

City of Mount Gambier

Annual Business Plan and Budget Summary 2019/2020



FROM THE MAYOR

The 2019/2020 Annual Business Plan and Budget is a statement of the City of Mount Gambier's intended program of work and outcomes for the upcoming financial year. It was adopted by Council on 27 June 2019 and was developed with reference to the Community Plan - The Futures Paper 2016-2020, the Long Term Financial Plan and the Infrastructure and Asset Management Plans.

This summary outlines the mandatory and discretionary services provided by Council, the key outcomes for 2018/2019 and initiatives for 2019/2020. It also includes information about how the budget will be spent to deliver programs and services to the community. Importantly, it also outlines the impact on rates with the current average rate increase being maintained at 4.5%.

Throughout the first eight months of the Council term, I have attended many community events and activities as Mayor. I enjoy every opportunity to meet with residents and hear what they have to say about life in Mount Gambier and their aspirations for our city.

The richness and diversity of our people, our location, our economy, our climate, natural resources, art, culture and heritage is what makes Mount Gambier the thriving and successful place that people are proud to call home.

Council is proud to provide services, programs and support to the community as an inclusive city where people lead fulfilling lives. It is my wish to continue this vision throughout the Council term.

Lynette Martin
MAYOR



FROM THE CEO

I began in the role of CEO for the City of Mount Gambier at the end of May 2019 and have been impressed with the local spaces, places and quality of the environment on offer within our city.

As we head into the 2019/2020 financial year, I will continue to learn and understand more about what makes Mount Gambier special; with the aim to improve the quality of life for all who live in, work in or visit the city.

I have a strong personal commitment to local government and to the delivery of best value services for the community. The 2019/2020 Annual Business Plan and Budget outlines a total spend of \$32.6 million in operating expenditure, including depreciation of \$7.3 million and total capital expenditure of \$10.5 million for the delivery of services, programs and the maintenance of assets. This includes \$2.6 million towards the initial stage of the Mount Gambier Community and Recreation Hub project and the development of new and upgraded assets, operating and capital expenditure.

Over the coming year, the Council will review its strategic plan to develop our response to community and statutory priorities. My focus is on building the team at the Council to deliver the city's vision and meet community expectations.

I am enjoying living in the community I serve and will continue to seek to provide contemporary best practice for the City of Mount Gambier.

Andrew Meddle
CHIEF EXECUTIVE OFFICER



Our vision:
An inclusive city where people lead fulfilling lives.







All councils have mandatory responsibilities under the Local Government Act and other relevant legislation.

In response to community needs the City of Mount Gambier also provides a number of discretionary services, programs and support. These include but are not limited to:

- ▶ Animal control
- ▶ Building and planning regulation
- ▶ Community development and engagement
- ▶ Economic development
- ▶ Environmental health
- ▶ Environmental sustainability initiatives
- ▶ Event support
- ▶ Main Corner and Riddoch Art Gallery
- ▶ Sport and recreation facilities
- ▶ Tourism and visitor services
- ▶ Citizenship ceremonies
- ▶ Library programs and services
- ▶ Sponsorship and community grants
- ▶ Free public WiFi
- ▶ Cemeteries
- ▶ Youth programs

In 2019/2020 approximately 68% of the City of Mount Gambier's operating revenue will come from rates. This revenue is used to provide mandatory and discretionary services to the community. Maintaining current rate levels at 4.5% is important for the ongoing delivery of services, programs, asset maintenance and improvements to ensure quality of life for all residents.

CORE SERVICES

	\$3.1m	Maintenance of parks, gardens and reserves
	\$1.5m	Footpath construction and maintenance program
	\$5.1m	Roads and drainage
	\$2.5m	Kerbside waste and recycling collection and disposal
	\$1.4m	Public amenities and streetscaping



Approx. 310 trees planted as part of the 2018/2019 street tree program



Estimated **\$16.4m** economic benefit generated by visitors to events



19,363 program participants at the Mount Gambier Library in 2018/2019



2,671 tonnes of kerbside green waste collected and saved from landfill



Maintaining rate increase at **4.5%**



Responsible management of Council's assets worth **\$247m**

KEY OUTCOMES 2018/2019

Rail Trail extension



ReUse Market launch



Delivery of and support to community events



2019/2020 BUDGET INFLUENCES

We live and operate in a dynamic environment with increasing pressure from economic, operating and political influences impacting on the budget. These influences include:

