



City of  
Mount Gambier

Civic Centre, 10 Watson Terrace  
Mount Gambier SA 5290

PO Box 56  
Mount Gambier SA 5290

Telephone 08 87212555  
Facsimile 08 87249791  
[city@mountgambier.sa.gov.au](mailto:city@mountgambier.sa.gov.au)

[mountgambier.sa.gov.au](http://mountgambier.sa.gov.au)

**I hereby give notice that a Special Audit and Risk Committee Meeting  
will be held on:**

**Date: Monday, 6 June 2022**  
**Time: 5.30 p.m.**  
**Location: Council Chamber**  
**Civic Centre**  
**10 Watson Terrace**  
**Mount Gambier**

# **AGENDA**

## **Special Audit and Risk Committee Meeting 6 June 2022**

**Sarah Philpott**  
**Chief Executive Officer**  
**2 June 2022**

## Order Of Business

<b>1</b>	<b>Acknowledgement of Country .....</b>	<b>3</b>
<b>2</b>	<b>Apology(ies).....</b>	<b>3</b>
<b>3</b>	<b>Questions without Notice.....</b>	<b>3</b>
<b>4</b>	<b>Reports .....</b>	<b>4</b>
4.1	2022/2023 Draft Annual Business Plan and Budget – Report No. AR22/35077 .....	4
4.2	Draft Long Term Financial Plan 2023-2032 – Report No. AR22/35078 .....	93
4.3	Draft Asset Management Plans (AMPs) 2023-2032 – Report No. AR22/36371....	123
<b>5</b>	<b>Meeting Close .....</b>	<b>201</b>



**1 ACKNOWLEDGEMENT OF COUNTRY**

We acknowledge the Boandik peoples as the traditional custodians of the land where we meet today. We respect their spiritual relationship with the land and recognise the deep feelings of attachment our indigenous peoples have with this land.

**2 APOLOGY(IES)**

Nil

**3 QUESTIONS WITHOUT NOTICE**



## 4 REPORTS

### 4.1 2022/2023 DRAFT ANNUAL BUSINESS PLAN AND BUDGET – REPORT NO. AR22/35077

<b>Committee:</b>	<b>Audit and Risk Committee</b>
<b>Meeting Date:</b>	<b>6 June 2022</b>
<b>Report No.:</b>	<b>AR22/35077</b>
<b>CM9 Reference:</b>	<b>AF11/863</b>
<b>Author:</b>	<b>Julie Scoggins, Manager Financial Services</b>
<b>Authoriser:</b>	<b>Darren Barber, General Manager Corporate and Regulatory Services</b>
<b>Summary:</b>	<b>Legislation - Council is required to develop and adopt an Annual Business Plan in accordance with the Local Government Act and Financial Regulations. Operational &amp; Financial Planning Document - the Annual Business Plan is the key annual operational and financial planning document for the City of Mount Gambier Council. Annual Overview - this document describes Council's proposed services, projects, objectives and KPIs for 2022/2023 and includes the rating strategy and draft rating policies and annual budget</b>
<b>Strategic Plan Reference:</b>	<b>Goal 1: Our People Goal 2: Our Location Goal 3: Our Diverse Economy Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage Goal 5: Our Commitment</b>

#### REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR22/35077 titled '2022/2023 Draft Annual Business Plan and Budget' as presented on 06 June 2022 be noted.
2. That the Audit and Risk Committee feedback on Council's Draft 2022/2023 Draft Annual Business Plan and Budget and/or the associated processes and risks, as follows:
  - XXXXX
  - XXXXX
  - XXXXX

be incorporated with the public consultation feedback to be presented to the Special Council meeting to be held on the 28 June 2022 for consideration of the adoption of the Draft 2022/2023 Annual Business Plan and Budget.



## TYPE OF REPORT

Corporate

## BACKGROUND

1. **Audit and Risk Committee Terms of Reference** - The following section of the Audit and Risk Committee Terms of Reference is relevant to this report:

### **12.6 Review of Strategic Management and Business Plans:**

*The Committee shall review and provide advice on Council's strategic management plans (at the time of their preparation and scheduled review), which include the following:*

- *Strategic Plan;*
  - *Key principles and assumptions of the Long Term Financial Plan;*
  - *Various Asset Management Plans; and*
  - *Annual Business Plan.*
2. **Legislation** - Section 123 of the Local Government Act 1999 requires Council to have an annual business plan and budget. Further guidance is provided by Sections 6 and 7 of the Local Government (Financial Management) Regulations 2011.
  3. **Legislative Changes** - Changes to the Local Government (Financial Management) Regulations 2011 were made effective from January 2022 that defined the following:
    - **Consistent Information** - How rating information should be shown to ensure that all SA Councils present the information included in the Draft Annual Business Plan issued for public consultation and the final version of the document for adoption in a consistent manner; and
    - **General Rates Growth** - Growth is now defined as the growth in the number of rateable properties.
  4. **LGA Suggested Template** - To assist councils the Local Government Association (LGA) has been working with the South Australian Local Government Finance Managers Group (SALGFMG) and the Revenue Professionals SA (RPSA) to develop some suggested templates to incorporate the required information and also to discuss how these may be populated on a consistent basis.
  5. **Section 123 Details** - Section 123 of the Local Government Act states that:

*Each annual business plan of Council must –*

    - (a) include a summary of the council's long-term objectives (as set out in its strategic management plans); and*
    - (b) include an outline of— (i) the council's objectives for the financial year; and (ii) the activities that the council intends to undertake to achieve those objectives; and (iii) the measures (financial and non-financial) that the council intends to use to assess the performance of the council against its objectives over the financial year; and*
    - (c) assess the financial requirements of the council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and*
    - (d) set out the rates structure and policies for the financial year; and*
    - (e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the council; and*
    - (f) take into account the council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the council; and*



(g) *address or include any other matter prescribed by the regulations.*

6. **Part 2 (6) of the Local Government (Financial Management) Regulations 2011** - States that the Business Plan must include the following with regards to rates:

(1) *Pursuant to section 123(2)(g) of the Act, an annual business plan (including a draft for the purposes of public consultation) must include information with respect to the following additional matters:*

- (a) *the reason why the council has adopted its valuation method for rating purposes;*
  - (b) *if differential rates are used, the reasons and justifications for the differentiation, and the expected level of revenue to be raised by each differential rate;*
  - (c) *if applicable, the use and level of a fixed charge component of a general rate;*
  - (d) *the use and level of any separate rate, service rate or service charge, including the reasons for the rate or charge;*
  - (e) *the council's policy on discretionary rebates and remissions, with particular reference to the rebates that will apply for more than 1 financial year and including information on how a rebate is designed to meet the purpose behind the rebate;*
  - (ea) *a statement on the total expected revenue from general rates for the financial year compared to the total expected revenue from general rates for the previous financial year as set out in the annual business plan for that previous financial year (excluding rebates and remissions on rates that are not discretionary rebates or remissions);*
  - (eb) *a statement on the percentage change in the total expected revenue from general rates for the financial year compared to the total expected revenue from general rates for the previous financial year as set out in the annual business plan for that previous financial year (excluding rebates and remissions on rates that are not discretionary rebates or remissions);*
  - (ec) *if relevant, a statement on the average change in the expected rates for the financial year (expressed as a whole number of dollars) for each land use category declared as a permissible differentiating factor compared to the expected rates for each category for the previous financial year as set out in the annual business plan for that previous financial year;*
  - (f) *issues concerning equity within the community and the impact of rates across the area;*
  - (g) *the application or operation of a minimum amount payable by way of rates (if applicable).*
- (2) *If an annual business plan sets out a growth component in relation to general rates, it may only relate to growth in the number of rateable properties (and must not relate to growth in the value of rateable properties).*

7. **Part 2 (7) of the Local Government (Financial Management) Regulations 2011** - States that the budget must include the following:

*Pursuant to section 123(10)(b) of the Act, each budget of a council under the Act must—*

- (a) *include budgeted financial statements, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the Model Financial Statements; and*
- (b) *state whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year; and*
- (c) *include a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and*



*(d) include estimates with respect to the council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators*

8. **Public Consultation** - Consultation must be undertaken on the draft Annual Business Plan in accordance with Council's public consultation policy and Section 123 (4) of the Act.
9. **Annual Business Plan and Budget Process** - A report was taken to Council in November 2021 that included an overview of the 2022/2023 Annual Business Plan process, the budget information to be provided to Elected Members, and the key milestones and meeting dates.
10. **Annual Business Plan and Budget Development** - The draft Annual Business Plan and Budget was developed in consultation with staff across Council. Staff provided detailed budget requirements for the coming year to deliver services for community and specific projects. This was then reviewed by senior Council staff and Elected Members.
11. **Audit and Risk Committee Engagement** – A workshop was held with Committee members that provided a budget overview detailing the progress to date and the approach taken in February 2022 and a subsequent workshop was held to discuss the format of the Annual Business Plan, and key assumptions underpinning the draft budget in May 2022.
12. **Annual Business Plan and Budget Elected Member Engagement** - Four informal briefings were held with Elected Members during February and April 2022 to brief them on the contents of the budget and understand the priorities for the coming year.
13. **Council Endorsement of the Draft Annual Business Plan and Budget** – Council endorsed the Draft 2022/2023 Annual Business Plan and Budget for public consultation at the Council meeting on 17 May 2022.

## PROPOSAL

1. **Strategic Management Plans** - Council's Annual Business Plan and Budget was formulated within the guiding principles detailed in its suite of Strategic Management Plans, including the City of Mount Gambier Strategic Plan 2020-2024, Asset Management Plans and Long-Term Financial Plan. The Strategic documents were reviewed at the same time to ensure alignment and are intended to be reviewed together annually in future years.
2. **Service Levels to the Community** - Council's annual operating program was developed to ensure maintenance of the current level of all existing services to the whole community. It should be noted that this Annual Business Plan does not include the provision of new services with the exception of the Wulanda Recreation and Convention Centre.
3. **Structure of the Annual Business Plan document** - It should be noted that feedback received from Council Staff and Elected Members and the impact of legislative changes have been considered in the development of this year's document with the addition of the following information:
  - **Significant Influences** - An overview of the environment in which the Annual Business Plan and Budget was developed i.e. the external influences including the political environment, public health and wellbeing and tourism.
  - **Highlights** - An overview of proposed key outcomes for the coming year.
  - **Key Assumptions** - Provides an overview of key assumptions and principles applied in building the budget.
  - **Capital Expenditure** - Provides an overview of the capital works program with definitions for the different categories of projects supported by additional project information to provide clarity for the community (including project descriptions to provide more detail to aid in understanding the expected outcomes from the projects and a view of grants anticipated and the net cost to Council (i.e. after grants/contributions)).
  - **Financial Overview** - Is a summary of the operating budget.



- **Financial Targets** - Shows how the 2022/2023 budget key financial indicators compare to targets (based on a 3 year average).
- **Our Goals** - Provides an overview of the key Annual Business Plan and Budget information included in the document aligned to the headings of the four strategic plan goals identified in the City of Mount Gambier Strategic Plan 2020-2024 being: Our People; Our Location; Our Economy; and Our Climate, Natural Resources, Art, Culture and Heritage. Each strategic plan goal includes the following information:
  - **Strategic Plan Objectives** - Key objectives from the City of Mount Gambier Strategic Plan 2020-2024 to which the Annual Business Plan and Budget are aligned.
  - **Annual Objectives** - Priority outcomes that Council are planning to achieve in the coming year.
  - **Key Performance Indicators** - Measures that will highlight the expected performance in the delivery of services and annual objectives.
  - **Services** - The list of services that Council will deliver for the community.
  - **Projects** - Project names, a brief description of the project, the gross cost, expected grants/contributions and the net cost to Council (after taking account of the expected contribution).
- **Rating Policy and Rate Rebate Policy** - Both draft rating policies have been included in the Annual Business Plan and Budget document rather than as a separate report to ensure that the document is aligned with the new regulations.

**Financial Overview:**

Summary	Key Measure	Restated Budget 2022	Draft Budget 2023	Adopted LTFP 2023	Target
Revenue Assumptions	General Rate Increase	4.5%	4.5%	4.5%	4.5%
	Waste Service Charge	4.5%	4.5%	4.5%	4.5%
	<b>Total Rate Revenue Increase</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>
Key Financial Indicators	Operating Surplus Ratio	-1.7%	-7.2%	-2.7%	> \$0 by FY 2027
	Net Financial Liabilities	154%	135%	132%	< 100% by FY 2027
	Asset Renewal Funding Ratio	106%	120%	143%	<b>&gt; or = 100%</b>
Operating Expenditure	Operating expenditure (\$'m)	34.5	39.6	39.5	
Capital Expenditure	Asset Renewals (\$'m)	7.6	7.4	7.5	
	New/Upograde (\$'m)	48.2	14.1	2.4	

- **Total Rate Revenue Increase** - 4.5% has been assumed aligned with the previously adopted LTFP.
- **Inflation** - CPI has been assumed to be 2.3% based on Deloitte Access Economics forecast for FY 2023 as at December 2021.
- **Operating Deficit** - Council's estimated operating deficit for 2022/2023 is forecast to be (\$2.7m) which is higher than that included in the previously adopted LTFP target of (\$1.0m) mainly as a result of timing of grant revenue with LRCI Phase 2 (\$0.4m) (to be received in 2021/22) and Financial Assistance Grants where 75% was paid in 2021/22 (\$0.8m).





- **Operating Expenditure** - A total of \$39.6m will be spent on operating expenditure including waste management and disposal, development assessment and planning services, library services, community development and events plus the maintenance/depreciation of infrastructure and building assets including roads, footpaths, lighting, stormwater drainage, cemeteries and other council properties. It should be noted that this is broadly in line with the adopted LTFFP.
  - **Renewal Program** - Next year \$7.4m has been allocated to renew assets including Buildings and Structures \$0.9m, Infrastructure \$3.7m, Plant and Equipment \$1.4m and Caroline Landfill \$1.2m.
  - **New/Upgrade** - Next year \$14.1m has been allocated to New/Upgrade including Wulanda \$10.7m, and Other New/Upgrade \$3.3m (including Rail Trail solar lighting \$1.2m (partly funded by IPP grant funding and Valley Lakes Toilets \$0.4m (funded by LRCI Phase 3 grant funding)).
  - **Key Financial Indicators** - The key ratios have been compared to the adopted LTFFP as shown below:
    - **Operating Deficit Ratio** - The operating deficit ratio is higher than the adopted LTFFP (unfavourable variance) mainly due to the timing of grant revenue (with more detail provided above).
    - **Net Financial Liabilities Ratio** - This is higher than the LTFFP target mainly due to timing of grant revenue.
    - **Asset Renewal Funding Ratio** - This is lower than the adopted LTFFP mainly due to the impact of the revised Asset Management Plans (updated with the exception of Caroline Landfill).
4. **Grant Funding** - Council has submitted a number of grant funding applications to external bodies seeking funding for a range of projects/initiatives. The outcome of some of these applications is not yet known and may impact the 2022/2023 budget. Council has also been successful in securing significant grant funding from Local Roads and Community Infrastructure.
5. **Financial Statements** - Includes the following statements for 2021/22 and 2022/2023:
- Statement of Comprehensive Income;
  - Statement of Financial Position (Balance Sheet);
  - Statement of Changes in Equity;
  - Statement of Cash Flows;
  - Uniform Presentation of Finances; and
  - Financial Indicators.
6. **Net Borrowing** - Council's net borrowing (budget deficit) as shown in the Uniform Presentation of Finances in 2022/2023 is expected to be (\$8.7m). This is lower than the previously adopted LTFFP target mainly due to timing of grant revenue and capital expenditure. This indicates the extent to which net financial liabilities of the Council can be met by the Council's total operating revenue. The resulting draft plan outlines Council's objectives and goals in accordance with Council's Strategic Plan and Long-Term Financial Plan maintaining a financial and strategic focus to provide sustainability for residents and ratepayers in the future.
7. **Rating Policy and Rate Rebate Policy** - These two policies have been included in the draft Annual Business Plan document to ensure alignment with the recent regulatory changes. They identify the framework within which Council must operate and make policy choices. They will be included for adoption with the Annual Business Plan and Budget in June 2022.



