraylands and Riverland Landscape Region. The Act further provides a range of options as the basis for calculating the regional levy. Based on the principles established by the Board, the value of rateable land was used to determine the regional levy.

For the 2025-26 financial year the Council is required to collect, on behalf of the Murraylands and Riverland Landscape Region an amount of $540,317).

Council recovers this amount as a separate rate based on the capital value of all rateable land within the Council area along with a cap of $100 for such rateable land.

RATE REBATE

Council has determined that rebates of rates will be granted when the applicant satisfies the requirements for mandatory rebates under the Local Government Act ss159 to 165. Applications for discretionary rebates lodged under s166 of the Act will be considered under Council's Rate Rebate Policy and assessed against guidelines prepared by the Local Government Financial Management Group.

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

Each year we develop a Rate Rebate Policy which provides the full details regarding rate rebates permissible under the Act. This policy document supports our Strategic Rating Policy. The purpose of granting discretionary rebates is to assist organisations to maintain their facilities which are predominantly on Council land.

RATE RELIEF

Under Section 182 of the Local Government Act, Council is able to completely or partially remit or postpone rates on the basis of hardship.

To be considered, ratepayers who are experiencing hardship must submit an application form, allowing Council to assess eligibility criteria.

Due to the current economic conditions in the wine grape industry, Council is also accepting applications for the waiving of fines and interest on primary production property with a 'Vines' land use code.

Ratepayers are also encouraged to contact Council's Rates Officer to discuss instances of hardship in paying rates, with the confidence that such matters are dealt with confidentially.

BUDGETED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(Year ending 30 June 2026)

	2025-26 ADOPTED BUDGET $'000	2024-25 ADOPTED BUDGET $'000	2023-24 AUDITED ACTUAL $'000	NOTE
INCOME				
Rates	16,193	15,727	15,047	1
Statutory charges	253	285	286	
User charges	1,497	1,420	1,546	2
Grants, subsidies, and contributions	7,531	7,339	2,875	3
Investment income	245	268	427	
Reimbursements	115	85	417	4
Other income	1,031	996	977	
Total Income	**26,865**	**26,121**	**21,575**	
EXPENSES				
Employee costs	8,005	7,935	6,593	5
Material, contracts, and other expenses	9,659	9,620	11,165	6
Finance costs	55	46	216	
Depreciation, amortisation, and impairment	9,138	8,518	9,224	7
Total Expenses	**26,857**	**26,119**	**27,198**	
OPERATING SURPLUS (DEFICIT)	**8**	**2**	**(5,623)**	8
Asset disposal and fair value adjustment	0	0	(3,207)	
Amounts received specifically for new or upgraded assets	3,103	1,348	7,475	9
NET SURPLUS	**3,111**	**1,350**	**(1,355)**	

STATEMENT OF COMPREHENSIVE INCOME NOTES

1. a. A 2.5% increase in general rates is proposed for 2025-26.

   b. Council is legally obligated to levy ratepayers on behalf of the Department for Environment and Water and then remit that amount back to the Department. Council has been informed that it will be required to collect, on behalf of the Murraylands and Riverland Regional Landscape Board an amount of $540,317 in 2025-26.

   c. CWMS is proposed to increase by 6% and Kerbside Waste Service Charge is proposed to increase by 2.5% in 2025-26.

2. User charges are proposed to increase by $77,000 from the 2024-25 financial year.

3. Grant income is projected to increase by $192,000 from 2024-25. The contributing factor is the additional roads to recovery funding and Council's allocation of Federal grant assistance.

4. Reimbursement are proposed to increase by $30,000 from the 2024-25 financial year.

5. Employee costs are proposed to increase by $70,000 in 2025-26. Salaries and wages will increase wages in accordance with the relevant Enterprise Bargaining Agreements. The Super guarantee will also increase from 11.5% to 12%. Council's overall FTE will be 84.15.

6. Materials, contractors, and other expenses are proposed to increase by $39,000.

7. Depreciation expenses are proposed at an amount of $9.138m.

8. An operating surplus of $8,000 is forecast for 2025-26.

9. This amount is representative of grant funding proposed for new capital projects and capital contributions.

STATEMENT OF FINANCIAL POSITION

(Year ending 30 June 2026)

	2025-26 ADOPTED BUDGET $'000	2024-25 ADOPTED BUDGET $'000	2023-24 AUDITED ACTUAL $'000
ASSETS			
Current Assets			
Cash and cash equivalents	1,505	4,048	3,075
Trade and other receivables	1,371	1,726	3,825
Inventories	95	70	103
Total Current Assets	**2,971**	**5,844**	**7,003**
Non-Current Assets			
Financial assets	606	1,584	321
Investment property	19,596	19,388	18,663
Infrastructure, property, plant and equipment	290,391	253,445	267,895
Other non-current assets	10,500	15,000	15,423
Total Non-Current Assets	**321,093**	**289,417**	**302,302**
TOTAL ASSETS	**324,064**	**295,261**	**309,305**
LIABILITIES			
Current Liabilities			
Trade and other payables	16,939	17,088	16,133
Borrowings	1,300	2,017	2,007
Provisions	14	16	16
Total Current Liabilities	**18,253**	**19,121**	**18,156**
Non-Current Liabilities			
Borrowings	194	207	208
Provisions	215	115	103
Total Non-Current Liaibilities	**409**	**322**	**311**
TOTAL LIABILITIES	**18,662**	**19,443**	**18,467**
NET ASSETS	**305,402**	**275,818**	**290,838**
EQUITY			
Accumulated Surplus	109,129	111,184	95,627
Asset revaluation reserve	196,213	163,498	194,913
Other reserves	60	1,136	298
TOTAL EQUITY	**305,402**	**275,818**	**290,838**

STATEMENT OF CASH FLOWS

(Year ending 30 June 2026)

	2025-26 ADOPTED BUDGET $'000	2024-25 ADOPTED BUDGET $'000	2023-24 AUDITED ACTUAL $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates - general and other	15,895	15,217	14,738
Fees and other charges	253	285	286
User charges	1,422	1,359	1,546
Investment receipts	245	268	427
Grants utilised for operating purposes	7,551	7,339	1,416
Reimbursements	115	80	417
Other revenues	995	990	1,987
Payments			
Employee costs	**(7,761)**	**(7,720)**	**(6,594)**
Materials, contracts and other expenses	**(9,172)**	**(9,217)**	**(13,851)**
Finance payments	**(5)**	**(6)**	**(8)**
Net cash provided by (or used in) Operating Activities	**9,538**	**8,595**	**364**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets	3,103	1,347	7,475
Sale of replaced assets	531	476	328
Sale of surplus assets	0		0
Repayment of loans by community groups	53	59	11
Payments			
Expenditure on renewal/replacement of assets	**(10,321)**	**(9,189)**	**(7,797)**
Expenditure on new/upgraded assets	**(4,308)**	**(3,353)**	**(13,311)**
Purchase of investment property			**(1,174)**
Loans made by community groups			
Net cash provided by (or used in) Investing Activities	**(10,942)**	**(10,660)**	**(14,468)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from bonds and deposits			67
Proceeds from aged care facility deposits	1,122	1,581	3,307
Payments			
Repayment of borrowings	(14)	(16)	(16)
Repayment of aged care facility deposits	(759)	(1,151)	(1,361)
Net cash provided by (or used in) Financial Activities	**349**	**414**	**1,997**
Net increase (decrease) in cash held	**(10,55)**	**(1,651)**	**(12,107)**
Cash and cash equivalents at beginning of period	**2,560**	**5,699**	**15,182**
Cash and cash equivalents at end of period	**1,505**	**4,048**	**3,075**

STATEMENT OF CHANGES IN EQUITY

(Year ending 30 June 2026)

	2025-26 ADOPTED BUDGET $'000	2024-25 ADOPTED BUDGET $'000	2023-24 AUDITED ACTUAL $'000
ACCUMULATED SURPLUS			
Balance at end of previous reporting period	104,992	109,603	95,663
Net surplus for year	3,111	1,350	(1,355)
Transfers between reserves	1,026	231	1319
Balance at end of period	**109,129**	**111,184**	**95,627**
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	194,913	163,498	163,498
Additional revaluations			32,815
Intangible asset - water rights	1,300		(1,400)
Balance at end of period	**196,213**	**163,498**	**194,913**
OTHER RESERVES			
Balance at end of previous reporting period	1,086	1,367	1,617
Transfers between reserves	(1,026)	(231)	(1,319)
Balance at end of period	**60**	**1,136**	**298**
Total reserve balances	**196,273**	**164,634**	**195,211**
TOTAL EQUITY AT END OF REPORTING PERIOD	**305,402**	**275,818**	**290,838**