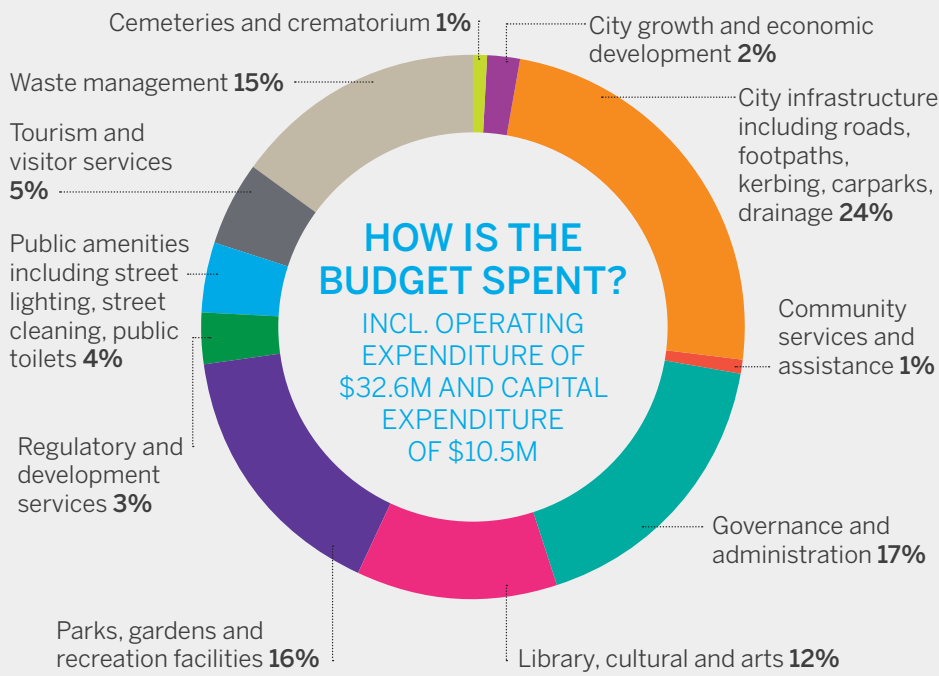
- Confirmed funding for the Mount Gambier Community and Recreation Hub: significant resources committed to the establishment of governance, financial and construction processes for the project.
- Changes in the international market for the management of unprocessed recyclable materials (soft plastics) and an associated decrease in the price paid for the materials (reduction from \$130/tonne to \$0/tonne).
- Strategies aligned with Council's Community Plan.
- Increase in insurance premiums and utility costs.
- 40% increase in the Environmental Protection Authority's (EPA) Solid Waste Levy. (From \$50/tonne to \$70/tonne on 1 January 2020, creating a \$60,000 impact on the 2019/2020 budget).



The Solid Waste Levy is a tax set by the State Government that Council is required by law to collect and pass back to the South Australian Government.