## **LEGAL IMPLICATIONS**

As shown in more detail in the background section of this report including Section 123 of the Local Government Act 1999 and Part 2 (6) and (7) of the Local Government (Financial Management) Regulations 2011.

## **STRATEGIC PLAN**

The Draft Annual Business Plan and Budget 2022/2023 is aligned with the City of Mount Gambier Strategic Plan 2020-2024.

## **COUNCIL POLICY**

[R105 Draft Rating Policy 2022/2023](#) (included in this agenda item)

[R130 Rates General Matters](#)

[R155 Rate Rebate Policy](#) (included in this agenda item)

[P195 Community Consultation and Engagement Policy](#)

[T150 Treasury Management Policy](#)

[B300 Budget Framework Policy](#)

[P420 Procurement, & Disposal of Land and Assets](#)

## **ECONOMIC IMPLICATIONS**

The Annual Business Plan and Budget was developed considering the adopted Long-Term Financial Plan 2022-2032 and aligned with the development of the draft Long Term Financial Plan 2023-2032 and draft Asset Management Plans 2023-2032 also included in the agenda for this meeting.

## **ENVIRONMENTAL IMPLICATIONS**

The Draft Annual Business Plan and Budget 2022/2023 includes Council's environmental budget for the year, annual objectives and key performance indicators, services and projects aligned with the strategic goals of Our Diverse Economy and Our Climate, Natural Resources, Arts, Culture and Heritage.

## **SOCIAL IMPLICATIONS**

The application of rates is recognised as a system of taxation of residents, and as such, Council strives to the best of its ability to ensure that rates are applied fairly and that the burden is shared equally by those with ability to pay in proportion to their wealth.

Council has and will continue to consider the impact of rates on all sections of the community and those on fixed incomes and with limited financial resources.

## **CULTURAL IMPLICATIONS**

Nil

## **RESOURCE IMPLICATIONS**

The development of the Draft Annual Business Plan and Budget 2022/2023 has been managed within existing staff resources.

The capacity and capability of the organisation to deliver the Draft Annual Business Plan outcomes has been reviewed and confirmed with key stakeholders.

## **VALUE FOR MONEY**

The Draft Annual Business Plan 2022/2023 includes the budget. Procurement of goods and services included in the budget will be aligned with P420 Procurement, & Disposal of Land And Assets Policy.



## RISK IMPLICATIONS

The capacity to deliver the Draft Annual Business Plan and Budget has been reviewed by the Executive Leadership Team (ELT) with a particular focus on the delivery of the operating and capital works programs.

## EQUALITIES AND DIVERSITY IMPLICATIONS

Annual objectives and KPIs in relation to implementation of these plans have been included in the Draft Annual Business Plan and Budget

## ENGAGEMENT AND COMMUNICATION STRATEGY

Community consultation timelines and approach is aligned with that defined in the Local Government Act and Council's Policy P195 Community Consultation and Engagement Policy defines community consultation as being "part of community engagement and means a planned process by which the Council formally invites its constituents and stakeholders to comment about matters upon which Elected members are to deliberate."

The approach to and the timelines for community consultation are also aligned with legislation as follows:

Decision to be made	Make recommendations for the Draft Annual Business Plan 2022/2023.
Key factors to be considered in decision	<ul style="list-style-type: none"> <li>• Draft Long Term Financial Plan 2023-2032</li> <li>• Draft Asset Management Plans 2023-2032</li> <li>• City of Mount Gambier Strategic Plan 2020-2024</li> <li>• Local Government Act 1999</li> </ul>
Area of community influence	<ul style="list-style-type: none"> <li>• <b>Aspects that are fixed</b> – Legislative factors;</li> <li>• <b>Key areas for community input</b> – The community may make submissions on all sections of the Annual Business Plan.</li> </ul>
Method of consultation, informing the community	<p>Copies will be available at:</p> <ul style="list-style-type: none"> <li>• The Mount Gambier Library; and</li> <li>• The Customer Service counter.</li> <li>• Have Your Say website</li> </ul> <p>A facility will be available for the community to ask questions and receive submissions on Council's Have Your Say website during the public consultation period.</p> <p>A Special Council meeting will be held on Tuesday 14 June 2022 at 5:30pm to hear feedback from the community.</p>
Feedback to stakeholders/Council	A written response will be made to all submissions once the Annual Business Plan 2022/2023 has been adopted by Council.
Timeframe for Consultation	19 May - 9 June 2022.

## IMPLEMENTATION STRATEGY

Following the adoption of the 2022-2023 Annual Business Plan and Budget in June 2022 the following will occur:



- **Budget** - the budget will be formally rolled out across the organisation to all budget holders and will form the basis of financial performance reporting.
- **Annual Objectives and Key Performance Indicators** - Performance against the annual objectives and Key Performance Indicators included in this document will form the basis for quarterly Annual Business Plan Performance reporting that will be brought to Council.

### **CONCLUSION AND RECOMMENDATION**

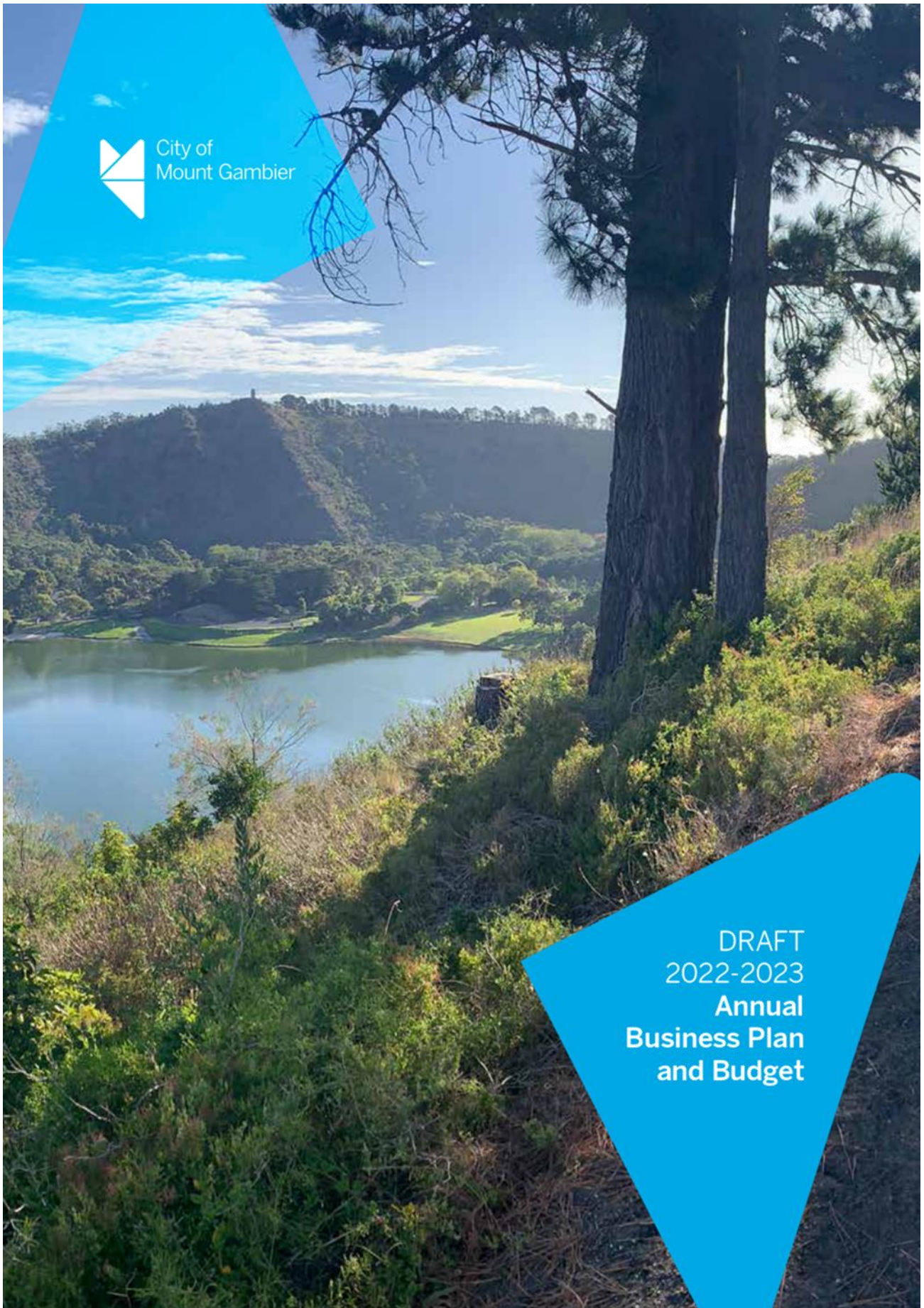
The Draft Annual Business Plan, detailing Council's intended programs for the 2022/23 year including the rating policy and annual budget, has been endorsed for community consultation and will be available for comment and submission by the community until 9 June 2022.

The process that was undertaken to build the budget achieved the key outcomes established prior to the start of the process.

### **ATTACHMENTS**

1. Draft 2022-2023 Annual Business Plan & Budget [↓](#)

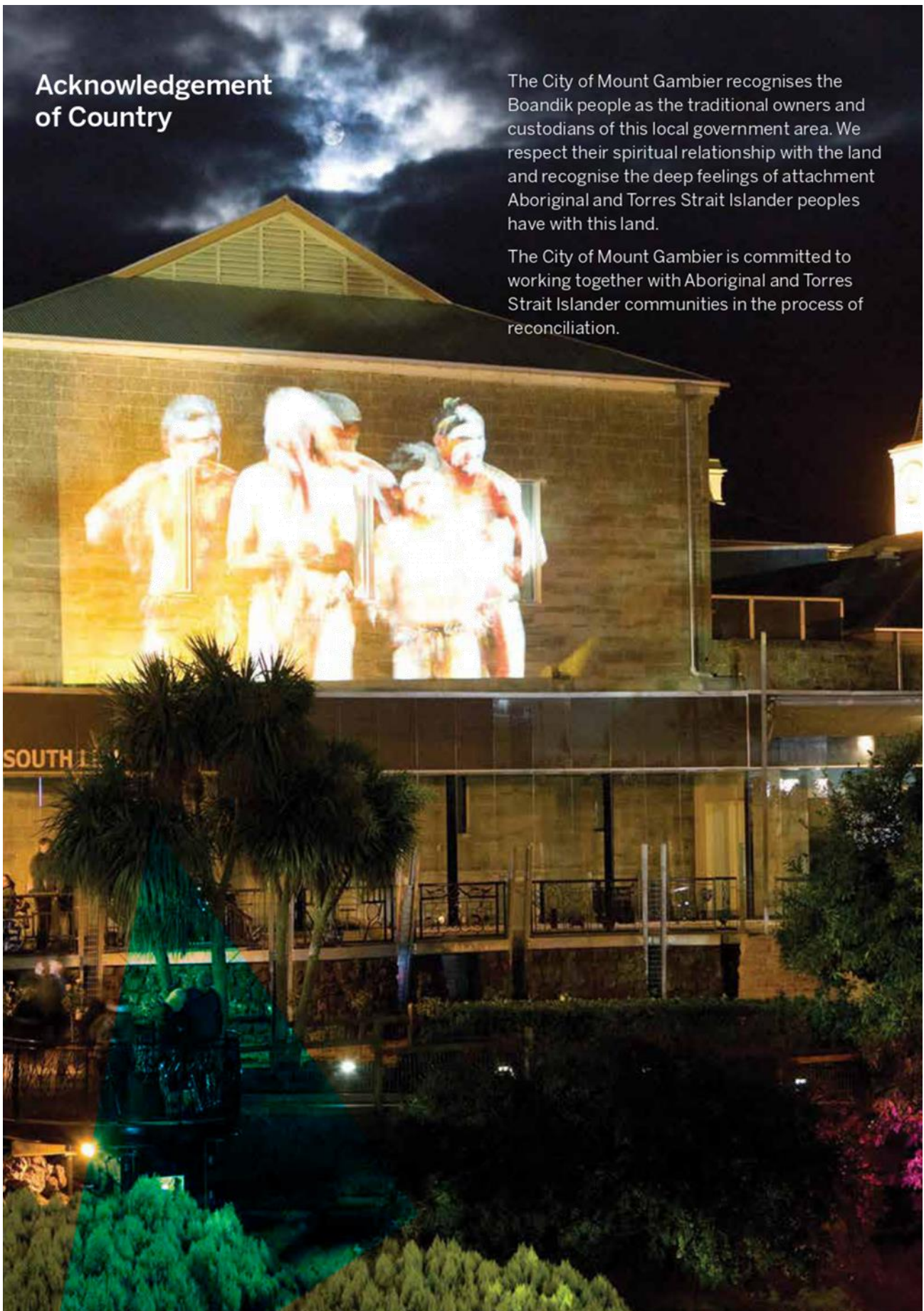




## Acknowledgement of Country

The City of Mount Gambier recognises the Boandik people as the traditional owners and custodians of this local government area. We respect their spiritual relationship with the land and recognise the deep feelings of attachment Aboriginal and Torres Strait Islander peoples have with this land.

The City of Mount Gambier is committed to working together with Aboriginal and Torres Strait Islander communities in the process of reconciliation.





## Contents

Acknowledgement of Country	Inside cover
A message from the Mayor	2
A message from the CEO	3
How the Annual Business Plan and Budget was prepared	4
Significant Influences	4
Funding and Expenditure Summary	6
Council Snapshot	7
Strategic Context	8
Highlights	9
Key Assumptions	10
Capital Expenditure	11
Financial Overview	15
Financial Targets	16
Strategic Plan - Our Role and our Goals:	19
- Our People	20
- Our Location	23
- Our Economy	27
- Our Climate, Natural Resources, Art, Culture and Heritage	30
Rating Strategy	33
Appendices:	
- Draft 2022/2023 Financial Statements	40
- Rating Policy	46
- Rate Rebate Policy	58

All items in red reflect current data available to Council. The most recent valuations available to Council at the time that Council adopts its budget under Section 167 of the Act will govern the assessment of rates for the financial year which will result in changes to the rate in the dollar and the distribution of general rates detailed in the document.



## A message from the Mayor

On behalf of Elected Members and staff I am pleased to present the City of Mount Gambier Draft Annual Business Plan for the 2022/2023 financial year.

This document outlines the programs of work and allocation of budget supporting the activities that the City of Mount Gambier will undertake in the next financial year.

The Annual Business Plan and Budget continues to provide key services to the community while Council delivers the largest infrastructure project ever undertaken, the Wulanda Recreation and Convention Centre at Olympic Park on Margaret Street.

I am very excited for our community to have access to this amazing facility. It will be a game changer for Mount Gambier, life changing for our residents and will be a state-of-the-art facility for all our community to enjoy.

Council will continue to deliver major projects utilising Local Roads and Community Infrastructure Grant funding to renew and upgrade community facilities including amenities at Frew Park and the Valley Lake Recreational Area.

Council will also continue to provide opportunities for the community to enjoy our city with the shared cycling/walking path from Wandilo Road to Wireless Road where solar lighting will be installed along the total length of the trail, along with other capital projects outlined in this document and in line with Council's other strategic documents.

To ensure that Council's priorities are delivered in the context of long term financial sustainability, the Draft Annual Business Plan has been developed in alignment with the Draft Long Term Financial Plan and Draft Asset Management Plans that will also be released for public consultation.