PRESENTATION OF FINANCES

(Year ending 30 June 2026)

	2025-26 ADOPTED BUDGET $'000	2024-25 ADOPTED BUDGET $'000	2023-24 AUDITED ACTUAL $'000	NOTE
OPERATING ACTIVITIES				
Operating Income	26,865	26,121	21,575	1
less Operating expenses	26,857	26,119	27,198	2
Operating Surplus/deficit	**8**	**2**	**(5,623)**	3
CAPITAL ACTIVITIES				4
Capital exp. on renewal and replacement of existing assets	11,310	9,377	7,797	
less Depreciation, amortisation and impairement	9,138	8,518	9,224	
less Proceeds from sale of replaced assets	531	476	328	
Net Outlays on Existing Assets	**1,641**	**383**	**(1,755)**	5
NET OUTLAYS ON NEW AND EXISTING ASSETS				
Capital expenditure on new and upgraded assets	4,721	3,422	14,485	6
less Amounts received for new and upgraded assets	3,103	1,348	7,475	
less Proceeds from sale of surplus assets			0	
	1,618	**2,074**	**7,010**	7
Net Lending/(Borrowing) for Financial Year	**(3,251)**	**(2,455)**	**(10,878)**	8

PRESENTATION OF FINANCE NOTES

1. Income available for delivery of services includes all grants except those received specifically for new or upgraded assets.
2. Cost of services, including depreciation expense.
3. Extent to which income is sufficient or insufficient to fund the cost of services. Operating surplus / (deficit) is the key measure of a Council's financial performance.
4. Expenditure which returns the service potential of existing assets to original condition.
5. Consistent negative outlays on existing assets indicates that, overall, existing assets may be deteriorating at a greater rate than expenditure on their renewal or replacement.
6. Expenditure to acquire new assets or upgrade existing assets to provide expanded, or a higher level of service.
7. Net cost of acquiring or upgrading assets.
8. Net lending reduces a Council's accumulated level of net financial liabilities. Net borrowing adds to the level of net financial liabilities. Net financial liabilities are the key measure of a Council's financial position and are calculated by deducting financial assets from its total liabilities.

ESCOSA - LOCAL GOVERNMENT ADVICE

MANAGEMENT RESPONSE

As part of the Local Government Advice Scheme, the Essential Services Commission of South Australia (ESCOSA) reviewed Council's long-term financial and asset management planning. While ESCOSA assessed Council's past performance as "Mostly Sustainable," it identified future risks and classified Council's projected financial performance as "Potentially Unsustainable," primarily due to long-term rate projections and the need for enhanced financial forecasting and asset condition data.

Council acknowledges the importance of regular updates to the Long-Term Financial Plan (LTFP) and Asset Management Plans (AMPs), noting that a one-year delay in LTFP preparation occurred only during major strategic planning alignment. ESCOSA's critique of rate projections did not reflect Council's historically restrained rate increases—below CPI for five consecutive years—and overlooked Council's strong financial position, including debt-free status and significant investment holdings.

Council also challenges the validity of relying solely on RBA CPI forecasts, given their inaccuracy over the past decade. Cost control and investment in community infrastructure remain Council priorities, and future spending forecasts include temporary recovery costs following the 2023 River Murray flood, not permanent structural increases.

Council notes that the ESCOSA process did not allow for meaningful engagement, limiting feedback to factual corrections within a restricted response window. This constrained process failed to reflect the breadth of Council's recent reform measures, which include workforce restructuring, service integration, and the community-led management of Loxton Historical Village—resulting in substantial and ongoing cost savings.

The Audit and Risk Committee have endorsed this response and recommended that the above initiatives undertaken by Council (recent cost reductions), and AMP updates for roads and Community Wastewater Management Systems be highlighted in this management response. Council remains committed to continuous improvement in financial sustainability while balancing the service needs of a geographically large district with over 2,300km of roads and $330 million in assets.

ESCOSA REPORT

OFFICIAL

ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA

Advice

Local Government Advice

District Council of Loxton Waikerie

February 2025

OFFICIAL

ESCOSA REPORT

OFFICIAL

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
ADELAIDE SA 5001

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

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

ESCOSA REPORT

OFFICIAL

District Council of Loxton Waikerie
AT A GLANCE

OVERVIEW

The Essential Services Commission finds the District Council of Loxton Waikerie's current and projected financial performance **potentially unsustainable**, considering the Council's planned average rate increases of **3.8** percent per annum per property over the forecast period and the need to strengthen asset management and long-term financial planning.

FINANCIAL PERFORMANCE

Past 10 years
Mostly Sustainable

Current
Mostly Sustainable

Projected
Potentially Unsustainable

RISKS IMPACTING SUSTAINABILITY

⚠ If the Council does not prepare a long-term financial plan annually and undertake forecasts more rigorously, it may not effectively manage competing financial priorities.

⚠ If the Council does not update its asset management plans with asset condition data, its forecasts will not be sufficiently comprehensive and accurate for effective asset management and the Council may risk asset failure or a decrease in customer service levels.

⚠ The forecast revenue relies on rates increasing above inflation for 10 years, which might not be acceptable to ratepayers.

⚠ Operating expenditure will require effective controls to achieve planned cost constraint.

KEY FACTS

- Population in 2023 was **11,897** residents
- Council covers **7,764 square kilometres**
- **8,167** rateable properties in 2023-24
- **$15 million** of rate income in 2023-24
- Value of infrastructure assets held in 2023-24 equals **$267.9 million**

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1 Executive summary

1.1 Summary of observations

In general, the Essential Services Commission of South Australia finds the District Council of Loxton Waikerie's (**Council**) projected financial performance to be **potentially unsustainable.** Risks for the Council include continuing to increase rates above inflation (in line with its assumptions), poor forecasting and ineffective management of its assets.

The Council's main source of income over both the historical and forecast periods is rates revenue, which is increasing as a percentage of total income. The Council has managed its operating surplus conservatively during the 10-year historical period from 2013-14 to 2022-23 achieving an average annual operating surplus ratio of 6.2 percent. It has forecast a declining annual operating surplus ratio for the period from 2024-25 through to 2033-34 of 1.5 percent on average, which is reliant on increased rate income and contained expenses (excluding depreciation).

Over the historical period, the main contributor to expenses (at 41.0 percent per annum on average) was 'materials, contracts and other' expenses, which increased at an annual average rate of 8.9 percent per annum. Looking forward, 'materials, contracts and other' and 'depreciation' expenses are expected to be the highest costs. Depreciation expenses are forecast to increase from an average of 29.9 percent in the historical period to 33.1 percent of total expenses in the forecast period. The Long-Term Financial Plan appears to increase annual depreciation by applying the Council's inflation assumption and may not factor in the impact of additional depreciation for new assets.

The Council prepared its Long-Term Financial Plan based on increasing most variables by the Council's inflation estimates. The general forecasting approach taken does not account for likely differences across variables and does not appear to take other strategic plans and forecasts into account The Council appears to operate primarily on a cash basis which may appear sustainable, but may be increasing operational risk, and has potential implications for its community of increased rates or decreased levels of service if this approach continues. The Council's capital expenditure forecasts fall short of capital expenditure required (under the latest Asset Management Plan).

The Council's strategic management documents indicate that it may not have a robust understanding of the condition of its assets. Not all assets are included in the Asset Management Plans, and little is included in terms of asset condition. While the Council has undertaken asset revaluations, most are desk-top reviews undertaken by consultants which did not necessarily review asset condition on the ground. Asset management plans have not been updated regularly which creates a risk that asset renewals are not managed effectively and efficiently. This situation will persist until the updated Asset Management Plans account for asset conditions and translate this information into comprehensive Long-Term Financial Plans.