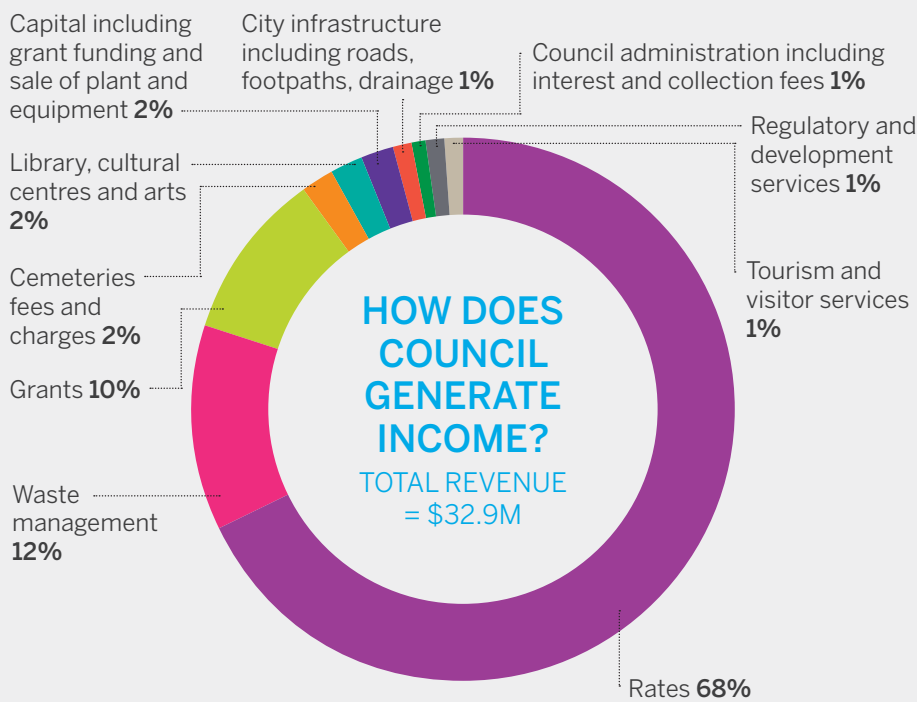
HOW IS THE BUDGET SPENT?

INCL. OPERATING EXPENDITURE OF \$32.6M AND CAPITAL EXPENDITURE OF \$10.5M



HOW DOES COUNCIL GENERATE INCOME?

TOTAL REVENUE = \$32.9M



KEY INITIATIVES 2019/2020

Railway Station building improvements



Community and Recreation Hub construction



Pump Track construction



HOW THE BUSINESS PLAN AND BUDGET IS DEVELOPED

The Annual Business Plan and Budget is set and endorsed by the Elected Members of the City of Mount Gambier.

Elected Member workshops were held during the budget process to consider and discuss the cost of services and projects.

Community members were invited to provide feedback on the Draft 2019/2020 Annual Business Plan and Budget by written submission or at a public meeting held on 20 June 2019.

On 27 June 2019 Elected Members adopted the budget for the 2019/2020 financial year.



14,152 rateable properties



27,176 residents in the City of Mount Gambier

HOW RATES ARE DETERMINED

Council's rating strategy uses a combination of a fixed charge on every rateable property and a differential or variable rating system, based on land use, when calculating general rates.



Fixed charge

+



Variable charge
(Property value x differential rate)

=



Rates

+



NRM levy
(Collected on behalf of NRM Board)

=



Total rates payable

The City of Mount Gambier uses valuations from the State Valuation Office. The rate in the dollar determines how much you pay according to how much your property is worth.

The fixed charge component is \$682.70, an increase of 4.2% on last financial year's fixed charge. The fixed charge applies to every rateable property and will continue to raise just under half (45%) of Council's gross general rate revenue.

The differential or variable rating component that raises the remainder (55%) of Council's required gross general rate revenue is determined by multiplying the individual property value (capital value provided by the State Valuation Office) by the differential rate in the dollar adopted for each separate land use category i.e. residential, commercial, industrial, primary production, vacant land or other land use.

In terms of residential rates, the average residential ratepayer will pay \$1,238, an increase of \$50 (4.2%) or \$0.96 per week on last financial year's average of residential rate.

Average rates	2017 /2018	2018 /2019
SA metro councils	\$1,542	\$1,598
SA rural councils	\$1,306	\$1,399
City of Mount Gambier	\$1,145	\$1,188

In 2018/2019 City of Mount Gambier ratepayers paid about \$211 less in residential rates, on average, in comparison to other regional cities in South Australia*.

**Based on the Local Government of South Australia rates survey 2018/2019*

As part of Council's rating strategy a range of rate relief measures or assistance can be provided including:

- ▶ Residential (principal place of residence) rate cap
- ▶ Vacant land rate rebates
- ▶ Postponement of rates for seniors
- ▶ Hardship
- ▶ Mandatory and discretionary rate rebates.

FURTHER INFORMATION

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Find us on Facebook
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The City of Mount Gambier Annual Business Plan and Budget 2019/2020 outlines the services, programs and activities Council plans to deliver over the next 12 months.

View the document on Council's website.