I would encourage you to take this opportunity to be a part of the development of this year's Annual Business Plan and Budget by providing a submission as part of the community consultation via Council's Have Your Say website. Visit [www.haveyoursaymountgambier.com.au](http://www.haveyoursaymountgambier.com.au) for further details.

Yours faithfully,

**Lynette Martin OAM**  
MAYOR



## A message from the CEO

It is a pleasure to present to you the Draft 2022/2023 Annual Business Plan and Budget for the City of Mount Gambier. I have been impressed by the dedication shown by both Council staff and Elected Members working together to ensure that we have a financially sustainable budget that delivers public value for our ratepayers.

Our budget show how we aim to deliver great services and facilities to you as our community and visitors to the city.

Aligned with our Draft Long Term Financial Plan the 2022/2023 total rate revenue is set to increase by 4.5%, including the Waste Service Charge.

The average residential ratepayer will pay **\$1,162\*** in 2022/2023 which equates to an overall increase of \$50. The average residential rate is below the South Australian average which was \$1,702 for the metropolitan area and \$1,461 for rural areas in 2021/2022 (City of Mount Gambier was \$1,112).

The Annual Business Plan and Budget delivers both essential services for the community and looks to build foundations for the future with the delivery of the Crater Lakes Masterplan and further development of the Sport, Recreation and Open Space Strategy.

You will see that this year, the Draft Annual Business Plan and Budget has some new features. Some of these are as a result of changes to the Local Government Act, which outlines how we inform you about your rates and our finances, and some are as we strive to improve the information that we provide to you and to make clearer those projects and priorities that we will aim towards over the course of the financial year.



I look forward to hearing your feedback, and to continuing to work together on making this an even more incredible place to live.

Yours faithfully,

**Sarah Philpott**  
CHIEF EXECUTIVE OFFICER

\*Excluding Waste Service Charge

## How the Annual Business Plan and Budget was prepared

### PURPOSE

The Annual Business Plan is the key operational and financial document for Council. It sets proposed operational programs and capital projects for 2022/2023 and how we will allocate our budget.

### STRATEGIC DIRECTION

The content has been developed after taking into consideration the long-term direction of the Futures Paper, Strategic Plan 2020-2024, The Long Term Financial Plan (10 Year Plan) and the Asset Management Plans (10 years). Maintaining an adequate level of expenditure on existing assets on an annual basis ensures intergenerational equity, that is the burden of costs is met equally by current and future ratepayers.

### OPERATIONS BUDGET BUILD APPROACH

The Annual Business Plan 2022/2023 adopted a 'bottom up' budget approach where meetings were held with budget holders to examine their costs, which required managers to justify expenditure and provide assumptions for revenue.

### PROJECT BUDGETS APPROACH

Project summaries (high level business cases) were developed for capital projects and new initiatives. These were reviewed by a budget steering group made up of staff members from across Council, including the Executive Leadership Team to rank their priority based on the strategic plan alignment, value for money and risk. Some of these projects may be delivered over multiple years while others impact only 2022/2023. The resulting draft priorities were further reviewed by the Executive Leadership Team and presented to Elected Members via a series of workshops.

### ELECTED MEMBER REVIEW

A number of workshops were held with Elected Members to develop this budget and discuss priorities within the draft plan during February and April 2022.

4 | City of Mount Gambier

## Significant Influences

In the development of the Annual Business Plan we have undertaken a review of our internal environment and broader external environment that includes social, environmental, economic and planning elements. This review identifies key issues that help provide the context for the development of this plan.

### PUBLIC HEALTH AND WELLBEING

The COVID-19 pandemic has driven global changes. In South Australia, there are still ongoing ramifications that will continue to affect the local community and economy.

Council's focus will be on vigilance and rapid response when appropriate.

Over the last two years Council has seen the impact of COVID-19 on the availability and cost of materials and resources to support its capital works program. If this trend continues it may mean that additional contingency may be required to fund the program included in this Annual Business Plan and Budget.

### LOCAL ECONOMY

With a diverse and stable economic base, the Mount Gambier region is one of the most significant contributors to the South Australian economy in both export, local income and tourism. Key industries that contribute to the city and regional economy are:

- Softwood timber industry,
- Visitor economy,
- Health services,
- Agribusiness, and
- Transport and logistics.

## Significant Influences

A focus for growth is the visitor economy, a diverse and wide-reaching sector that impacts broadly across service and product groups. The growth of this sector impacts on business opportunities from hospitality, to growing existing products and services and providing exciting new opportunities. This sector strongly links to the agribusiness sector, with farm experiences increasingly sought after by international visitors.

Transport and logistics are key employers in Mount Gambier. The city is one hour from Portland's major deep sea port and ensures that Mount Gambier remains a key transport hub. The transport sector remains strong, with growing demand, particularly in the city's forestry sector.

### LEGISLATIVE REFORM

There are two significant legislative changes which will impact on Local Government - The new Planning, Development and Infrastructure Act (PDI Act) and changes to the Local Government Act. These changes will have significant impact on our community and council operations. It is essential Council continues to plan for these changes and work with the State Government to influence legislative reform and its implementation.

### TOURISM SECTOR

A cross-government approach to the development of access to Mount Gambier's natural attractions has been advocated. This would include scoping, master planning and the facilitation of approvals to consider infrastructure development and marketing.

### DEVELOPMENT

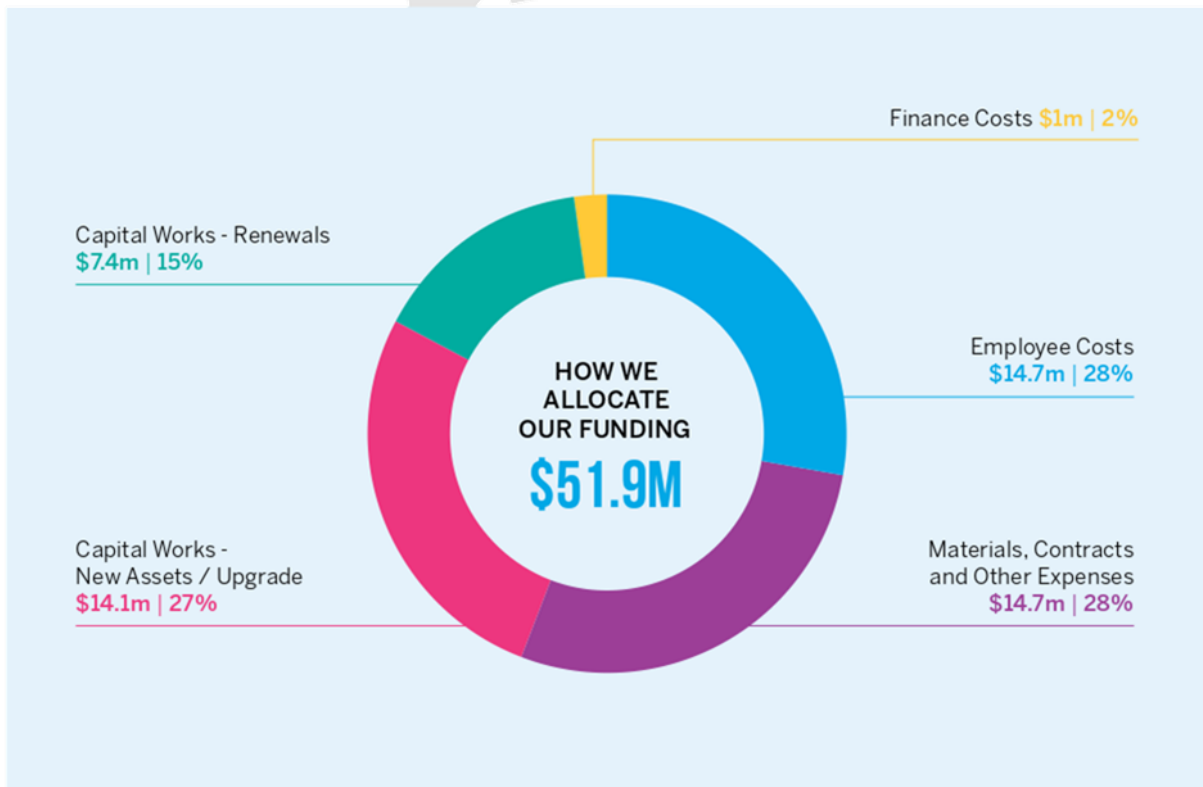
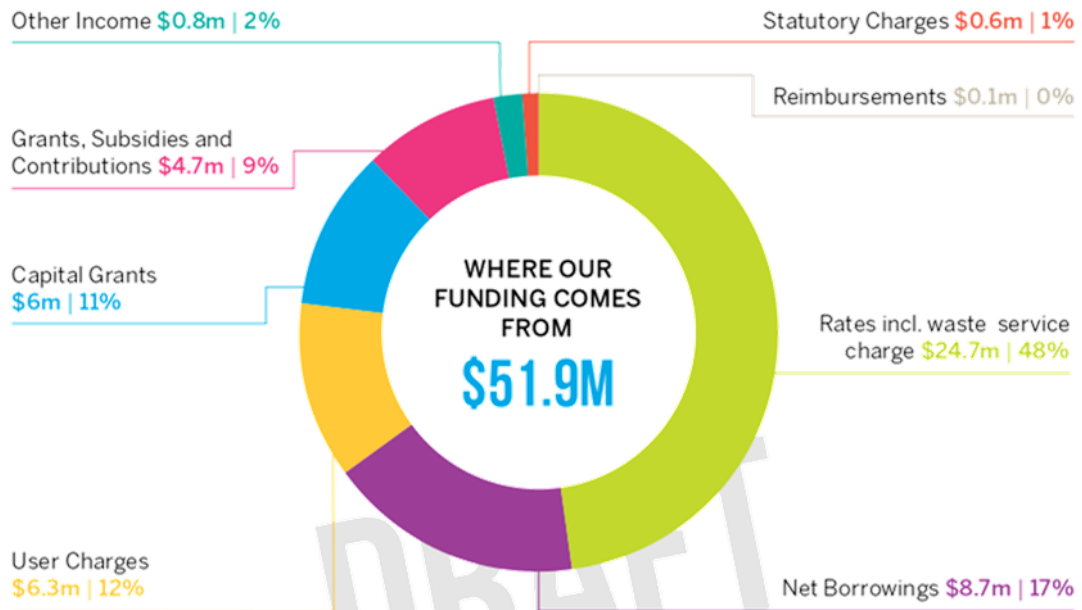
Over the next two years, the State Planning Commission will be working with regional councils across the state in the development of Regional Plans. These Regional Plans will identify and guide land use and infrastructure requirements, and the City of Mount Gambier will provide information and strategic direction towards the Limestone Coast Regional Plan.

There is also an intention to progress a Regional Assessment Panel amongst a number of councils in the region which will result in some changes to processes for development.

### POLITICAL ENVIRONMENT

The new State Labor Government and the results of the Federal Election will have an impact on the political environment in which Council operates. This may also influence the grants and partnering opportunities available to the Local Government sector.

## Funding and Expenditure Summary



## Council Snapshot



## Strategic Context

The strategic financial framework brings together the key strategic management documents to ensure that the vision, goals and objectives set by the Futures Paper are implemented in the Long Term Financial Plan, Asset Management Plan, Strategic Plan and Annual Business Plan.

The Annual Business Plan guides and is guided by other key strategic management documents as shown below:



**The Futures Paper** outlines strategies for action at the individual, organisation and community level that will enable the community to achieve their collective aspirations.

**Long Term Financial Plan (10 years) (LTFP)** shows the financial impact of the implementation of the Strategic Plan over the next 10 years and incorporates key assumptions from the Strategic Plan and Asset Management Plan. The LTFP is reviewed by Council on an annual basis.

**Asset Management Plan (10 years)** identifies the required future expenditure on infrastructure and funding required to maintain service levels. It is aligned with the LTFP.

**Strategic Plan (4 years)** represents the vision, aspirations and priorities of our community now and into the future. The Strategic Plan is informed by the Futures Paper and identifies the outcomes Council seeks to achieve and the strategies that will put in place to get there.

**Annual Business Plan (1 year)** - Each year, Council develops an Annual Business Plan guided by Council's strategic financial framework which sets strategic directions over the medium and long term and converts these into annual actions and outcomes. This shows the outcomes Council expects to achieve in the year and the services, key measures of success and the budget required to deliver these outcomes.

## Highlights

With finite resources, pressures to deliver more and changes in consumer's expectations of Council's services, there is a growing need for Council to deliver services tailored to demand.

This Annual Business Plan will focus on maintaining service standards efficiently.

Highlights for the year ahead include:

### **WULANDA RECREATION AND CONVENTION CENTRE**

The Wulanda Recreation and Convention Centre is a multi-purpose facility designed to be a community space, with facilities and activities for all ages and abilities. This development will provide substantial year round indoor facilities, addressing many community needs both now and for future generations to come. The Wulanda Recreation and Convention Centre will increase the ability for Mount Gambier to host major sporting competitions, conferences, events and performances providing significant social and economic benefits.

### **LOCAL ROADS AND COMMUNITY INFRASTRUCTURE**

Council will utilise the funding provided by the Phase 3 program to deliver a number of key projects for the community that are proposed to include:

- Valley Lake Recreation Area toilets,
- 50m pool shade sail, and
- Frew Park toilets.

### **SPORT, RECREATION AND OPEN SPACE STRATEGY**

To continue to provide quality, well-planned spaces and guide the future direction of open spaces and facilities in Mount Gambier, Council will use the newly adopted Sport, Recreation and Open Spaces Strategy to inform future projects for 2023/2024 and beyond.

### **CRATER LAKES ACTIVATION**

A Crater Lakes Activation Plan will be developed to work with the community to explore options and deliver actions to enable Council to capitalise on the Crater Lakes precinct.

### **CBD ACTIVATION PLAN**

In the context of the Wulanda Recreation and Convention Centre build, previous work to complete the Railway Lands and recent discussion on future use of the old Railway Station building and platform, combined with events in the Cave Garden/Thugi and Riddoch Arts and Cultural Centre, will form part of further work to review multiple opportunities to activate the CBD. Council has recently adopted a series of principles that will assist in developing the CBD area.

### **SPONSORSHIP**

Council currently supports sporting and community groups and facilities in a number of ways including the Events Sponsorship Program, Sports and Recreation Capital Works Program, Creative Arts Fund, Community Assistance Grants and contributions to individual sporting and community organisations. Council will undertake a review of the administration and operations of these programs during 2022/2023 to ensure that there is an equitable and consistent process which delivers the best community outcomes and public value.



## Key Assumptions

### RATES

The general rate provides benefits to the whole community and ensures social, economic and environmental sustainability. The number of rateable properties in 2022/2023 is TBC with estimated assessment growth of TBC% and CPI of TBC% equalling a total increase of 4.5% in general rate revenue.

### INFLATION

Inflation has been applied to revenue (with the exception of rates) based on forecast Adelaide CPI as at December 2021 where appropriate as provided by Deloitte Access Economics.

Inflation has also been applied to expenditure based on contractual agreements i.e. the Enterprise Agreement for employee costs and contract terms for other expenditure where appropriate.

Forecast CPI for Adelaide is assumed to be 2.3% for 2022/2023.

It should be noted that following the development of the draft budget, the Australian Bureau of Statistics has since confirmed Adelaide CPI for the March Quarter 2022 at 4.7% and that the Deloitte Access Economics forecast for 2022/2023 is now 3.5%.

Strategies will be developed to mitigate additional pressures should inflation be higher than assumed in the budget.

### USER PAYS PRINCIPLE

Benefits that are provided to a distinct group of the community will, wherever practicable be charged directly to the recipient of that benefit.