1.2 Summary of Recommendations

The Essential Services Commission recommends that the District Council of Loxton Waikerie:

1. **Publish** a comprehensive version of the Long-Term Financial Plan annually to:
    a. better inform its decision-making
    b. provide transparent information for ratepayers, and
    c. meet the *Local Government Act 1999* legislated requirements.
2. **Review** its inflation forecasts in its budget and forward projections each year and clearly identify these and other assumptions underlying revenue and cost estimates in the Annual Business Plan and Long-Term Financial Plan.
3. **Use** a credible independent source for inflation assumptions and identify any variations in assumptions from that source.
4. **Continue** to monitor cost growth in its budgeting, where possible.
5. **Report** any actual and projected cost savings in its annual budget (and Long-Term Financial Plan, as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.
6. **Consider** adopting a policy for cash reserves that balances out the need for asset renewal spending and reasonable rate increases with prudent cash balances.
7. **Include** all major asset groups in Asset Management Plans to provide a comprehensive view of capital renewal requirements and incorporate this information into annual budgets and Long-Term Financial Plans.
8. **Update** asset management plans regularly and at least every four years with annual indexation in the intervening years, including consideration of service levels required by the community, and ensure an accurate alignment between renewal expenditure forecasts in the Asset Management Plans and the latest Long-Term Financial Plans projections.
9. **Undertake** condition assessment and revaluation of all asset classes to validate forecast renewal costs and develop more reliable Asset Management Plans.
10. **Review** the assumptions underpinning its Asset Management Plans including the estimates for asset lives and valuations feeding into the forecast rates of asset consumption, to enable accurate assessment of required asset expenditure, and to reduce depreciation expenses if appropriate.
11. **Continue** to provide more funding for the renewal of its assets, rather than prioritising initiatives involving new or upgraded infrastructure, to reduce the need for higher contributions from ratepayers arising from an expanded asset base.
12. **Review** and **consider** limiting any further average rate increases above inflation, to help reduce any emerging affordability risk in the community.

2 About the advice

2.1 Background

The State Parliament has tasked the Essential Services Commission of South Australia (**Commission**), South Australia's independent economic regulator and advisory body, to provide advice on material changes proposed by local councils in relation to elements of their Strategic Management Plans (**SMPs**), and on the proposed revenue sources, including rates, that underpin those plans.[1]

A primary purpose of the Local Government Advice Scheme (**Advice** or **the Scheme**) is to support councils to make financially sustainable strategic decisions in their annual business plans and budgets, in the context of their Long-Term Financial Plans (**LTFP**)s and Infrastructure and Asset Management Plans (**IAMP**)s. IAMPs are commonly referred to as Asset Management Plans (**AMP**s). The LTFP and the IAMP are both required as part of a council's SMP.[2] Financial sustainability encompasses intergenerational equity,[3] program (service level) and rates stability in this context.[4] The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.[5] 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.[6]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 17 councils for advice in the third year (2024-25) of the Scheme, including the District Council of Loxton Waikerie (**Council**).

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

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2025-26 Annual Business Plan (including any draft Annual Business Plan) and in subsequent plans until the next cycle of the Scheme.[7] The Council is not compelled under the LG Act to follow the advice.

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

2.2 The Commission's approach

In providing its Advice for the Council, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (**F&A**).[8]

The Commission has considered the Council's SMP documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the operating surplus

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

[2] 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.

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

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

[5] LG Act s122(1f)(a) and (1g)(a)(ii).

[6] LG Act s122(1f)(b) and (1g)(b).

[7] LG Act s122(1h).

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

ratio (OSR), the net financial liabilities ratio (NFLR) and the asset renewal funding ratio (ARFR).[9] Analysis of these three indicators captures financial and service sustainability, in addition to cost control and affordability risk.[10]

Table 1: District Council of Loxton Waikerie Strategic Management Documents

- District Council of Loxton Waikerie Endorsed Asset Management Plan 2026-2035 (adopted 16 October 2024)
- District Council of Loxton Waikerie Growth Strategy, (adopted September 2023)
- 2024-25 Long-Term Financial Plan (adopted 21 August 2024)
- District Council of Loxton Waikerie Annual Business Plan 2024-25 (adopted June 2024)
- District Council of Loxton Waikerie Annual Report 2023-24 (adopted 20 November 2024)

Given that the Commission must, in providing its advice, have regard to the objective of councils maintaining and implementing their IAMPs and LTFPs,[11] it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,[12] are discussed in section 5.

The Commission has also reviewed the Council's template data, which contain its 2024-25 LTFP forecasts for 2024-25 to 2033-34, as well as its 2022-23 LTFP forecasts, historical financial data, the number of rateable properties and Council staff (Full Time Equivalent or FTE) numbers from 2013-14 onwards.[13] The Council did not prepare and adopt a LTFP for 2023-24 and therefore, the material amendments comparison between the current plan and former plan only compare the eight over-lapping years (2024-25 to 2031-32). This is in breach of the LG Act requirements and creates a risk for the Council that current strategic financial information is not available. The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's audit committee reports, and other public information, as appropriate.

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

Having a long-term financial focus at the forefront of a council's strategic planning is critical for local governments, as they have a very large value of infrastructure assets relative to their income base. It assists with funding asset renewals and upgrades when required, ensures ongoing service delivery, and

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

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

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

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

[13] The Council's estimates for the 2023-24 financial year, relied on at the time of preparing this advice, were unaudited.
Sourced from the Local Government Grants Commission (including data reported by the Office of the Valuer-General) and the Council's data.

determining and achieving affordable service level objectives. A LTFP is an essential consideration when generating, spending, and investing future income and raising and repaying borrowings as appropriate. It enables a long-term strategy to balance competing priorities with the available finance.

The Commission recommends that the Council:

1. **Publish** a comprehensive version of the LTFP annually to:
    a. better inform its decision-making
    b. provide transparent information for ratepayers, and
    c. meet the *LG Act 1999* legislated requirements.

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

- its location as a regional council,
- its income level ($21.6 million in 2023-24[14]) (unaudited), and
- the size of its rates base (around 8,167 ratepayers[15]).

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

Legend: Low-risk Moderate-risk High-risk

[14] District Council of Loxton Waikerie Annual Report 2023-24, p. 75.
[15] Based on the estimated number of property assessments in 2023-24, in the Council's Financial Reporting template provided to the Commission.

3 Council profile

The District Council of Loxton Waikerie is classified by the Commission as a 'Rural Agricultural Large and Very Large' council and is one of 19 in this category in South Australia.[16] The Council is in the Murray Mallee region of South Australia, north-east from Adelaide and the Council's seat is at Loxton, with a branch office in Waikerie. The Council has an area comprising 7,764 square kilometres.[17] It has an estimated resident population of 11,897[18] (30 June 2023) and approximately 8,167 rateable properties[19] (1 January 2024).

The Council region also has the following attributes:

- stable number of rateable properties, with historical growth of approximately 0.6 percent per annum[20]
- population density of 1.5 persons per square kilometre[21]
- 2,306 kilometres of roads and laneways, of which 81.2 percent are unsealed roads[22]
- it is predominantly an agricultural producer, including dryland farming with other significant activities including food and beverage processing and tourism,[23] and
- has a median population age of 47.9 years.[24]

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

17 Refer to Australian Bureau of Statistics, *Data by region*, available at: https://dbr.abs.gov.au/region.html?lyr=lga&rgn=43790.

18 Refer to Australian Bureau of Statistics, *Data by region*, available at: https://dbr.abs.gov.au/region.html?lyr=lga&rgn=43790.

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

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

21 Refer to Australian Bureau of Statistics, *Data by region*, available at: https://dbr.abs.gov.au/region.html?lyr=lga&rgn=43790.

22 Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, *2022-23 Database Reports*, available at: https://www.dit.sa.gov.au/__data/assets/pdf_file/0008/1404728/2022-23-Database-Report.pdf.

23 Refer to District Council of Loxton Waikerie website and documents, available at: https://www.loxtonwaikerie.sa.gov.au/.

24 Refer to Australian Bureau of Statistics, *Data by region*, available at: https://dbr.abs.gov.au/region.html?lyr=lga&rgn=43790.

4 Material plan amendments in 2024-25

4.1 Key points

- Only eight years of comparison data is available as the Council did not prepare an LTFP for 2023-2024.
- The Council forecasts an improved operating surplus between 2024-25 and 2031-32.
- Council assumes a rate of inflation that is higher than the RBA's forecast average inflation rate.

The Council has made various amendments to its 2024-25 draft budget and forward projections, for revenue and spending initiatives. The material amendments to some of its main financial forecasts are listed in Table 2 (in nominal terms).[25] To ensure a comparable analysis of estimates between the 2022-23 LTFP and 2024-25 LTFP, the Commission has reviewed the eight overlapping years' statistics: 2024-25 to 2031-32 and identified material amendments accordingly.

Table 1: Historical and forecast financial items

Selected Financial Item	Sum of 2024-25 to 2031-32 estimates in 2022-23 LTFP ($ million)	Sum of 2024-25 to 2031-32 estimates in 2024-25 LTFP ($ million)	Change in 2024-25 estimates ($ million)	Change in 2024-25 estimates (%)
Total operating income	204.5	240.1	+35.6	17.4
Total operating expenses	202.3	236.8	+34.5	17.1
Operating surplus / (deficit)	2.2	3.3	+1.1	51.6
Capital expenditure on renewal of assets[26]	41.9	73.8	31.9	76.0
Capital expenditure on new and upgraded assets[27]	10.1	19.8	9.7	95.7

4.2 Changes to operating performance

The Council has forecast (in its 2024-25 LTFP) an improvement in its operating performance, with a cumulative surplus of $3.3 million for the overlapping eight years of 2024-25 to 2031-32, compared to a surplus of $2.2 million in the 2022-23 LTFP.

In the 2024-25 LTFP, the improvement in the cumulative eight years of operating surplus (compared to the 2022-23 LTFP) reflects a 17.4 percent increase ($35.6 million) in income and a 17.1 percent

[25] This table shows only selected financial items to demonstrate the material amendments made by the Council in its 2022-23 estimates. It excludes various financial items, and individual items do not sum to totals.

[26] The capital expenditure estimates are based on the 2022-23 LTFP estimates provided by the Council to the Commission (in an Excel template).

[27] The capital expenditure estimates are based on the 2022-23 LTFP estimates provided by the Council to the Commission (in an Excel template).

($34.5 million) increase in operating expenses. Some of the amendments, compared to the 2022-23 LTFP, include:

- increased grant income related to renewed *Roads to Recovery* funding
- increased rates income
- increased employee expenses, and
- increased depreciation costs resulting from capital works and revaluation of assets.

The Council's historical and projected operating performance is discussed further in section 5.1.

4.3 Indexation adjustments

The Council applies CPI-based inflation adjustments to its cost and revenue estimates, applying an inflation rate of 3.94 percent in the 2024-25 LTFP.[28] The Council notes that its previous inflation assumption was 2.38 percent, however, as no LTFP was prepared in 2023-2024, it is not possible to compare current indexation assumptions with previous assumptions. The RBA currently forecasts the CPI (Australia-wide) to increase by 2.8 percent in the year to the June 2025 quarter and by 3.2 percent in the year to June 2026 and thereafter, 2.6 percent.[29]

The Commission notes that the Council's assumptions are based on its review of inflation. However, the Council's assumption of an inflation rate greater than the average CPI of 2.6 percent per annum creates risks for its income and expense outcomes relative to the forecast. The Council has determined its inflation factor, then applied it broadly, without considering its impact on specific income and expense items or its long-term plans. The Council's estimate of inflation provides it with a buffer against rising costs, however its forecasts indicate that some growth in costs will be less than its inflation forecast (see section 5.1 for further discussion).

The Commission recommends that the Council:

2. **Review** its inflation forecasts in its budget and forward projections each year and clearly identify these and other assumptions underlying revenue and cost estimates in the ABP and LTFP.
3. **Use** a credible independent source for inflation assumptions and identify any variations in assumptions from that source.

4.4 Increase to capital expenditure estimates

The Council's 2024-25 LTFP indicates changes in capital expenditure for asset renewals, and for new and upgraded assets, compared to the LTFP for 2022-23 to 2031-32. Over the comparable eight-year projections in the 2024-25 LTFP, the Council has factored in a total of $73.8 million in capital renewal and replacement works and $19.8 million in new and upgraded capital works, accounting for 78.9 percent and 21.1 percent of the total capital expenditure program respectively. Renewal expenditure increased by 76.0 percent between 2022-23 LTFP and 2024-25 LTFP estimates reflecting the Council's revision of the AMPs.[30]

The Council's roads and transport assets represent the largest asset class and is a major focus of its renewal investment, projected to account for $4.8 million per annum (in real terms – 2024-25 estimates) of asset renewal budgets for the next 10 years from 2026-2035.[31] The Council estimates

[28] Financial Reporting template, material amendment notes (supplied to the Commission in an Excel spreadsheet)
[29] RBA, Forecast Table – August 2024, p57, available at https://www.rba.gov.au/publications/smp/2024/aug/.
[30] District Council of Loxton Waikerie Asset Management Plan 2026-2035, endorsed August 2024.
[31] District Council of Loxton Waikerie Asset Management Plan 2026-2035, endorsed August 2024, p. 62.

that there will be a $3.4 million (in real terms) shortfall in budget funding for renewal over the 10-year projections from 2026 to 2035.[32] The Council's capital expenditure outlook is discussed further in section 5.3.

4.5 Changes between 2023-24 LTFP and annual business plan

The Council adopted its ABP and budget in June 2024, two months prior to adopting its LTFP 2024-25 in August 2024. The ABP and LTFP are aligned[33] and the IAMP was adopted in October 2024. However, there is no discernible relationship between capital renewal expenditure forecasts in the IAMP and the LTFP as required under the *LG Act 1999* (s122,1b). See further discussion on assets in section 5.3.

The Commission notes that neither the Council's LTFP nor ABP identify any risks to its estimates after adoption, for example, due to economic and environmental factors.

[32] District Council of Loxton Waikerie Asset Management Plan 2026-2035, endorsed August 2024, p. 40.

[33] District Council of Loxton Waikerie Annual Business Plan 2024-2025 and 2024-25 LTFP estimates provided by the Council to the Commission (in an Excel template).

5 Financial sustainability

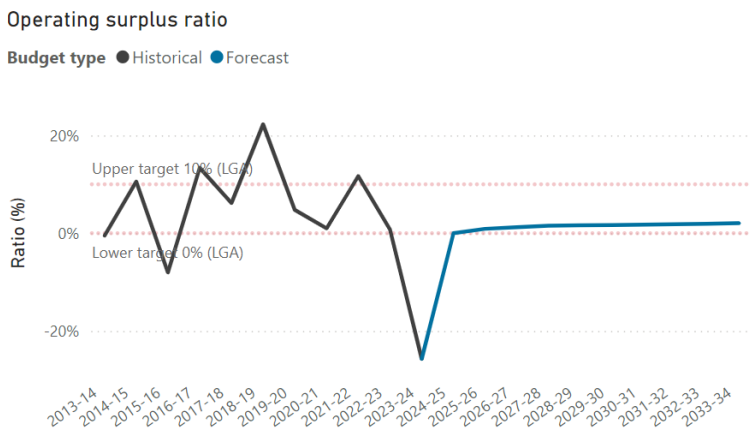
5.1 Operating performance

5.1.1 Key points

- The Council predominantly achieved operating surpluses in the period 2013-14 to 2022-23.
- Forecast 'materials, contracts and other' expenses average growth per annum of 3.4 percent is less than historical growth per annum at 8.9 percent (which included some flood related expenditure).
- Forecast operating surpluses may not be achieved if total expenses and particularly 'materials, contracts and other' costs are not constrained, or unforeseen events occur that impact achieving the forecast surpluses.

5.1.2 Operating Surplus Ratio

Figure 1: Operating surplus ratio – historical and forecast



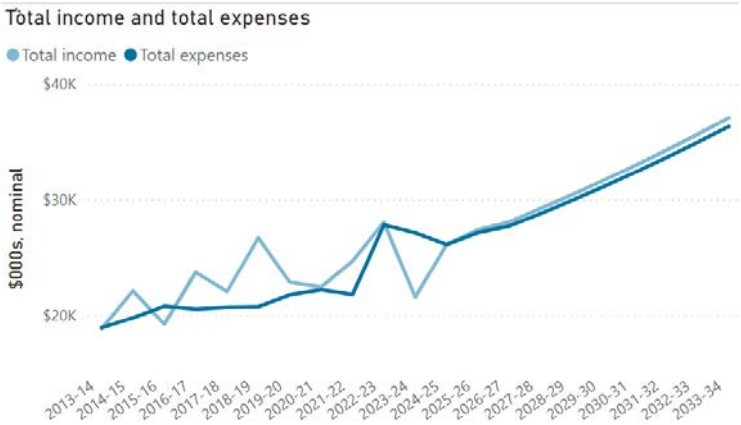
The Council has predominantly achieved operating surpluses from 2013-14 to 2022-23. Despite volatility, its operating surplus has averaged $1.6 million during that period, with an average OSR[34] of 6.2 percent. The deficits that occurred in 2013-14 and 2015-16 may be attributable to the timing of grant funding, which was inconsistent over the period between 2013-14 and 2015-16.