### CURRENT SERVICE LEVELS

Council's annual operating program was developed to ensure maintenance of the current level of existing services to the whole community with the exception of the Wulanda Recreation and Convention Centre.

### KEY FINANCIAL INDICATORS (KFIs)

The following Key Financial Indicators are deemed by the Local Government sector to be the best indicators for determining financial sustainability:

- Operating surplus / (deficit) ratio;
- Net financial liabilities ratio; and
- Asset renewal funding ratio.



## Capital Expenditure

*Excluding Wulanda Recreation and Convention Centre*

It is essential that Council manages and maintains its assets responsibly, to maximise the value and the services the community derives from them.

The annual capital works program is informed by:

- a. Elected Members and community input
- b. City of Mount Gambier Strategic Plan 2020-2024
- c. The suite of asset management plans (e.g. roads, footpaths) comprising the Strategic Asset Management Plan, and
- d. The Long Term Financial Plan.

The capital projects budget identifies the amount of money that Council will invest in its long term physical assets and includes two categories:

### RENEWALS

Renewals refers to the amount of money that Council will spend in maintaining and replacing its existing asset base.

This category would include such projects as road resurfacing and line marking, street and footway lighting.

### NEW CAPITAL/UPGRADE

The amount of money Council will invest in new assets can either be the upgrade of existing assets or the creation of new assets.

The below table provides an indication of what Council will spend to maintain its infrastructure and is based on Council's Asset Management Plans.

\$'k	Renewals	New/ Upgrade	Total
Buildings and Structures	851	2,073	2,924
Caroline Landfill	1,236		1,236
Infrastructure	3,710	549	4,259
IT	30		30
Other	208	80	288
Plant and Equipment	1,386	621	2,007
<b>TOTAL</b>	<b>7,421</b>	<b>3,323</b>	<b>10,744</b>

## Capital Expenditure

### BUILDINGS AND STRUCTURES

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Blue Lake Sports Park irrigation system	Renew irrigation system for soccer fields.	15	-	15
Blue Lake solar lighting	Replacement of Blue Lake solar lighting.	36	-	36
Carinya mowing strips	Concrete mowing strips at the Carinya Cemetery.	15	-	15
City of Mount Gambier Works Depot amenities renovation	Renovate existing amenities to ensure compliance.	120	-	120
Energy efficiency program	Projects that support Council's decision to deliver projects annually.	50	-	50
Frew Park toilets	Replacement of public toilet facilities funded by LRCI Phase 3 Commonwealth grant funding.	350	(350)	-
Hydro mulcher shed extension	Extension of Caroline Landfill equipment shed to house hydro mulcher alternate daily cover machine.	30	-	30
Library storage unit	A purpose-built storage unit to be established to host library materials, resources and equipment.	84	-	84
LRCI Phase 3 funded projects	Multiple projects including shade sail structure for the 50 metre outdoor pool.	134	(134)	-
Old Mount Gambier Gaol	Renewal of walls, roofing, doors and remediation of other issues.	430	-	430
Playground renewal	Renewal of playground equipment.	20	-	20
Rail Trail solar lighting	Solar lighting for the Rail Trail with 50% funded by IPP grant (\$60k received in 2021/2022).	1,200	(540)	660
Valley Lake Recreation Area toilets	Upgrade of public toilet facilities funded by LRCI Phase 3 Commonwealth grant funding.	440	(490)	(50)
<b>TOTAL</b>		<b>2,924</b>	<b>(1,514)</b>	<b>1,410</b>

### CAROLINE LANDFILL

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Construction of Cell 5A	Construction of a cell at the Caroline Landfill facility.	1,236	-	1,236
<b>TOTAL</b>		<b>1,236</b>	<b>-</b>	<b>1,236</b>



## Capital Expenditure

### INFRASTRUCTURE

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Carpark renewals	Old Boys Institute / Karate - 27 Percy St	18	-	18
City centre signage	City Centre signage project (commenced FY 2022)	150	-	150
Margaret Street PLEC remediation	Design and construction of Margaret Street remediation works following PLEC works.	420	-	420
Footpaths linked to bus stop works	New footpaths in support of bus shelter renewal program.	49	-	49
Footpath reseals	Including works on Bertha Street, Boandik Terrace, Davison Street and Lake Terrace East.	50	-	50
Road reconstruction	Including works on Bertha Street, Commercial Street, Daniel Street, Grevillea Street, Herbert Street, Margaret Street, Nelson Street, Paul Street and Ruwoldt Street.	1,764	-	1,764
Roads to Recovery	Including Grantville Place, Stone Avenue and Strangways Street.	409	(404)	5
Boundary roads reseal	Boundary roads reseals with contribution from DC Grant.	96	(48)	48
Road reseals program	The resealing of the sealed roads network.	482	-	482
Roundabout renewal	Renewal of the roundabouts network.	66	-	66
Pinehall Avenue to O'Leary Road to Sunny Brae	Boundary roads project funded by Council, DC Grant and Special Local Roads Program grant.	400	(300)	100
Pinehall Avenue and O'Leary Road intersection upgrade	Boundary roads project commenced in FY 2021 funded by Council, DC Grant and Special Local Roads Program grant.	290	(193)	97
Stormwater drainage renewals	Reginald Street, Harrald Street, SEP renewals.	65	-	65
<b>TOTAL</b>		<b>4,259</b>	<b>(945)</b>	<b>3,314</b>

### IT

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
IT renewals	Replacement of current IT infrastructure assets - annual program.	30	-	30
<b>TOTAL</b>		<b>30</b>	<b>-</b>	<b>30</b>



## Capital Expenditure

### OTHER

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Library books	Purchase of books and materials.	108	(74)	34
Library furniture	Renewal of library furniture.	30		30
Waste bins	Purchase of waste bins.	70		70
Beacon art project	Design and construction.	80		80
<b>TOTAL</b>		<b>288</b>	<b>(74)</b>	<b>214</b>

### PLANT AND EQUIPMENT

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Minor plant	Purchase of new minor plant items as per Asset Management Plan allocation.	40		40
Mayoral vehicle	Renewal of Mayoral vehicle.	39		39
Garbage compactors	Purchase of two replacement garbage compactors.	800		800
Water truck	Purchase of replacement water truck.	122		122
Tractor	Purchase of replacement tractor.	88		88
Footpath sweeper	Purchase of new footpath sweeper.	150		150
Mowers	Purchase of 3 mowers.	322		322
Tip truck	Purchase of new tip truck.	80		80
Community events trailer	Purchase of community events trailer.	25		25
Blue Lake Sports Park	Replacement pump and associated works.	15		15
Valley Lakes water quality control	Second stage of the project to implement water quality control solutions to reduce algae blooms.	136		136
Riddoch initiatives	Including modular wall system and showcases.	190		190
<b>TOTAL</b>		<b>2,007</b>		<b>2,007</b>



## Financial Overview

### GENERAL RATE INCREASE

The proposed general rate increase will result in a 4.5% increase in general rates revenue.

### OPERATING DEFICIT

**Budget deficit** - Council's estimated operating deficit in 2022/2023 is (\$2.7) million including \$0.4 million in Federal Government funding for the Roads to Recovery program and \$1 million of the Local Roads and Community Infrastructure program that will be used to fund capital expenditure including some of the road renewals program and improve key community buildings.

**LTFP target comparison** - It should be noted that this deficit is greater than the target set by the Long Term Financial Plan for 2022/2023 as adopted by Council in December 2021, mainly due to timing of grants paid between 2021/2022 and 2022/2023 (Financial Assistance Grants and Local Roads and Community Infrastructure grants).

**Organisational requirements** - Operating in a deficit environment means that we will need to ensure that we have strong financial controls in place and that public value is maximised.

**Future planning** - A number of service reviews are planned to take place in 2022/2023 so that Council efficiently delivers both core and non-core services efficiently.

### SERVICE PROVISION

A total of \$39.6 million will be spent on operating expenditure including waste management and disposal, development assessment and planning services, the library, community development, events and depreciation of assets, plus maintenance of infrastructure assets including roads, footpaths, lighting, storm water drainage, street trees, sporting facilities, open space, cemeteries and other council properties.

## Financial Targets

### OPERATING SURPLUS RATIO

**What is the purpose of this ratio?**

This financial indicator is useful in determining if current ratepayers are paying enough to cover products and services provided in each period.

**How is this ratio calculated?**

Operating surplus before capital revenues as a percentage of total operating revenue.

**What is the target?**

The target to be achieved by FY2027 is that Council will achieve a positive ratio.

### NET FINANCIAL LIABILITIES RATIO

**What is the purpose of this ratio?**

This financial indicator is useful in determining the level of indebtedness that Council has in comparison to its operating revenue.

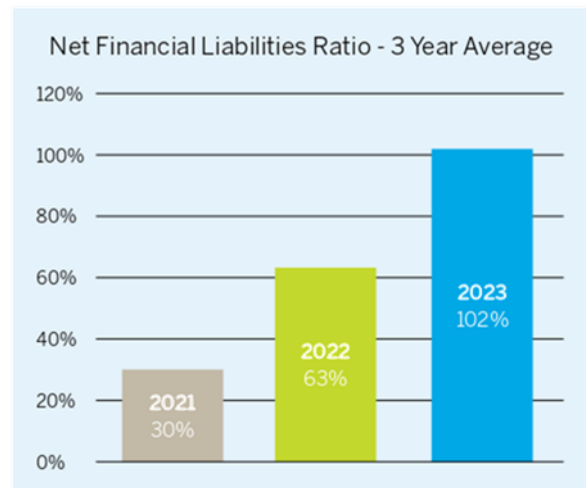
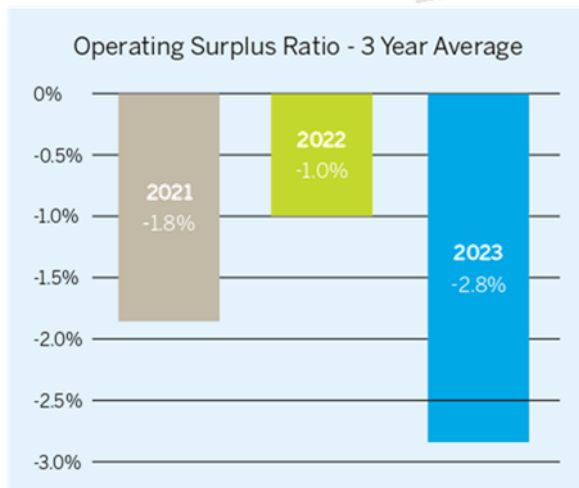
**How is this ratio calculated?**

Net financial liabilities as a percentage of total operating revenue.

**What is the target?**

Council will achieve a net financial liabilities ratio of less than 100% of total operating revenue by FY 2027.

DRAFT



## Financial Targets

### ASSET RENEWAL FUNDING RATIO

#### What is the purpose of this ratio?

This financial indicator is useful in determining if Council is maintaining all its assets.

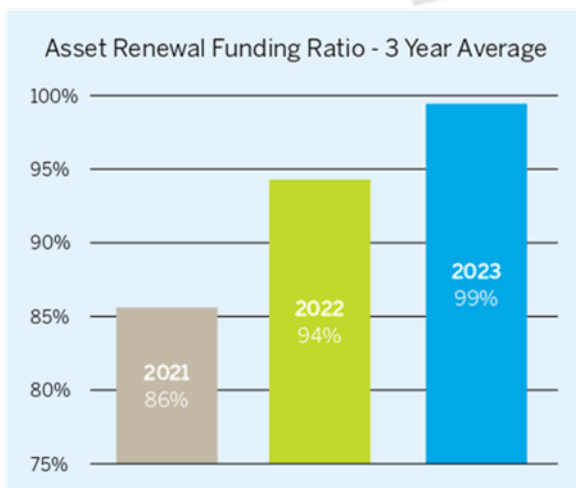
This is best demonstrated by comparing total capital renewal expenditure planned against Asset Management Plan requirements.

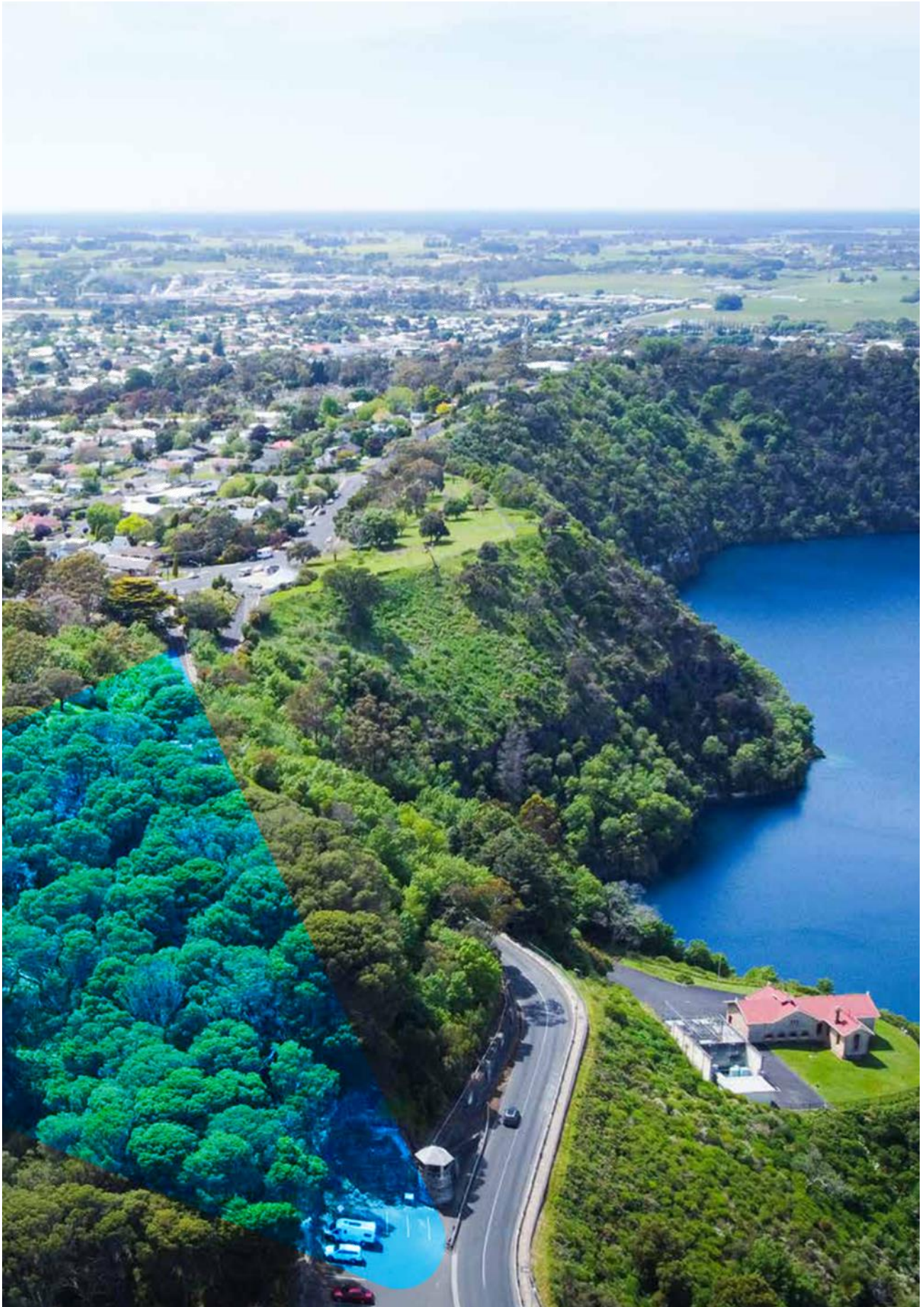
#### How is this ratio calculated?