The Council has forecast an average annual operating surplus of $0.5 million. This generates an average OSR of 1.5 percent per annum, which is within the LGA target range of 0-10 percent[35] As seen in Figure 1, the Council forecasts that the OSR will be more consistent in future years.

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

[35] See Footnote 34.

Figure 2: Total income and expenses – historical and forecast



5.1.3 Income

Rates revenue increased on average by 3.0 percent per annum from 2013-14 to 2022-23[36] (when rateable property growth averaged 0.6 percent and CPI growth averaged 2.6 percent).

Over the same period, 'user charges' (6.3 percent of total operating income) increased by an average of 3.6 percent per annum, and 'grants, subsidies and contributions' (28.4 percent of total operating income) increased by an average of 7.7 percent per annum. While grants income has been inconsistent from year to year, the three-year average of $690 per ratepayer from 2013-14 to 2015-16 compares with the three-year average of $979 from 2021-22 to 2022-23, which reflects a small increase in value in real terms.

Forecast income for the period 2024-25 to 2033-34 is expected to grow by 4.0 percent per annum on average. The Council forecasts that 'user charges and reimbursements' will grow in line with its inflation forecast of 3.9 percent per annum. It expects 'other income' to be an average of $0.6 million per annum compared to the historical period's average growth of $1.1 million per annum. This decrease in income is due to the forecast sale of a Council asset.[37]

Forecast growth in rates revenue is 4.4 percent per annum on average, which is above the RBA's forecast long-term inflation,[38] and also higher than the average annual growth of 3.0 percent over the historical period. The average growth in annual rates revenue is also higher than expected growth in total expenses. Rates are discussed in more detail in section 6.

Most categories of income, as a percentage of total income, are forecast to remain consistent with historical trends. However, rates will rise from average of 55.6 percent of income over the historical period to an estimated average of 61.5 percent of income over the forecast period, while user charges will decline from an average of 6.4 percent of income historically, to an estimated average of 5.4 percent of income.

36 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).

37 Council forecasts the sale of the Loxton Riverfront Holiday Park in year 3 of its forecast LTFP, correspondence with D Beaton 6 February 2025.

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

5.1.4 Expenditure

Figure 3: Expenses by category – historical and forecast

The Council's operating expense growth (from 2013-14 to 2022-23) of an average of 4.4 percent per annum, was primarily due to an average annual increase of 8.9 percent in 'materials, contracts and other' expenses and 1.9 percent in 'depreciation'. As a proportion of operating expenses, depreciation expenses are higher than average compared with all councils in 2021-22[39] (see further discussion in asset renewals expenditure section 5.3). Employee expenses grew at 0.6 percent historically as staff FTE numbers declined over the period.

Forecast total expenses are anticipated to grow on average at 3.7 percent per annum, which is lower than the Council's past performance (with average annual growth of 4.4 percent per annum over the 10 years to 2022-23), indicating an intent for stronger cost control.

The Council's template data (provided to the Commission) shows that employee numbers are assumed to remain constant at 85 FTEs between 2024-25 and 2033-34 and employee costs are forecast to grow by an average of 3.9 per cent per annum in this period.

'Materials, contracts and other' expenses are forecast to increase by an average of 3.4 percent per annum, which is significantly less than in the historical period discussed previously. The Council has stated that it will achieve the planned reduction in cost growth for this category by using financial controls, budget monitoring and reporting to optimise resources and maintain cost efficiency,[40] but has not provided any specific details or cost savings targets. The Council notes it will incur less expenditure as some 'materials, contracts and other' expenses were related to flooding.[41]

Council forecasts growth in depreciation expenses at 3.9 percent growth per annum, in line with its inflation estimates, rather than reflecting depreciation expenses arising from revision of its AMPs or growth in new/upgraded capital expenses over the forecast period. Capital expenditure and its implications are further discussed below in section 5.3.

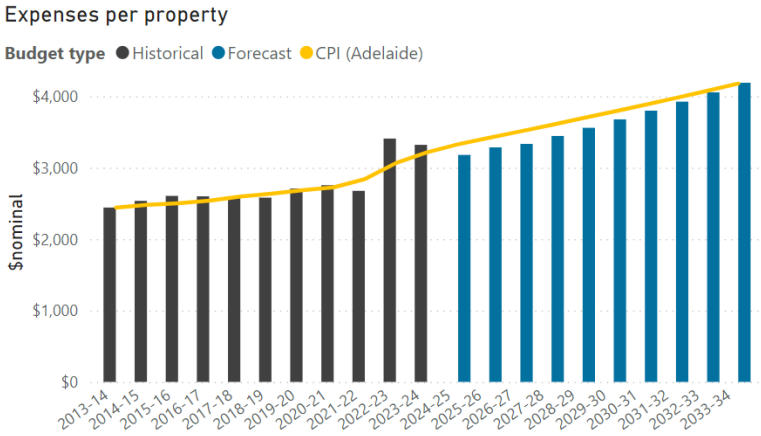
[39] SA Local Government Grants Commission Report 3 – Operating Expenses Information by Council for 2021-22 Financial Year, pp. 9-10, available at: https://www.dit.sa.gov.au/local-government/grants-commission/publications.

[40] District Council of Loxton Waikerie – Annual Business Plan 2024-2025, p. 5.

[41] Council notes an unspecified quantum of flood related and recovery expenditure in correspondence from Council, 6 February 2025, and Financial Statements Year Ended 30 June 2023 note 2g records $1.9 million of River Murray Flood Assistance.

The forecast reduction in total expense growth is a positive trend and if achievable, will enable the Council to meet its forecast operating surpluses. However, the Council's forecast average annual growth in total expenses is less than the Council's own inflation forecast, and more than the average annual rate of 2.6 percent forecast by the RBA. If costs are not contained, there is a risk to the Council's sustainability.

Figure 4: Expense by rated property - historical and forecast



Operating expenses per property (a metric which also accounts for growth) increased by an average of 3.8 percent per annum between 2013-14 and 2022-23. Expenses per property are forecast to grow by an average of 3.1 percent per annum over the next 10 years, reflecting the Council's planned expenditure constraints, noting comments above relevant to cost forecasts.

5.1.5 Commission's recommendations on operating performance

To ensure the Council is positioned to achieve the reduction in the growth of its cost base that it has forecast and improve its operating performance (without the need for further rate increases above inflation), the Commission recommends that the Council:

4. **Continue** to monitor cost growth in its budgeting, where possible.
5. **Report** any actual and projected cost savings in its annual budget (and LTFP, as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

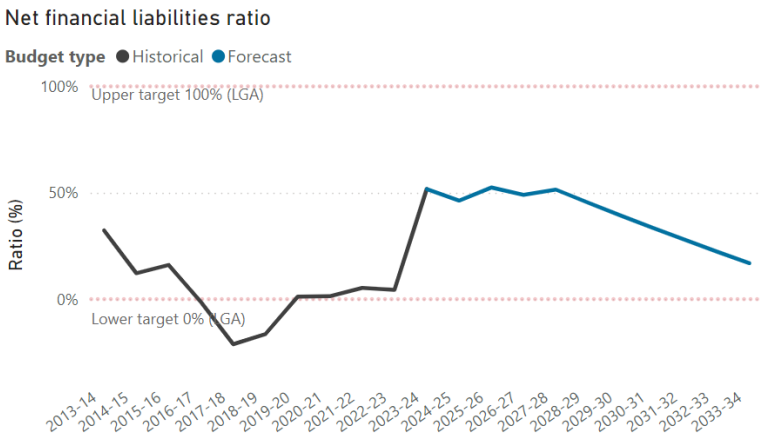
5.2 Net financial liabilities

5.2.1 Key points

Key Points:

- Between 2013-14 and 2021-22, the NFLR averaged 3.4 percent.
- Between 2024-25 and 2033-34, the NFLR is forecast to average 38.5 percent.

Figure 5: Net financial liabilities ratio – historical and forecast



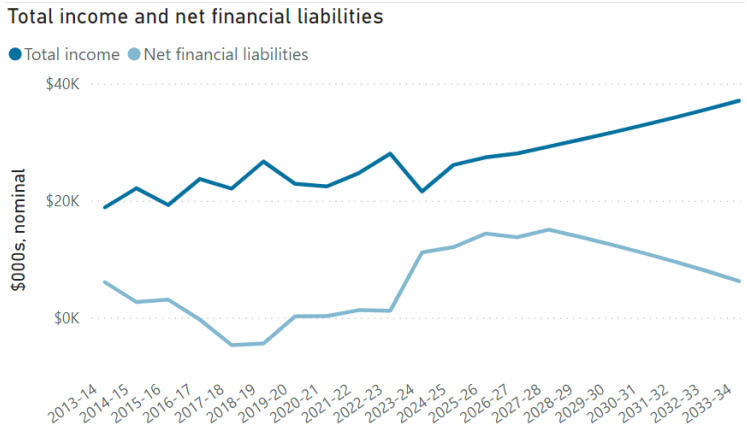
The Council's net financial liabilities decreased between 2013-14 and 2022-23 due to the Council achieving operating surpluses in eight of the 10 years, together with decreases in borrowings (average decline of 12.5 percent per annum) and provisions (average fall of 1.5 percent per annum).

Between 2013-14 and 2022-23, the Council's NFLR ranged from 32.3 percent to negative 21.2 percent. This is within (or below) the suggested LGA target range for the indicator of between zero and 100.0 percent and demonstrates that the Council's operating income can reasonably service its liabilities.[42]

Looking forward, the Council has estimated that the NFLR will peak at 52.5 percent in 2025-26 and average 38.5 percent, remaining within the LGA target range.

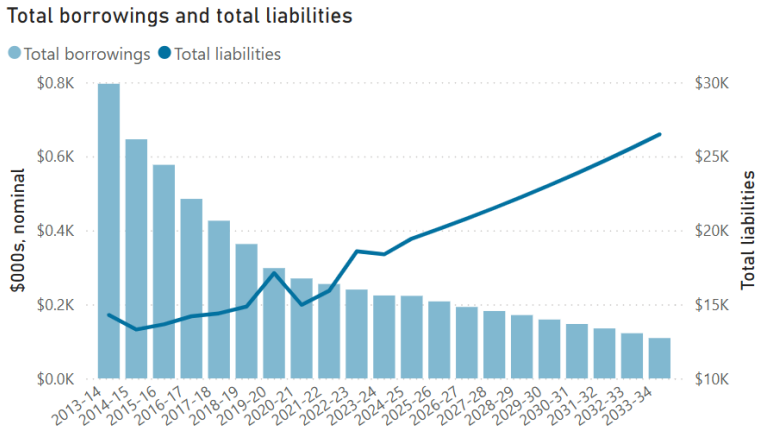
[42] The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

Figure 6: Total income and net financial liabilities – historical and forecast



Income is forecast to increase relative to net financial liabilities between 2024-25 and 2033-34, improving the Council's capacity to borrow further if required. As previously stated, the Council is relying predominantly on further rates revenue growth and lower growth in operating expenses to improve its overall financial sustainability.

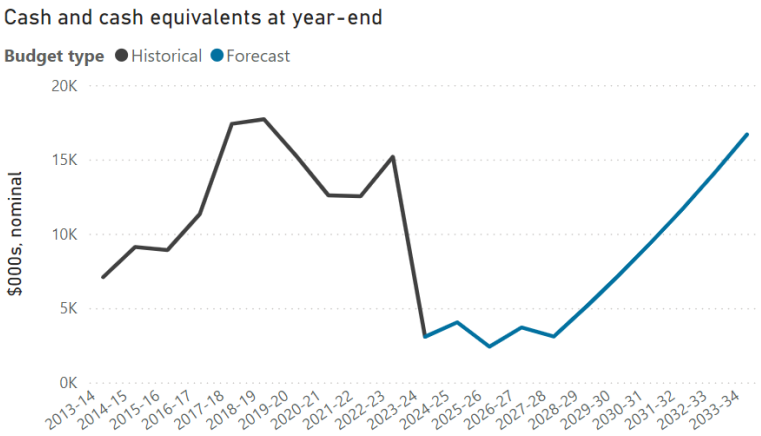
Figure 7: Total borrowings and total liabilities – historical and forecast



As seen in Figure 7, borrowings declined sharply in the historical period. No new borrowings are forecast despite the Council's forecast indicating that the value of its existing borrowings will increase. The Council's Financial Reporting template for 2024-25, provided to the Commission, increases long-term borrowings by its inflation assumptions, which is unlikely to be accurate and demonstrates the general approach the Council has taken to forecasting. Total Liabilities are rising due to the increases in Council's Retirement Village Facility Deposits. The forecast total liabilities on average comprise trade (including deposits, 89.8 percent) and provisions (9.5 percent) and borrowings (0.7 percent).

The Council appears to be operating on a cash budget basis, with reserves that it calls on, when necessary. While this might appear to be a sustainable practice, it does not imply that the Council is operating cost-effectively, nor giving due regard to longer term strategic planning. It may be increasing operational risk which has implications for its community such as declining service levels (see asset section 5.3 below for further discussion).

Figure 8: Cash and cash equivalents at year end – historical and forecast



The Council's net cash flows after operating and investing (that is, capital-related) activities averaged $0.6 million annually between 2013-14 and 2022-23.

Over the historical period, cash held at year end increased from $7.1 million in 2013-14 to a maximum of $17.7 million in 2018-19 before declining to $15.2 million in 2022-23. The Council advised it used cash for major projects in 2023-24, [43] decreasing cash held to $3.1 million (unaudited).

Forecast cash reserves are expected to average $7.7 million per annum, which is 60.9 percent of the historical average. Council forecasts rebuilding its cash reserves from 2028-29, to reach $16.7 million by 2033-34. This level of cash accumulation suggests that the Council could consider alternatives such as funding its forecast $3.4 million (in real terms) shortfall in budget funding for renewal over the 10-year projections from 2026 to 2035,[44] (see asset renewal section 5.3) or reductions in forecast rates.

5.2.2 The Commission's recommendations on financial liabilities

The Commission recommends that the Council:

6. **Consider** adopting a policy for cash reserves that balances out the need for asset renewal spending and reasonable rate increases with prudent cash balances.

[43] Responses to ESCOSA questions, 30 May 2024.
[44] District Council of Loxton Waikerie Asset Management Plan 2026-2035, endorsed August 2024, p. 40.

5.3 Asset renewals expenditure

5.3.1 Key points

- ⚠ Between 2012-13 and 2022-23, the net ARFR averaged 108.3 percent but may not be reliable as the IAMP renewal expenditure was based on 2016-17 AMPs that were not updated.
- ⚠ The net forecast ARFR over the next 10 years is projected to average 94.6 percent.
- ● The data on which the AMP is based are limited and may not provide an adequate basis for credibly forecasting renewal expenditure.
- ⚠ Depreciation expenses may be higher than necessary.
- ⚠ The Council forecasts increased expenditure on renewal of assets and less expenditure on new assets, however, it intends to focus on replacing/upgrading assets whenever grant funding is available.

The Commission's review of the AMPs has found that, on balance, the Council's strategic planning processes do not align well with good practice for a council of its size and complexity. This is for the reasons outlined in this section.