Capital expenditure on renewal or replacement of existing assets as a percentage of Asset Management Plan allocations.

#### What is the target?

Council will maintain an asset renewal funding ratio of greater than or equal to 100% of Asset Management Plans.









## Strategic Plan - Our Role and Goals

### THE CITY DEVELOPMENT FRAMEWORK PROJECT


The City Development Framework Project involved the establishment of overall strategies for development, incorporating economic, social, environment and community opportunities and aspirations based on four interrelated themes:

-  **1. OUR PEOPLE**  
How do we ensure a highly skilled and educated population for the future challenges facing our community? A community reflecting good health, connectedness and wellbeing.


---

-  **2. OUR LOCATION**  
How do we take advantage of our location and expand our potential as a regional hub? Building on our regional centre for the provision of services, shopping, tourism, cultural, sporting and recreation.

---

-  **3. OUR DIVERSE ECONOMY**  
How do we build on and diversify our existing economy? We have existing high quality and skilled industry sectors including fabrication, manufacturing, forest products, agriculture, health and education. We also have emerging opportunities for digital technology and related industries.

---

-  **4. OUR CLIMATE, NATURAL RESOURCES AND HERITAGE**  
How do we promote and preserve our climate, natural resources and environment? We have a temperate climate, the Crater Lakes Volcanic Complex incorporating the world renowned Blue Lake, a unique natural environment and enviable natural resources. We also have a remarkable wealth of Indigenous and European heritage.

Outcomes from the City Development Framework Project were incorporated within the Futures Paper which is a guide for the future direction and development of the city based upon the ideas and aspirations of the community.



# Goal One: Our People



## GOAL 1: Our People

This goal brings together five key themes that affect our people – whether they live, work, study or visit the City of Mount Gambier.

- 1.1 **Community based organisations and networks.** Our community groups and networks develop and grow to achieve their aspirations.
- 1.2 **Community growth.** We foster a sense of community by encouraging and supporting participation in community life.
- 1.3 **Sense of community.** The community grows in real terms at a rate that helps sustain and grow the services available within the City and for the region.
- 1.4 **Care for the community.** We will develop our service offering to the community to ensure all members have access to required levels of support.
- 1.5 **Becoming an 'earning and learning' community.** We are driving the development of local career, education and entrepreneurship pathways that build skills to grow the economy, facilitate new businesses, and provide exciting and relevant employment opportunities for all our people as we transition to an 'earning and learning' city.

### ANNUAL OBJECTIVES

- Delivery of a Regional Public Health Plan.
- Delivery of community programs.
- Ongoing implementation of the Disability Access and Inclusion Plan 2020-2024.
- Development of a Volunteer Management Plan.
- Development of a 3 to 5 year Library Plan.
- Implement the Reconciliation Action Plan.

### KEY PERFORMANCE INDICATORS

- Implementation of the action plan identified in the Disability Access and Inclusion plan 2020-2024.
- Increase the number of people participating in Council volunteer programs by at least 5%.
- 50% of Reconciliation Action Plan activities identified implemented by June 2023.

### SERVICES

- Cemetery services and maintenance,
- Community facilities management,
- Public health and safety,
- Volunteer management,
- Community support programs,
- Library services,
- Community development activities,
- Strategic planning,
- Inspectorial services, including parking and animal management,
- Community engagement and social inclusion,
- Youth development and programming.

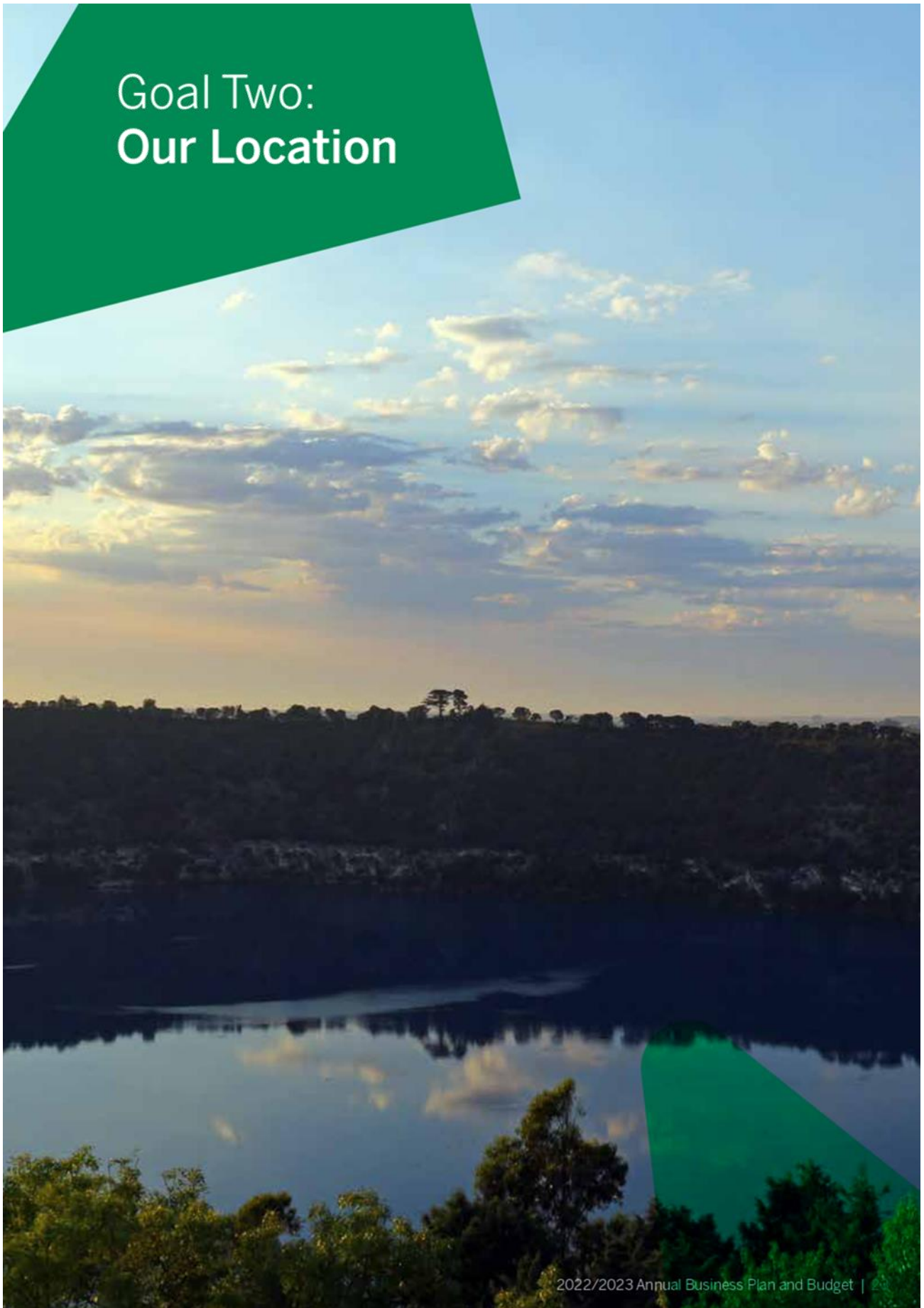
## GOAL 1: Our People

### PROJECTS

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Blue Lake Sports Park irrigation system	Renew irrigation system for soccer fields.	15	-	15
Blue Lake solar lighting	Replacement of Blue Lake solar lighting.	36	-	36
Carinya mowing strips	Concrete mowing strips.	15	-	15
City of Mount Gambier Works Depot amenities renovation	Renovate and partition existing spaces to accommodate current staff.	120	-	120
Playground renewal	Renewal of playground equipment.	20	-	20
Library storage unit	A purpose-built storage unit to be established to host library materials, resources and equipment.	84	-	84
Library books	Purchase of books and materials.	108	(74)	34
Library furniture	Renewal of library furniture.	30	-	30
<b>TOTAL</b>		<b>428</b>	<b>(74)</b>	<b>354</b>



## Goal Two: Our Location



## GOAL 2: Our Location

**Mount Gambier is ideally located between both Adelaide and Melbourne, allowing the city to tap into markets in both South Australia and Victoria.**

**2.1 Infrastructure development and managing our current assets.** We will commence work on meeting the community's aspirations for future infrastructure development, whilst managing our existing infrastructure and assets in a manner that demonstrates the pride we take in our environment.

**2.2 Regional collaboration.** Significant planning work has been done by the City of Mount Gambier, Limestone Coast councils and Regional Development Australia (Limestone Coast). Councils within the region are keen to collaborate on a number of initiatives including land use planning, infrastructure, waste management, recycling and tourism.

**2.3 The Crater Lakes Precinct and other areas of tourism potential.** We will work with the community to investigate options that enable the Council to capitalise on the Crater Lakes Precinct and other areas of tourism potential.

**2.4 Recognition of our indoor and outdoor sporting assets and our adventurous opportunities.** We will work on capitalising on the delivery of the Community and Recreation Hub to highlight the opportunities for sporting and other community events in Mount Gambier and we will seek to leverage the adventure sports market through support to potential providers to develop activities, effective marketing and working with our partners to raise the profile of our city and region.

**2.5 Focusing on activation, revitalisation and placemaking in our CBD.** We will look to create opportunity in our CBD for all year-round activation through effective placemaking and place shaping, making it a vibrant, cohesive and safe place.

### ANNUAL OBJECTIVES

- Deliver the capital works program.
- Develop the Crater Lakes Activation Plan.
- Commence review of services provided by the City Infrastructure function.
- Develop detailed maintenance plans for all asset categories.
- Develop asset management plans for all asset categories.
- Complete the construction of the Wulanda Recreation and Convention Centre.

### KEY PERFORMANCE INDICATORS

- Deliver 85% of all infrastructure projects within the capital works program on time, within scope and within budget.
- Complete three service reviews in the City Infrastructure team by June 2023.
- Have a 10 year capital works program supported by an agreed methodology by the end of December 2022.
- Have maintenance programs that have been designed and are ready to be implemented across respective teams by the end of December 2022.
- Technical service levels in place by the end of December 2022 for 80% of assets.

## GOAL 2: Our Location

### SERVICES

- Asset (roads etc) infrastructure renewal and maintenance,
- Management and maintenance of infrastructure including roads, footpaths, parks, public open spaces, street lighting and stormwater drainage,
- Street cleaning and rubbish collection,
- Infrastructure planning,
- Infrastructure project delivery.

### PROJECTS

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Crater Lakes Activation Plan	Delivery of the Crater Lakes Activation Plan.	100	-	100
PLEC Stage 1	Second stage of the undergrounding of powerlines on Margaret Street.	482	-	482
Frew Park toilets	Replacement of public toilet facilities funded by LRCI Phase 3 Commonwealth grant funding.	350	(350)	-
LRCI Phase 3 funded projects	Multiple projects including shade sail structure for the 50 metre outdoor pool.	134	(134)	-
Old Mount Gambier Gaol	Renewal of walls, roofing and doors.	430	-	430
Valley Lake toilets	Upgrade of public toilet facilities funded by LRCI Phase 3 Commonwealth grant funding.	440	(490)	(50)
Car Parks renewals	Old Boys Institute / Karate - 27 Percy St	18	-	18
Margaret Street PLEC remediation	Design and construction of Margaret Street remediation works following PLEC works.	420	-	420
Footpaths linked to bus stop works	New footpaths in support of bus shelter renewal program.	49	-	49
Footpath reseals	Including works on Bertha Street, Boandik Terrace, Davison Street and Lake Terrace East.	50	-	50

## GOAL 2: Our Location

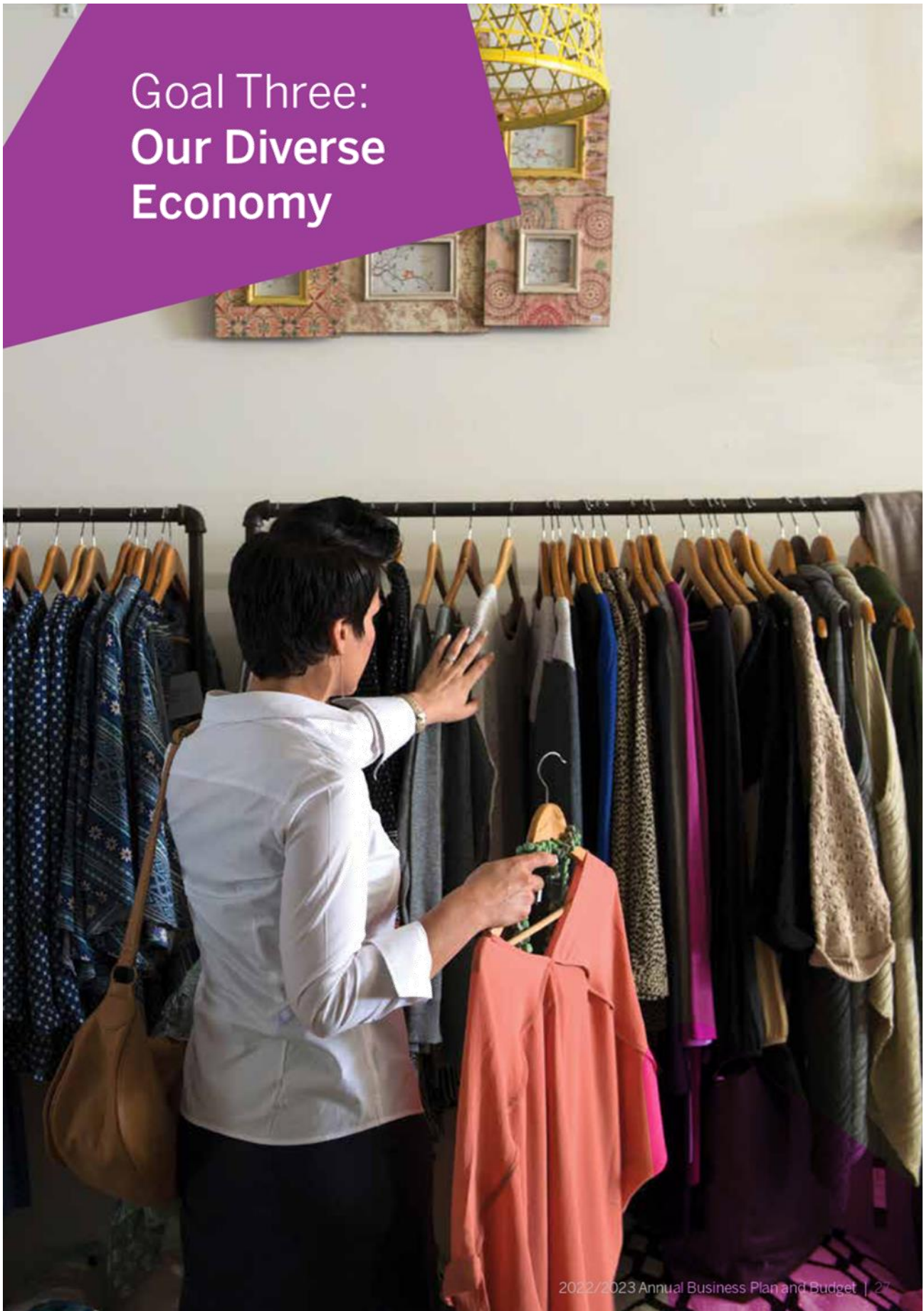
### PROJECTS

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Road reconstruction	Including works on Bertha Street, Commercial Street, Daniel Street, Grevillea Street, Herbert Street, Margaret Street, Nelson Street, Paull Street and Ruwoldt Street.	1,764	-	1,764
Roads to Recovery	Including Grantville Place, Stone Avenue and Strangways Street.	409	(404)	5
Boundary roads reseal	Boundary road reseals with contribution from DC Grant.	96	(48)	48
Road reseals program	The resealing of the sealed roads network.	482	-	482
Roundabout renewal	Renewal of the roundabouts network.	66	-	66
Pinehall Avenue to O'Leary Road to Sunny Brae	Boundary roads project funded by Council, DC Grant and Special Local Roads Program grant.	400	(300)	100
Pinehall Avenue and O'Leary Road intersection upgrade	Boundary roads project commenced in FY 2020 funded by Council, DC Grant and Special Local Roads Program grant.	290	(193)	97
IT renewals	Replacement of current IT infrastructure assets - annual program.	30	-	30
Minor plant	Purchase of new minor plant items as per Asset Management Plan allocation.	40	-	40
Mayoral vehicle	Renewal of Mayoral vehicle.	39	-	39
Water truck	Purchase of replacement water truck.	122	-	122
Tractor	Purchase of replacement tractor.	88	-	88
Footpath sweeper	Purchase of new footpath sweeper.	150	-	150
Mowers	Purchase of 3 mowers.	322	-	322
Tip truck	Purchase of new tip truck.	80	-	80
Replacement pump and associated works	Replacement pump and associated works.	15	-	15
<b>TOTAL</b>		<b>6,866</b>	<b>(1,919)</b>	<b>4,947</b>





## Goal Three: Our Diverse Economy



2022/2023 Annual Business Plan and Budget | 27

## GOAL 3: Our Diverse Economy

**A diverse economy provides a greater range of opportunities and helps provide a degree of resilience during economic downturns.**

- 3.1 **Identity, gateways and support for our businesses.** Establish a strong, positive, aspirational identity that includes the message that the city of Mount Gambier is 'open for business'.
- 3.2 **Land use planning settings.** Planning that provides for future economic and lifestyle changes and continued growth whilst protecting the natural environment.
- 3.3 **Appealing and affordable housing for growth.** We have appealing and affordable housing appropriate to incomes, aspirations and cultures to attract and retain new residents.
- 3.4 **Tourism is contributing to a diverse economy and creating opportunity.** Mount Gambier, its surrounding townships and the tourism region are positioned as a unique and desirable activity-based destination for travellers from Adelaide and Melbourne.
- 3.5 **Reusing, recycling and waste management.** We will work with the community to ensure there is better understanding of the impacts and responsible options available for reuse, recycling and waste management, including investigations as to how the city and region can be more self-sufficient.