The Council has a new IAMP, adopted in October 2024, replacing the prior plan (adopted 2016). The IAMP covers the Council's asset base comprising buildings, CWMS, stormwater and transport assets, which include roads, kerbing, and footpaths. The plan includes operational, maintenance and capital renewal/new forecasts, with limited information about the basis of calculation. The IAMP acknowledges its limitations, as it was undertaken via a desktop analysis, using existing data without field-based condition assessments (and noting that existing asset registers/datasets were primarily developed for valuation purposes without the other data required for AMPs).[45] The Council has medium to low confidence in the data on which the IAMP is based.[46] Customer service levels are set at basic levels for renewal intervention[47] and are expected to decline based on the planned budgets.[48] Some information is included about future demand and the plan indicates that future reviews, studies and plan upgrades will be required.[49]

Transport assets comprise 49.2 percent of the Council's total infrastructure assets,[50] and the Council forecasts renewal expenditure that will yield an average ARFR of 93.4 percent for this class of asset,[51] indicating that a planned level of deferred asset renewal will arise in the forecast funding period. Technical service levels are not defined for these assets,[52] which may also impact required expenditure once defined. The Council plans to undertake condition assessments and revaluation of this asset class in 2025-26[53] as noted in their detailed plan improvement schedule.

[45] District Council of Loxton Waikerie Asset Management Plan 2026-2035, p. 6, p. 33.
[46] District Council of Loxton Waikerie Asset Management Plan 2026-2035, p. 6, p. 65.
[47] District Council of Loxton Waikerie Asset Management Plan 2026-2035, p. 6.
[48] District Council of Loxton Waikerie Asset Management Plan 2026-2035, p.14.
[49] District Council of Loxton Waikerie Asset Management Plan 2026-2035, pp. 24-27.
[50] District Council of Loxton Waikerie Financial Statements 2023-24 (audited), p. 20.
[51] District Council of Loxton Waikerie Asset Management Plan 2026-2035, p. 57.
[52] District Council of Loxton Waikerie Asset Management Plan 2026-2035, p. 22.
[53] District Council of Loxton Waikerie Asset Management Plan 2026-2035, p. 68.

Building infrastructure is the next largest asset class, comprising 23.9 percent of the Council's total infrastructure assets.[54] A condition audit was undertaken in 2021 for this asset class, however, the Council plans to review buildings and their condition with a view to consolidation.[55]

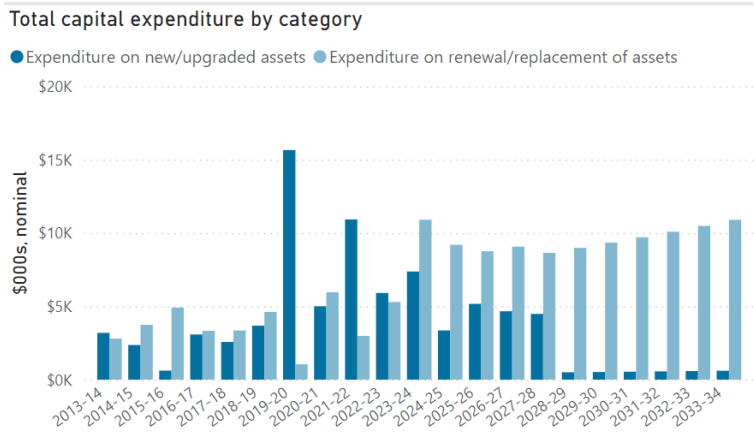
The known funding deficit for asset renewal spending is $3.4 million, as noted in the IAMP.[56] The deficiencies in the IAMP are likely to impact the Council's capacity to optimally plan asset renewal needs into the future. As some of the data on which the IAMP is based are uncertain, it is possible that the Council will continue to experience fluctuating IAMP and ARFR ratios over the forecast period (from 2024-25 to 2033-34), in which capital renewal expenditure does not align well with the IAMP forecasts.

The Council's strategic asset management documentation does not show the extent to which its asset renewals funding history aligned with IAMP renewal targets. The forecast capital renewals in the IAMP do not align with the forecast capital renewal in the LTFP. The Council states that discrepancies between LTFP renewal forecasts and the AMP forecasts are because the AMP does not include all asset groups.[57] It states that its Retirement Village[58] operates as a separate business unit however, the financial transactions appear to be integrated with all the Council's transactions. Additionally, it notes that plant, irrigation and information technology assets are not included in AMPs. The Council has responsibility to ensure that it has made appropriate financial and asset management decisions for all assets, whether integrated or not.

The Council's depreciation expense as a proportion of total expenses was 29.9 percent on average from 2013-14 to 2022-23. This is higher than the average depreciation share of expenses for most councils (24.0 percent in 2021-22[59]). Between 2013-14 and 2022-23, depreciation expenses outpaced renewal capital expenditure by $25.9 million. Over time, there should be some convergence of depreciation expenses and capital expenditure, since ideally, a council is either renewing or replacing its assets consistent with their recorded useful lives, whilst also accounting for any growth needs and service level improvements. The disparity between capital renewal expenditure and depreciation expenditure may indicate that asset values may be overstated, or that estimated useful lives of assets may be understated. The shortcomings in the IAMP suggest that depreciation may be too high, too low, or correct by coincidence.

54 District Council of Loxton Waikerie Financial Statements 2023-24 (audited), p. 20.
55 District Council of Loxton Waikerie Financial Statements 2023-24 (audited), p. 67.
56 District Council of Loxton Waikerie Asset Management Plan 2026-2035, p. 40.
57 Correspondence with District Council of Loxton Waikerie, Chief Finance Officer, 30 January 2024.
58 District Council Loxton Waikerie, Loxton Retirement Village Policy, 19 September.2023, p. 2, notes that The Loxton Retirement Village is owned and financially underwritten by the Council.
59 SA Local Government Grants Commission Report 3 – Operating Expenses Information by Council for 2021-22 Financial Year, pp. 9-10, available at: https://www.dit.sa.gov.au/local-government/grants-commission/publications.

Figure 9: Total capital expenditure by category – historical and projected



Average annual spending on renewal or replacement of assets is forecast to increase from $3.8 million between 2013-14 and 2022-23 to $9.5 million between 2024-25 to 2033-34 (in nominal terms).

The Council's spending on renewal and replacement of assets totalled $38 million between 2013-14 and 2022-23, while spending on new assets totalled $53 million. Significant expenditure in 2019-20 on a new sports stadium, community centre and Waikerie riverfront upgrades utilising COVID stimulus funding contributed to the high expenditure in that year. Spending on new assets has been higher in the latter five years of the historical period. Some of this expenditure was due to disaster relief funding and recovery expenditure following flooding across the Council region in 2023, while construction of levee banks diverted capital funding from scheduled works.[60] In addition, upgrade of townships and unsealed roads to sealed roads contributed to high new/upgrade capital expenditure.[61] The Council was successful in obtaining grants for capital works which led it to bring forward some proposed capital projects.[62]

Looking forward, the Council forecasts average renewal capital expenditure to be $9.5 million per annum, which represents an increase on historical expenditure (average of $3.8 million per annum). Expenditure on new/upgraded capital expenditure is forecast to decline from an average of $5.3 million in the historical period, to an average $2.1 million between 2024-25 and 2033-34.

The Council needs to spend sufficiently on capital renewal to ensure that existing assets are maintained to the standard and service levels required by the community. This will require a change from the Councils historical approach of spending more on new assets than on the renewal and replacement of existing assets. The Council has forecast that it will spend more on renewal of assets than acquisition of new assets, however, the Council's strategic approach is to acquire new assets or upgrade existing assets whenever grant income for new capital projects and associated expenditure is available.[63]

[60] Meeting with ESCOSA, 2 May 2024.
[61] Meeting with ESCOSA, 2 May 2024 and Council's response to ESCOSA questions 30 M,ay 2024.
[62] Response to ESCOSA questions 30 May 2024.
[63] Correspondence with D Beaton, 6 February 2025.