### ANNUAL OBJECTIVES

- Delivery of City Growth Strategy including:
  - Implementation of Investment Attraction Strategy.
  - Implementation of Affordable Housing Strategy.
  - Develop the Circular Economy Strategy.
  - Implement Events/Tourism/Visitor Information Services Strategy.
- Activate and operate the Wulanda Recreation and Convention Centre.
- Support organisations to develop strong systems to implement successful initiatives for the community by the facilitation of diverse community programs.
- To provide professional advice and assistance to Council, colleagues, industry partners and the community in respect to development matters.
- To ensure development is carried out in accordance with relevant legislation, standards and codes to facilitate outcomes.
- Provide community education, awareness and incentive programs to reduce waste.
- Continue sift and sort activities and programs to support the reduction in waste to landfill.
- Finalise agreement to establish a gas extraction facility at the Caroline Landfill site by June 2023.

## GOAL 3: Our Diverse Economy

### KEY PERFORMANCE INDICATORS

- ♦ Increase the number of people attending council supported community events by at least 5%.
- ♦ Increase the number of people participating in community consultation activities by 5%.
- ♦ 90% of development Applications are processed in accordance with statutory time frames as specified within the Planning, Development and Infrastructure Act 2016.
- ♦ 90% of building inspections are undertaken in accordance with the Practice Directions.
- ♦ Delivery of at least five waste education activities.
- ♦ 2% reduction of waste to landfill per capita.

### SERVICES

- ♦ Event management and sponsorship support,
- ♦ Attracting major events to the city,
- ♦ Economic development activities,
- ♦ Investment attraction,
- ♦ Waste and recycling services,
- ♦ Tourism attraction and development,
- ♦ Visitor Information Centre,
- ♦ Free public wifi,
- ♦ Development policy planning,
- ♦ Development services, and
- ♦ Land use and urban planning.

### PROJECTS

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Hydro mulcher shed extension	Extension of Caroline Landfill equipment shed to house hydro mulcher alternate daily cover machine.	30	-	30
City centre signage	City centre signage project (commenced FY 2022).	150	-	150
Construction of Cell 5A	Construction of a cell at the Caroline Landfill facility.	1,236	-	1,236
Waste bins	Purchase of waste bins.	70	-	70
Garbage compactors	Purchase of two replacement garbage compactors.	800	-	800
Community events trailer	Purchase of community events trailer.	25	-	25
<b>TOTAL</b>		<b>2,311</b>	<b>-</b>	<b>2,311</b>





Goal Four:  
Our Climate,  
Natural  
Resources,  
Arts, Culture  
and Heritage

## GOAL 4: Our Climate, Natural Resources, Arts, Culture and Heritage

We have an amazing natural and semi-natural environment in our region, which provides the setting for many of our keynote activities.

- 4.1 **Natural assets.** We are effective at protecting and conserving the high-quality values of our natural environment.
- 4.2 **Open Space.** We will ensure that future growth is planned in a manner that provides access to, and does not detract from, the community's environmental values.
- 4.3 **Planned reduction of our carbon footprint.** Council will lead by example in the fields of sustainable development and resource efficiency.
- 4.4 **Recreational and cultural pursuits.** We will ensure that community members are provided with opportunities for cultural growth and development through provision of innovative services and programs.
- 4.5 **A City brought to life with public art.** We will ensure that opportunities for public art are created within our city, this means not just spaces for the artwork, but also spaces where creative industries can connect and flourish.

### ANNUAL OBJECTIVES

- ♦ Review Public Art Strategy.
- ♦ Deliver a beacon art project and agree the approach for future similar projects.
- ♦ Work with State Government to deliver Electric Vehicle charging stations in the city.
- ♦ Complete community consultation with key stakeholders based.
- ♦ Reduce carbon and other greenhouse gas emissions in capital projects and operational practices.
- ♦ Establish renewable energy capability on Council facilities.
- ♦ Develop the Shared Use Path masterplan.

### KEY PERFORMANCE INDICATORS

- ♦ Increase the percentage of renewable energy used on Council occupied facilities each year.
- ♦ Annual increase of 5% in recycled materials of being procured for general projects.

### SERVICES

- ♦ Urban design and open space planning,
- ♦ Open space and trails planning and management,
- ♦ Arboriculture (tree services),
- ♦ Fire prevention,
- ♦ Recycled product use,
- ♦ Community planting and weed eradication projects,
- ♦ Environmental programs,
- ♦ Environmental sustainability projects,
- ♦ Biodiversity projects,
- ♦ Horticulture services,
- ♦ Tree planting and revegetation projects,
- ♦ Animal management,
- ♦ The Riddoch Arts and Cultural Centre and venue hire,
- ♦ Recreation facilities provision, and
- ♦ Social and recreation planning.



## GOAL 4: Our Climate, Natural Resources, Arts, Culture and Heritage

### PROJECTS

Project Name	Project Description	Gross Expenditure \$'000s	Grant Contribution \$'000s	Net Expenditure \$'000s
Shared use trail masterplan	Master planning process that identifies future projects and initiatives.	50		50
Energy efficiency program	Projects that support the Council decision to deliver projects annually.	50	-	50
Rail Trail solar lighting	Solar lighting for the Rail Trail with 50% funded by IPP grant (\$60k received in 2021/2022).	1,200	(540)	660
Stormwater drainage renewals	Reginald St, Harrald St, SEP Renewals	65	-	65
Beacon art project	Design and construction.	80	-	80
Valley Lakes water quality control	Second stage of the project to implement water quality control solutions to reduce algae blooms.	136	-	136
Riddoch initiatives	Including modular wall system and showcases.	190	-	190
<b>TOTAL</b>		<b>1,771</b>	<b>(540)</b>	<b>1,231</b>



## Rating Strategy

In 2022/2023 approximately 67% of Council's operating revenue will come from a combination of rates and a waste service charge. As a result, Council's rating policies and strategies are key components of financial planning.

The 2022/2023 Annual Business Plan and Budget includes a 4.5% rate increase in line with the Council's LTFFP.

Council plans to raise \$20.874m from general rates (excluding Regional Landscape Levy and service charges).

### RATES MODELLING

#### Methodology

Our rates are determined by multiplying the applicable rate in the dollar by the capital valuation of rateable land in the council area plus a fixed charge (as detailed below).

#### Valuation methods

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

- **Capital value** - The value of the land and all improvements on the land;
- **Site value** - The value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements. (Note: Site value will cease to be an option from 1 September 2023); or,
- **Annual value** - A valuation of the rental potential of the property.

**Capital value** is used as the basis for valuing land within the council area in common with almost all other South Australian councils. This method values the land and all of the improvements on the land. This valuation method is considered the fairest and most efficient method of distributing the rate responsibility across all ratepayers because:

- **Relative wealth** - This is the most appropriate measure of relative wealth in the community;
- **Capacity to pay** - As a measure of wealth, it most closely reflects the property owners' capacity to pay; and
- **Taxation principle** - It equates with the taxation principle that people should contribute to community, social and physical infrastructure in accord with their capacity to pay as measured by property wealth.

#### Fixed charge

Council has determined that a component of the total rate will be a fixed charge on every rateable property. The fixed charge applies to all ratepayers and continues to raise slightly less than one half of total rate revenue (before rebates and remissions) required for the 2022/2023 financial year.

#### Rationale for fixed charge

Council's reasons for including a fixed charge component are:

- **Range of services** - To be able to deliver a range of services to the community, Council must maintain a range of internal support, infrastructure and administrative services. No particular group of ratepayers benefit more than any other group of ratepayers by the provision of these services; and
- **Equal contribution** - Council considers it appropriate that all ratepayers contribute equally to the cost of administering Council's services and activities.

#### Differential general rates

In addition to a fixed charge, Council will declare differential general rates in the dollar according to the use of the land, for rateable land within the council area, as follows:

- **Category 1** - (residential) use;
- **Categories 2, 3 and 4** - (commercial shop, commercial office or commercial other) use;

2022/2023 Annual Business Plan and Budget | 33



## Rating Strategy

- **Categories 5 and 6** - (industrial light and industrial other) use;
- **Category 7** - (primary land) use;
- **Category 8** - (vacant land) use; and
- **Category 9** - (other) use.

### General amenity

Every resident benefits in some part from the general amenity of the council area. This amenity includes the local economy, general council operations and the ability of every resident to use council facilities and infrastructure including parks, gardens, libraries, etc.

### Rationale for differential rates

The main reasons for providing differential rates are:

- Ability to pay;
- Potential income taxation deductions;
- Materially heavier/lighter use of services by ratepayers/employees/customers/suppliers; and,
- Provide a disincentive to withholding land from development.

### EXPECTED RATES REVENUE

**Please note** - The figures shown in the table on the right represent a considered estimate of expected rate revenue based on the most current information available at the time of going out to consultation on the Draft Annual Business Plan and Budget. This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the Annual Business Plan and Budget (as per Section 167 of the *Local Government Act 1999*).

DRAFT



## Rating Strategy

	2021/2022 (as adopted)	2022/2023 (estimated)	Notes	Change
<b>GENERAL RATES REVENUE</b>				
General rates (existing properties)	\$19,974,970	\$20,873,843	(a)	4.5%
General rates (new properties)	\$0	TBC	(b)	
<b>General rates (GROSS)</b>	<b>\$19,974,970</b>	<b>\$20,873,843</b>	(c)	<b>4.5%</b>
Less: Mandatory rebates	(\$235,703)	(\$246,000)	(d)	4.4%
<b>General rates (NET)</b>	<b>\$19,739,267</b>	<b>\$20,627,843</b>	(e)	<b>4.5%</b>
	(e)=(c)+(d)			
<b>OTHER RATES (incl. service charges)</b>				
Regional Landscape Levy	\$1,179,069	\$1,240,568	(f)	5.2%
Waste collection	\$2,791,000	\$2,916,595	(g)	4.5%
	\$23,709,336	\$24,785,006		
Less: Discretionary rebates	(\$13,857)	(\$14,500)	(l)	4.6%
<b>Expected total rates revenue</b>	<b>\$22,516,410</b>	<b>\$23,529,938</b>	(m)	<b>4.5%</b>
	(m)= (e)+(g)+(h)+(i)+(j) +(k)+(l)			

### Notes

- (a) **General rates (existing properties)** - In 2022/2023 this will reflect the revenue from properties that existed in 2021/2022. Please note that 2021/2022 has been restated so that year on year numbers are comparable.
- (b) **General rates (new properties)** - In 2022/2023 this will include newly created assessments.
- (c) **General rates (GROSS)** - General rates revenue prior to the application of any rebates, remissions or objections.
- (d) **Mandatory rebates** - Councils are required under the *Local Government Act 1999* to provide a rebate to qualifying properties under a number of categories. The rates which are foregone via mandatory rebates are redistributed across the ratepayer base (i.e. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate). Please refer to R155 Rate Rebate Policy for further details.
- (e) **General rates (NET)** - Presented as required by the *Local Government (Financial Management) Regulations 2011* reg 6(1)(ea). **Please note:** The percentage figure in (e) relates to the change in the total amount of general rates revenue to be collected from all rateable properties, not from individual rateable properties (i.e. individual rates will not necessarily change by this figure).
- (f) **Regional Landscape Levy** - Councils are required under the *Landscape South Australia Act 2019* to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources. Council collects this levy on behalf of State Government and does not retain the revenue nor determine how the revenue is spent.



## Rating Strategy

- (g) **Waste collection (Waste Service Charge)**  
– Waste management is one of the largest costs to the community and Council wishes to encourage ratepayers to consider their personal environmental impact and the associated costs. This service charge is intended to cover costs including bin collection, waste treatment and disposal and maintaining, improving and replacing the service.
- (l) **Discretionary rebates** - A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate). Please refer to R155 Rate Rebate Policy for further details.
- (m) **Expected total rates revenue** - Excludes other charges such as penalties for late payment and legal and other costs recovered. It also excludes a provision for objections.

### ESTIMATED GROWTH IN NUMBER OF RATEABLE PROPERTIES

	2021/2022 (as adopted)	2022/2023 (estimated)	Notes	Change
Number of rateable properties	14,416	TBC	(n)	TBC
	<i>Actual</i>	<i>Estimate</i>		

At this stage Council has not received final data from the Office Valuer General and as such the estimated number of rateable properties is not available at this time. To be updated for the 2022/2023 Annual Business Plan to be adopted by Council.

- (o) **Average per rateable property** - Calculated as general rates for a category, including any fixed charge but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.

#### Notes

- (n) **"Growth"** - As defined in the *Local Government (Financial Management) Regulations 2011* reg 6(2). "Growth" is defined in the regulations as where new properties have been created which has added rateable properties to Council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.

## Rating Strategy

### ESTIMATED AVERAGE GENERAL RATES PER RATEABLE PROPERTY

**Property valuations** - Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total.

**Rates apportionment** - Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).

**Total general rates** - The total general rates paid by all rateable properties will equal the amount adopted in the budget.

**The estimated 'average'** - This is based on the total of all rateable properties and is therefore not necessarily indicative of either the rate or change in rates that individual ratepayers will experience. It should be noted (as above) that Council have not at this stage calculated an estimate of number of rateable properties. At this stage for the calculations below this has been estimated at the same level as 2021/2022.