5.3.2 The Commission's recommendations re asset renewals expenditure

The Commission recommends that the Council:

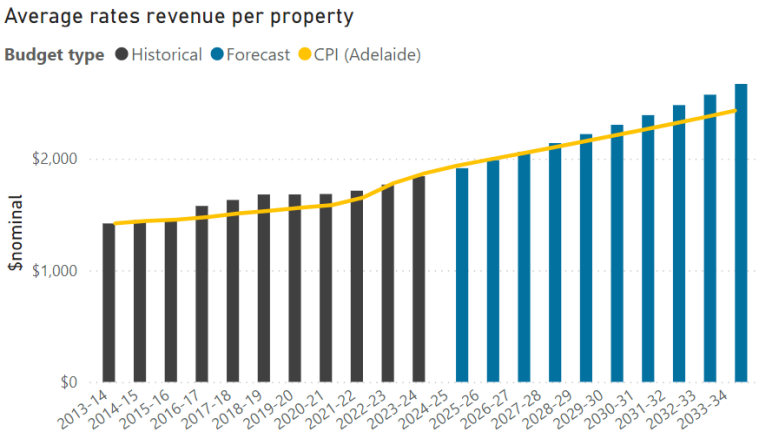
7. **Include** all major asset groups in AMPs to provide a comprehensive view of capital renewal requirements and incorporate this information into annual budgets and LTFPs.
8. **Update** asset management plans regularly and at least every four years, with annual indexation in the intervening years, including consideration of service levels required by the community, and ensure an accurate alignment between renewal expenditure forecasts in the Asset Management Plans and the latest Long-Term Financial Plan projections.
9. **Undertake** condition assessment and revaluation of all asset classes to validate forecast renewal costs and develop more reliable AMPs.
10. **Review** the assumptions underpinning its AMPs including the estimates for asset lives and valuations feeding into the forecast rates of asset consumption, to enable accurate assessment of required asset expenditure, and to reduce depreciation expenses if appropriate.
11. **Continue** to provide more funding to the renewal of its assets, rather than prioritising initiatives involving new or upgraded infrastructure to reduce the need for higher contributions from ratepayers arising from an expanded asset base.

6 Advice on current and projected rate levels

6.1 Key points

- The forecast rate increase between 2023-24 to 2032-33 is 3.8 percent per property per annum, which is above the average RBA-Inflation forecast of 2.6 percent over the period.
- Affordability risk among the community for the further rate increases may occur.

Figure 10: Average rates revenue per property – historical and projected



The Council's growth in rate revenue per property has averaged 2.5 percent or $39 per annum on average for each property over the past 10 years,[64] to reach an average of $1,767 per property in 2022-23. This growth has aligned closely with CPI growth of an average of 2.6 percent per annum over this period and included 0.6 percent average annual growth in rateable property numbers.[65] Current rate levels reflect the Council's recent history of aligning income and expenditure growth, but do not reflect the growth in capital expenditure (on renewals, and new and upgraded assets) which has mostly been enabled by increased grant funding.

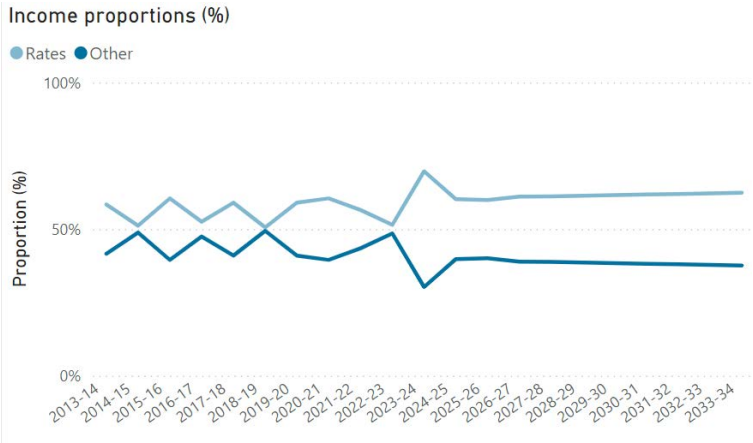
The Commission notes that the Council has average rates aligning with similar councils.[66]

[64] From 2013-14 to 2022-23.

[65] CPI Adelaide historical time series, available at: https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/jun-quarter-2024.

[66] Refer to Councils in Focus rates data for 2019-20, available at https://councilsinfocus.sa.gov.au/councils/district_council_of_loxton_waikerie. The Commission is not relying on these rate comparisons for its advice; the data source provides one indicator, among many, which has informed its advice on the appropriateness of the rate levels.

Figure 11: Income proportions (%)



The Council remains reliant on its rate base for its operating sustainability. As Figure 11 indicates, rates revenue is forecast to account for 60.2 percent of budgeted operating income in 2024-25 with an average of 61.5 percent between 2024-25 and 2033-34. This is an increase compared with the historical average of rates accounting for 55.6 percent of income between 2013-14 and 2022-23.

6.2 Proposed rate increases for 2024-25

The Council has budgeted for an average rate increase of 3.5 percent for general and fixed charges in 2024-25.[67] While differential general rates are applied by the Council, all classes of ratepayers will incur a rate increase of 3.5 percent on their general rate.[68] In addition to general rates, the Council collects fixed charges, service-based charges and levies.

Based on its financial reporting template, in 2024-25, rates per property (including growth in the number of rateable properties) will increase by 3.9 percent over 2023-24 rates or approximately $72 per property.[69] Total rate revenue is forecast to be $15.7 million in 2024-25 and to average $19.2 million over the 10-year forecast period. The Council has also assumed that the growth in the number of rateable properties within the district will continue at 0.6 percent per annum.[70]

6.3 Projected further rate increases

Over the forward years of its LTFP, the Council is projecting average rates increases for its existing ratepayers of approximately 3.8 percent per property per annum from 2024-25 to 2033-34.

In total, the LTFP effectively projects an average annual increase of $84.0 per existing ratepayer (to an average $2,669 per annum) by 2033-34, which is consistent with the Council's assumed inflation growth over this period (an average of 3.94 percent per annum) but is above the RBA-based inflation forecast of an average of 2.6 percent per annum[71] (see Figure 10).

67 District Council of Loxton Waikerie – Annual Business Plan 2024-25, p. 26.
68 District Council of Loxton Waikerie – Annual Business Plan 2024-25, pp. 27-28.
69 Based on the estimated number of property assessments in 2023-24, in the Council's Financial Reporting template provided to the Commission.
70 Based on the estimated number of property assessments in 2023-24, in the Council's Financial Reporting template provided to the Commission.
71 The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-2027.

As a result of further rates increases, the percentage of the Council's total income contributions from ratepayers is projected to average 61.4 percent, compared to a historical average of around 56.0 percent.

6.4 Affordability risk

Affordability risk among the community for these further rate increases may occur, when considering:

- the Council's relative average socio-economic indexes for areas (SEIFA) economic resources ranking for the Loxton Waikerie area[72]
- risks of cost escalation
- rate levels in comparison to other similar councils, and
- whether a revised approach to sustainability is implemented.

6.4.1 The Commission's advice re affordability risk

As the current economic environment is putting more pressure on most communities' capacity to pay for further rate increases, including those of the Council, the Commission recommends that the Council:

12. Review and consider limiting any further average rate increases above inflation, to help reduce any emerging affordability risk in the community.

[72] The District Council of Loxton Waikerie area is ranked 30 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 Index of Economic Resources (2016), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/websitedbs/censushome.nsf/home/seifa#:~:text=Socio-Economic%20Indexes%20for%20Areas%20%28SEIFA%29%20is%20a%20product,the%20latest%20version%20of%20SEIFA%20follow%20this%20link.

7 The Commission's next advice and focus areas

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

- ongoing performance against its current LTFP estimates
- the identification and reporting of opportunities for cost savings, and the planned reductions in cost growth
- the alignment of strategic asset management plans with other strategic documents (LTFP and ABP)
- the updating and implementation of IAMPs
- the planned asset renewal and replacement expenditure versus actual expenditure, and
- the Council's efforts to minimise any emerging affordability risks.

8 Appendix: Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	Asset Renewal Funding Ratio Since 2013, the asset renewal funding ratio has been defined as: Asset Renewal Expenditure ÷ IAMP Renewal Expenditure Where IAMP Renewal Expenditure is that required according to the IAMP.
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	District Council of Loxton Waikerie
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
LTFP	Long-term financial plan
NFLR	Net Financial Liabilities Ratio Net Financial Liabilities are defined as: Total Liabilities LESS Current Assets (Cash and Cash Equivalents) LESS Current Assets (Trade and Other Receivables) LESS Current Assets (Other Financial Assets) LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in council businesses) The net financial liabilities ratio is: Net financial liabilities ÷ Total Operating Income
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: Total Operating Income LESS Total Operating Expenses28

ABS	Australian Bureau of Statistics
	The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
The scheme or advice	Local Government Advice Scheme

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The Essential Services Commission
Level 1, 151 Pirie Street Adelaide SA 5000
GPO Box 2605 Adelaide SA 5001
T 08 8463 4444
E escosa@escosa.sa.gov.au | W www.escosa.sa.gov.au

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