	2021/2022 (as adopted)	2022/2023 (estimated)	Notes	Change
Average per rateable property	\$1,386	\$1,448	(o)	4.5%
	(o)=(c)/(n)			

## Rating Strategy

	Total expected revenue		No. of rateable properties		Average per rateable property		Cents in the \$
	2021/22	2022/23	Change	2021/22	2022/23	Change	
<b>Land Use (General Rates - GROSS)</b>							
Residential	\$14,039,894	\$14,671,689	5%	12622	TBC	\$1,112	\$50
Commercial - Shop	\$1,899,083	\$1,984,542	4%	461	TBC	\$4,119	\$233
Commercial - Office	\$341,372	\$356,734	5%	138	TBC	\$2,474	\$111
Commercial - Other	\$1,735,764	\$1,813,873	5%	449	TBC	\$3,866	\$210
Industry - Light	\$304,098	\$317,783	5%	131	TBC	\$2,321	\$161
Industry - Other	\$779,125	\$814,186	5%	99	TBC	\$7,870	\$791
Primary Production	\$62,263	\$65,065	4%	40	TBC	\$1,557	\$414
Vacant Land	\$642,636	\$671,555	4%	414	TBC	\$1,552	\$118
Other	\$170,734	\$178,417	5%	62	TBC	\$2,754	\$170
<b>Total Land Use</b>	<b>\$19,974,969</b>	<b>\$20,873,844</b>	<b>4.5%</b>	<b>14,416</b>	<b>TBC</b>	<b>\$1,386</b>	<b>\$62</b>

All items in red reflect current data available to Council. The most recent valuations available to Council at the time that Council adopts its budget under Section 167 of the Act will govern the assessment of rates for the financial year which will result in changes to the rate in the dollar and the distribution of general rates detailed in the table above.

### EXPECTED DIFFERENTIAL RATES REVENUE

Council uses a differential rating system, using land use codes as the factor to apply such differential rates.

In applying differential general rates, Council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all council areas, particularly as it relates to the various sectors of the business and wider community.

### Notes

- (p) **Average per rateable property** – This is calculated as general rates for category, including any fixed charge but excluding any separate rates, divided by number of rateable properties within that category in the relevant financial year.



## Rating Strategy

### FIXED CHARGE

**Base amount** - A fixed charge ensures all rateable properties pay a base amount to the cost of administering council activities and maintaining the services and infrastructure that supports each property.

**Fixed charge allocation** - Rates based on values are then applied in addition to the fixed charge. Council is limited to the amount that can be raised by the fixed charge in that it cannot raise more than 50% of its general rate revenue from the fixed charge component. In 2022/2023 Council proposes to raise 45% of its general rate revenue by way of a fixed charge.

The fixed charge has increased by 26% due to the impact of the introduction of the Waste Service Charge in 2021/2022.

This revenue amount is included in the general rates GROSS figure at (c).

	Total expected revenue			Charge			
	2021/22	2022/23	Change	2021/22	2022/23		Change
Fixed charge	\$7,452,636	\$9,393,200	26%	\$518	TBC	(r)	TBC

### Notes

- (q) **Fixed charge** - A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Refer to the Rating Policy (page 45) for details.

## Appendices

### Draft 2022/23 Financial Statements

City of Mount Gambier - Uniform Presentation of Finances Draft Budget 22/23					
2021 Actual	\$'000s		2022 Restated Budget	BR3 2022	DRAFT Budget 2023
33,495	Income		33,945	37,179	36,963
35,242	Expenses		34,516	35,733	39,631
(1,747)	<b>Operating surplus / (deficit)</b>		<b>(571)</b>	<b>1,447</b>	<b>(2,669)</b>
<b>Net outlays on existing assets</b>					
5,326	Capital expenditure on renewal and replacement of existing assets		7,554	6,615	7,421
(7,940)	Depreciation, amortisation and impairment		(7,864)	(8,179)	(9,209)
(393)	Proceeds from sale of replaced assets		(273)	(299)	(333)
(3,007)	<b>Net outlays on existing assets</b>		<b>(583)</b>	<b>(1,863)</b>	<b>(2,121)</b>
<b>Net outlays on new and upgraded assets</b>					
16,298	Capital expenditure on new and upgraded assets <i>(including investments property &amp; real estate developments)</i>		48,233	42,597	14,079
(555)	Amounts received specifically for new and upgraded assets Proceeds from sale of surplus assets <i>(including investment property and real estate developments and non-current assets held for resale)</i>		(18,355)	(20,601)	(5,962)
15,743	<b>Net outlays on new and upgraded assets</b>		<b>29,878</b>	<b>21,996</b>	<b>8,117</b>
(14,483)	<b>Net lending / (borrowing) for financial year</b>		<b>(29,866)</b>	<b>(18,686)</b>	<b>(8,665)</b>



## Appendices

### Draft 2022/23 Financial Statements

City of Mount Gambier - Statement of Comprehensive Income Draft Budget 22/23				
2021 Actuals	\$'000s	2022 Restated Budget	BR3 2022	DRAFT Budget 2023
<b>Income</b>				
22,769	Rates	23,750	23,759	24,832
621	Statutory Charges	602	525	575
4,880	User Charges	5,058	5,039	6,268
4,505	Grants, Subsidies and Contributions	4,091	7,032	4,728
25	Investment Income	0	15	0
60	Reimbursements	79	173	65
635	Other Income	365	636	495
	Net gain - equity accounted Council businesses			
<b>33,495</b>	<b>Total Income</b>	<b>33,945</b>	<b>37,179</b>	<b>36,963</b>
<b>Expenses</b>				
13,058	Employee Costs	13,875	13,997	14,682
14,018	Materials, Contracts & Other Expenses	12,595	13,374	14,675
7,940	Depreciation, Amortisation & Impairment	7,864	8,179	9,209
226	Finance Costs	182	183	1,064
	Net loss - Equity Accounted Council Businesses			
<b>35,242</b>	<b>Total Expenses</b>	<b>34,516</b>	<b>35,733</b>	<b>39,631</b>
<b>(1,747)</b>	<b>Operating Surplus / (Deficit)</b>	<b>(571)</b>	<b>1,447</b>	<b>(2,669)</b>
(730)	Asset Disposal & Fair Value Adjustments	(113)	(120)	0
2,677	Amounts Received Specifically for New or Upgraded Assets	18,355	18,225	6,215
1,230	Physical Resources Received Free of Charge			
	Operating Result from Discontinued Operations			
<b>1,430</b>	<b>Net Surplus / (Deficit)</b>	<b>17,671</b>	<b>19,552</b>	<b>3,547</b>
<b>Other Comprehensive Income</b>				
<b>Amounts which will not be reclassified subsequently to operating result</b>				
0	Changes in Revaluation Surplus - I,PP&E		23	2,355
0	Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve		595	0
<b>0</b>	<b>Total Other Comprehensive Income</b>	<b>0</b>	<b>618</b>	<b>2,355</b>
<b>1,430</b>	<b>Total Comprehensive Income</b>	<b>17,671</b>	<b>20,170</b>	<b>5,902</b>



## Appendices

### Draft 2022/23 Financial Statements

City of Mount Gambier - Statement of Financial Position Draft Budget 22/23				
2021 Actuals	\$'000s	2022 Restated Budget	BR3 2022	DRAFT Budget 2023
<b>ASSETS</b>				
<b>Current Assets</b>				
1,893	Cash & Cash Equivalents	2,421	500	500
4,181	Trade & Other Receivables	2,125	1,804	1,447
47	Inventories	57	43	47
<b>6,121</b>	<b>Total Current Assets</b>	<b>4,603</b>	<b>2,347</b>	<b>1,994</b>
<b>Non-Current Assets</b>				
243,964	Infrastructure, Property, Plant & Equipment	318,597	302,715	318,117
19,458	Other Non-Current Assets			
<b>263,422</b>	<b>Total Non-Current Assets</b>	<b>318,597</b>	<b>302,715</b>	<b>318,117</b>
<b>269,543</b>	<b>TOTAL ASSETS</b>	<b>323,200</b>	<b>305,062</b>	<b>320,111</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
5,765	Trade & Other Payables	2,977	4,184	4,127
447	Borrowings	2,311	232	2,930
3,013	Provisions	2,672	2,981	2,981
<b>9,225</b>	<b>Total Current Liabilities</b>	<b>7,960</b>	<b>7,397</b>	<b>10,037</b>
<b>Non-Current Liabilities</b>				
13,502	Borrowings	45,000	32,586	38,003
4,064	Provisions	3,863	2,752	3,842
<b>17,566</b>	<b>Total Non-Current Liabilities</b>	<b>48,863</b>	<b>35,338</b>	<b>41,845</b>
<b>26,791</b>	<b>TOTAL LIABILITIES</b>	<b>56,823</b>	<b>42,735</b>	<b>51,883</b>
<b>242,752</b>	<b>Net Assets</b>	<b>266,377</b>	<b>262,327</b>	<b>268,229</b>
<b>EQUITY</b>				
66,406	Accumulated Surplus	90,041	85,958	89,504
175,462	Asset Revaluation Reserves	175,462	175,485	177,840
884	Other Reserves	874	884	884
<b>242,752</b>	<b>Total Equity</b>	<b>266,377</b>	<b>262,327</b>	<b>268,229</b>





## Appendices

### Draft 2022/23 Financial Statements

City of Mount Gambier - Statement of Cashflows Draft Budget 22/23				
2021 Actuals	\$'000s	2022 Restated Budget	BR3 2022	DRAFT Budget 2023
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
22,978	Rates Receipts	23,750	23,497	24,802
621	Statutory Charges	602	556	573
5,214	User Charges	5,058	5,258	6,231
5,210	Grants, Subsidies and Contributions (operating purpose)	0	6,650	5,153
26	Investment Receipts	4,091	17	0
66	Reimbursements	79	172	68
3,517	Other Revenue	365	1,077	407
<b>Payments:</b>				
(13,005)	Payments to Employees	(13,875)	(13,711)	(14,664)
(17,433)	Payments for Materials, Contracts & Other Expenses	(12,445)	(15,283)	(14,416)
(212)	Finance Payments	(182)	(183)	(1,064)
<b>6,982</b>	<b>Net Cash provided (or used in) Operating Activities</b>	<b>7,443</b>	<b>8,050</b>	<b>7,090</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
555	Amounts Received Specifically for New/Upgraded Assets	18,355	20,601	5,962
393	Sale of Replaced Assets	273	299	333
<b>Payments:</b>				
(5,326)	Expenditure on Renewal/Replacement of Assets	(7,554)	(6,615)	(7,421)
(16,298)	Expenditure on New/Upgraded Assets	(48,233)	(42,597)	(14,079)
<b>(20,676)</b>	<b>Net Cash provided (or used in) Investing Activities</b>	<b>(37,159)</b>	<b>(28,312)</b>	<b>(15,205)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
11,550	Proceeds from Borrowings	28,759	19,088	25,000
<b>Payments:</b>				
(206)	Repayments of Borrowings	(195)	(219)	(16,885)
(163)	Repayment of Principal Portion of Lease Liabilities	0	0	0
<b>11,181</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>28,564</b>	<b>18,869</b>	<b>8,115</b>
<b>(2,513)</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,152)</b>	<b>(1,393)</b>	<b>(0)</b>
<b>4,406</b>	<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	<b>3,573</b>	<b>1,893</b>	<b>500</b>
<b>1,893</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>2,421</b>	<b>500</b>	<b>500</b>



## Appendices

### Draft 2022/23 Financial Statements

City of Mount Gambier - Statement of Equity Draft Budget 22/23				
2021 Actuals	\$'000s	2022 Restated Budget	BR3 2022	DRAFT Budget 2023
241,322	Opening Balance	248,706	242,752	262,327
1,430	Net Surplus / (Deficit) for Year	17,671	19,552	3,547
	Other Comprehensive Income			
	- Gain (Loss) on Revaluation of I,PP&E		23	2,355
	- Available for Sale Financial Instruments: change in fair value			
	- Impairment (loss) reversal relating to I,PP&E			
	- Transfer to Accumulated Surplus on Sale of I,PP&E			
	- Transfer to Acc. Surplus on Sale of AFS Financial Instruments			
	- Share of OCI - Equity Accounted Council Businesses			
	- Other Equity Adjustments - Equity Accounted Council Businesses			
	- Other Movements			
	<b>Other Comprehensive Income</b>		<b>23</b>	<b>2,355</b>
1,430	<b>Total Comprehensive Income</b>	<b>17,671</b>	<b>19,575</b>	<b>5,902</b>
	Transfers between Equity			
242,752	Equity - Balance at end of the reporting period	266,377	262,327	268,229



## Appendices

### Draft 2022/23 Financial Statements

#### City of Mount Gambier -Key Financial Ratios Draft Budget 22/23

2021 Actuals	\$'000s	BR3 2022	DRAFT Budget 2023
-5.2%	<b>Operating surplus ratio</b>	3.9%	-7.2%
	$\frac{\text{Operating surplus}}{\text{Total operating revenue}}$		
62%	<b>Net financial liabilities ratio</b>	109%	135%
	$\frac{\text{Net financial liabilities}}{\text{Total operating revenue}}$		
84%	<b>Asset renewal funding ratio</b>	93%	120%
	$\frac{\text{Expenditure on renewal/replacement of assets}}{\text{Optimal level of such expenditure as per IAMP}}$		



 City of Mount Gambier	<b>DRAFT</b> <b>R105 RATING POLICY</b>	Version No:	12.0
		Issued:	DRAFT
		Next Review:	DRAFT

## 1. INTRODUCTION

Councils are required to raise revenue for governance, administration and the delivery of goods and services to the community.

Council's major source of revenue is Rates, derived as a tax on land within the Council area. All ratepayers receive benefits from paying rates, but those benefits are consumed in different quantities and types over the life of the ratepayer.

This document sets out the policy of the City of Mount Gambier ("Council") for setting and collecting rates from its community.

## 2. PURPOSE

Chapter 10 of the *Local Government Act 1999* ("the Act") prescribes Council's powers to raise rates. The Act provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices. This document includes reference to:

- Compulsory features of the rating system.
- The policy choices that the Council has made on how it imposes and administers the collection of rates.

## 3. SCOPE

### Strategic Focus

In determining a suitable Rating Policy, Council has taken into consideration:

- The Council's Strategic Management Plan
- Council's Long Term Financial Plan
- Council's Annual Business Plan and Budget
- Council's Treasury Management and Debt Strategy
- Required funding for future Asset Replacement (Infrastructure and Asset Management Plan)
- The current economic climate of our City and its district
- The specific issues faced by our community
- The impact of general rate increases upon our community, either generally or for specific classes of the community
- The impact of rates on our community and the need to balance our community's capacity to pay with the needs and desires of the wider interests that form our community.

There will continue to be economic pressures applying to the Council in a number of ways that will have an impact on the Council's budget and as a result will place pressure on rates.



 City of Mount Gambier	<b>DRAFT</b> <b>R105 RATING POLICY</b>	Version No:	12.0
		Issued:	DRAFT
		Next Review:	DRAFT

#### 4. POLICY STATEMENT

##### 4.1 Communication of the Policy

Section 123 of the Local Government Act 1999 requires a Council to prepare an Annual Business Plan and Budget. As per Section 123 (2) (d) of the Act, the Annual Business Plan must set out the rates structure and policies for the financial year. A summary of the Annual Business Plan must be included with the first rates notice.

##### 4.2 Method Used to Value Land

Councils may adopt one of three valuation methodologies to value the properties in their areas. They are:

- Capital Value – the value of the land and all the improvements on the land.
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property.

The City of Mount Gambier has decided to continue to use Capital Value as the basis for valuing land within the Council area. The Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers because property value is considered a reasonable indicator of income and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

##### 4.3 Adoption of Valuation

The City of Mount Gambier will adopt the most recent valuations made by the Valuer-General. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

- (a) Previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- (b) Previously had an objection to the valuation considered by the Valuer-General.

The address of the Office of the Valuer-General is:

State Valuation Office GPO Box 1354  
ADELAIDE SA 5001  
Email: [OVGObjections@sa.gov.au](mailto:OVGObjections@sa.gov.au)  
Phone: 1300 653 345



 City of Mount Gambier	<b>DRAFT</b> <b>R105 RATING POLICY</b>	Version No:	12.0
		Issued:	DRAFT
		Next Review:	DRAFT

#### 4.4 Objection to Valuation and/or Land Use

A person may object to a valuation of the Valuer-General by notice in writing, setting out the reasons for the objections, and the Valuer-General must consider the objection. If the person then remains dissatisfied with the valuation the person has a right to a review. Applications must be made within 21 days of receipt of the notice of the decision (in relation to the objection) from the Valuer-General. A payment of the prescribed fee for the review to be undertaken together with the review application must be lodged in the State Valuation Office, who will then refer the matter to an independent Valuer. If the person remains dissatisfied with the valuation then they may apply to the South Australian Civil and Administrative Tribunal (SACAT) for a review of the decision.

The address of the Office of the Valuer-General is:

State Valuation Office GPO Box 1354  
 ADELAIDE SA 5001  
 Email: [OVGObjections@sa.gov.au](mailto:OVGObjections@sa.gov.au)  
 Phone: 1300 653 345

The Council has no role in the valuation review process & the lodgement of an objection does not change the due date for payment of rates.

#### 4.5 Notional Values

Certain properties may be eligible for a notional value under the Valuation of Land Act 1971. This can relate to certain primary production land or where there is State heritage recognition. A notional value is generally less than the capital value and generally results in a reduced rate liability being incurred.

Application by the ratepayer for a notional value must be made to the Office of the Valuer-General.

The address of the Office of the Valuer-General is:

State Valuation Office GPO Box 1354  
 ADELAIDE SA 5001  
 Email: [OVGObjections@sa.gov.au](mailto:OVGObjections@sa.gov.au)  
 Phone: 1300 653 345

#### 4.6 Business Impact Statement

##### Current Economic Environment

Council will consider the impact of rates on all businesses in the Council area, including industry, commercial and primary production sections. In considering the impact, Council will assess the following matters:

- Those elements of Council's Strategic Management Plan relating to business development.
- Relevant economic forecast reports.
- Council's recent development approval trends.



 City of Mount Gambier	<b>DRAFT</b> <b>R105 RATING POLICY</b>	Version No:	12.0
		Issued:	DRAFT
		Next Review:	DRAFT

- The operating and capital projects and new programs for the coming year that will principally benefit industry and business development.
- Valuation changes.
- Consumer Price Index (CPI) and Local Government Price Index (LGPI) Movements.

Council recognises the importance of supporting and encouraging a diverse and healthy business sector.

#### 4.7 Council's Revenue Raising Powers

All land within a council area, except for land specifically exempt (e.g. Crown land, Council occupied land and other land prescribed in the Local Government Act – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. The Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Mount Gambier Civic Centre, 10 Watson Terrace, Mount Gambier or on our website at [www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au). A Goods and Services Tax at a rate determined under the Goods and Services Tax Act 1999 will be charged on those fees not given exemption under the Act.

#### 4.8 Fixed Charge

Council has decided that a component of the total rate will be a fixed charge on every rateable property. The fixed charge affects most ratepayers and must not, in relation to any financial year, raise more than half of total rate revenue (before rebates and remissions).

Section 152 of the Act provides for a fixed charge component of rates. Council's reasons for including a fixed charge component are:

- To be able to deliver a range of services to the community, Council must maintain a range of internal support and administrative services. No particular group of ratepayers benefit more than any other group of ratepayers by the provision of the support and administrative services.
- The Council therefore considers it appropriate that all ratepayers contribute equally to the cost of administering Council's activities and services.

The fixed charge will affect all ratepayers and is set to raise less than one half of total rate revenue.

The fixed charge is uniformly paid by each ratepayer, irrespective of capital value, has the effect of limiting the impact changes in valuation have on individual assessments.

Where two or more adjoining properties have the same owner and occupier only one fixed charge is payable by the ratepayer.



 City of Mount Gambier	<b>DRAFT R105 RATING POLICY</b>	<b>Version No:</b>	12.0
		<b>Issued:</b>	DRAFT
		<b>Next Review:</b>	DRAFT

Applications for "adjoining properties" must be in writing addressed to Chief Executive Officer (as per 4.22 of this Policy) and will only be considered by Council within the relevant financial year received.

No application will have an effect on past fixed charges assessed.

#### 4.9 Differential General Rates

In addition to the use of a Fixed Charge, the Local Government Act 1999, allows councils to differentiate rates based on the use of the land, the locality of the land or on the use and locality of the land. Current categories of land use defined by the Local Government (General) Regulations 1999 are:

1. Residential
2. Commercial-Shops
3. Commercial-Office
4. Commercial-Other
5. Industrial-Light
6. Industrial-Other
7. Primary Production
8. Vacant Land
9. Other.

#### 4.10 Land Use

Land use is a factor to levy differential rates. If a ratepayer believes that a property has been wrongly classified as to its land use, then an objection in writing may be made within 60 days of being notified of the land use classification.

The address of the Office of the Valuer-General is:

Office of the Valuer-General  
GPO Box 1354  
ADELAIDE SA 5001  
Email: [lsgobjections@sa.gov.au](mailto:lsgobjections@sa.gov.au)  
Phone: 1300 653 345

Note: Lodgement of an objection does not change the due date for the payment of rates.

#### 4.11 Minimum Rate

Council does not use the minimum rate provisions, instead Council uses the combination of fixed charge and valuation based rating.

#### 4.12 Limestone Coast Landscape Levy

From 1 July, 2020 the new *Landscape South Australia Act 2019* replaced the *Natural Resource Management Act 2004*. The Council is in the new Limestone Coast Landscape area and is required under the new Act to make a specified annual contribution to their Regional Landscape Board. As such, Council collects the levy on behalf of the State Government for no gain to Council.





 City of Mount Gambier	<b>DRAFT R105 RATING POLICY</b>	Version No:	12.0
		Issued:	DRAFT
		Next Review:	DRAFT

The Council is simply operating as a revenue collector for the Landscape Levy in this regard. It does not retain this revenue nor determine how the revenue is spent.

#### 4.13 Service Charges

In accordance with Section 155 of the Act a Council may impose a service rate on rateable land within its area for a **prescribed service**. A prescribed service is described as treatment or provision of water, collection, treatment or disposal of waste, a television transmission service or any other service prescribed by the regulations for the purposes of this definition.

Council is focused on environmentally sound waste management practices and will impose a Waste Service Charge (WSC) as a tool to become more responsive to waste management related costs and share the costs and benefits within the community.

The WSC will be charged on the basis of the service being available at the property. It will exclude vacant land and primary production where there is no dwelling on the land and will be charged irrespective if the land owner/occupier is using the service or not. Charge will be for full financial year i.e. 1<sup>st</sup> July to 30<sup>th</sup> June with no pro rata.

The charge includes:

- a 140L domestic waste bin and weekly collection service
- a 240L recycling bin and fortnightly collection service
- a 240L green waste bin and fortnightly collection service \* (bin not included)

Where two or more adjoining properties have the same owner and occupier only one waste service fee is payable by the ratepayer.

Rateable recreational or sporting activities (community groups) will be provided x1 general waste and x1 recycle bin.

A rate rebate will not be available on Waste Service Charge

#### 4.14 Cost of Living Concessions

##### Eligible Pensioners, Low Income Earners and Self-Funded Retirees

Pensioners, low income earners or Self-Funded Retirees may be entitled to a cost of living concession. The cost of living concession helps those on low or fixed incomes with their cost of living expenses, whether that be electricity, gas, water bills or council rates.

Eligibility is based on living arrangements as at 1 July each year. Applications for the each financial year can be submitted by contacting the Concession Hotline on 1800 307 758.

Applications are administered by the State Government. Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates.



 City of Mount Gambier	<b>DRAFT</b> <b>R105 RATING POLICY</b>	Version No:	12.0
		Issued:	DRAFT
		Next Review:	DRAFT

#### 4.15 Payment of Rates

The Council will collect rates quarterly on the dates to be specified on the rates notice, in the following months:

- September
- December
- March
- June.

Rate notices will be issued quarterly however the total outstanding balance of rates may be paid at any time.

Rates may be paid:

- Over the Internet - [www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au)
- By telephone: using credit card, phone 1300 276 468, 24 hours a day 7 days per week (BPoint Number 1345263)
- By BPay: Use Biller Code 464263
- By direct debit: from savings or cheque account
- By post: P O Box 56, Mount Gambier SA 5290
- In person: at the Council Offices during Council business hours Monday to Friday excluding public holidays
- By Centrepay deductions from social security payments
- Any Australia Post outlet.

Any ratepayer who may, or is likely to, experience difficulty with meeting the standard instalments and due dates can contact the Council to discuss alternative payment arrangements. Note, fines and interest may still be levied in accordance with the Act.

#### 4.16 Late Payment of Rates

The Local Government Act provides that Councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Interest charged on late payments is charged on both the amount of the rate arrears and any interest that has previously been imposed. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the Council may incur because it has not received the rates on time.

The City of Mount Gambier imposes late payment penalties strictly in accordance with the Local Government Act. The ability to remit penalties in whole or part is a power vested in Council. At the City of Mount Gambier each case will be considered on its merit based on the information provided.



 City of Mount Gambier	<b>DRAFT</b> <b>R105 RATING POLICY</b>	Version No:	12.0
		Issued:	DRAFT
		Next Review:	DRAFT

#### 4.17 Debt Recovery

Council has determined that Rate Payments will be applied in accordance with the provisions of Section 183 of the Act.

When Council receives a payment in respect of overdue rates the Council applies the money received in accordance with Section 183 of the Local Government Act, as follows:

- Firstly – to satisfy any costs awarded in connection with court proceedings
- Secondly – to satisfy any interest costs
- Thirdly – in payment of any fines imposed; and
- Fourthly – in payment of rates, in date order of their imposition (starting with the oldest account first).

#### 4.18 Rebate of Rates - Mandatory

The Local Government Act requires councils to rebate the rates payable on some land uses. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries, the Royal Zoological Society and educational institutions. These rebates vary from 25% to 100% and will be applied upon application and on verification.

Rate rebates do not apply to Council Waste Service Charge.

#### 4.19 Rebate of Rates - Discretionary

The Local Government Act 1999 enables Council (upon application and subject to certain eligibility criteria) to grant discretionary rebates of up to 100% for land used for the purposes of a community benefit and that meet certain legislative and Council Policy criteria.

Council (by Policy) has agreed to grant specific Rate Rebates pursuant to the said Act.

Councils Rate Rebate Policy (incorporating Rate Rebate Application) is available from the Council website - [www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au).


Rate Rebates do not apply to Council Waste Service Charge.

#### 4.20 Rate Relief Options

- 4.20.1 Where an owner/occupier/principal place of residence property with a Category 1 (Residential) Land Use experiences an increase in general rates payable, for the preceding financial year as compare to the general rates payable for the current financial year (excluding any rebates/remissions) and where that increase, in monetary terms, is greater than 15%.

The amount of the rate rebate is the amount of gross rates for the current year over and above the calculation referred to above. I.e. the difference (in monetary terms) between the general rates imposed in the preceding financial year plus 15%. (All calculations referenced herein are gross rates figures. I.e. exclusive of any rebates/remissions/concessions).



 City of Mount Gambier	<b>DRAFT</b> <b>R105 RATING POLICY</b>	Version No:	12.0
		Issued:	DRAFT
		Next Review:	DRAFT

The rebate will not apply where:

- (a) Any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$20,000. or
- (b) Any such increase is in whole or part because the zoning or land use category of the land has changed. or
- (c) Any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the current financial year than on the date the Council declared its general rates for the preceding financial year. or
- (d) The ownership of the rateable property has changed since 1<sup>st</sup> July in the preceding financial year i.e. the residential property has changed ownership and the new owners have purchased the residential property at the new current market value. or
- (e) The subject property boundary(s) have been altered in some way e.g. subdivision, boundary alignment etc. i.e. the subject property is not the exact same property, for valuation purposes, as assessed in the previous financial year. or
- (f) Other factors considered relevant by the Chief Executive Officer that do not warrant the granting of the discretionary rate rebate.

The rebate will only apply to:

- (a) A ratepayer in respect of their principal place of residence only, excluding second and subsequent properties and all other non principal place of residence properties.
- (b) The current financial year only then subject to an annual review.

Where an entitlement to a Residential Rate Capping ceases or no longer applies during the course of a financial year, the Council is entitled to recover full rates for the financial year.

#### 4.20.2 Vacant Land

The vacant land rate in the dollar is set higher than the residential rate in the dollar.

For those owners of vacant land who intend to develop that land, in the short term as their principal place of residence (as opposed to land speculation), may be entitled to a rebate on Council rates.

Applications must be in writing with the maximum rebate calculated so that the rates payable are equivalent to the average residential land use.

#### 4.20.3 Postponement of Rates - Seniors

Any person holding a State Seniors Card issued by the State Government may make application to Council for a postponement of the prescribed proportion of rates for the current or future financial years.



 City of Mount Gambier	<b>DRAFT R105 RATING POLICY</b>	Version No:	12.0
		Issued:	DRAFT
		Next Review:	DRAFT

All applications of postponement will need to be considered in accordance with the relevant legislative provisions.

#### 4.21 Hardship

Any ratepayer experiencing difficulties in meeting rates payments or experiencing hardship will be able to access payment plans tailored to meet their particular circumstances. All arrangements will be strictly confidential.

#### 4.22 Applications

All applications for rebates, remissions or postponements must be in writing, addressed to the Chief Executive Officer, City of Mount Gambier, P O Box 56, Mount Gambier SA 5290 and include sufficient details to identify the relevant property and support the application.

Application forms are available from Council's website [www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au).

Please refer to Council's *Rate Rebate Policy* for further information.

#### 4.23 Sale of Land for Non-Payment of Rates

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the principal ratepayer and the owner (if not the same person) with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month. The City of Mount Gambier enforces the sale of land for non-payment of rates after 3 years or more in accordance with the provisions of the Act.

#### 4.24 Changes to Assessment Records

All changes to postal address of ratepayer/owner and changes of ownership of a property must be notified promptly to Council in writing.

#### 4.25 Disclaimer

A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions.

Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council. In the first instance contact Council's General Manager Council Business Services on (08) 8721 2555 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive Officer, City of Mount Gambier, P O Box 56, Mount Gambier SA 5290, or email [city@mountgambier.sa.gov.au](mailto:city@mountgambier.sa.gov.au).

### 5. REVIEW & EVALUATION

This Policy is scheduled for review by Council annually and will be reviewed as required by any legislative changes which may occur.



 City of Mount Gambier	<b>DRAFT R105 RATING POLICY</b>	<b>Version No:</b>	12.0
		<b>Issued:</b>	DRAFT
		<b>Next Review:</b>	DRAFT

**6. AVAILABILITY OF POLICY**

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website [www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au). Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

DRAFT



 City of Mount Gambier	<b>DRAFT R105 RATING POLICY</b>	<b>Version No:</b>	12.0
		<b>Issued:</b>	DRAFT
		<b>Next Review:</b>	DRAFT

File Reference:	AF18/48
Applicable Legislation:	Local Government Act, 1999 - Chapter 10
Reference: Strategic Plan – Beyond 2015	Goal 5, Strategic Objective 5.
Related Policies:	R105 Rating Policy/Statement R155 Rates - Rebate Policy Statement and Application Process R130 Rates - General Policy
Related Procedures:	Nil
Related Documents:	Nil

**DOCUMENT DETAILS**

Responsibility:	General Manager Council Shared Services
Version:	12.0
Last revised date:	29 June, 2021
Effective date:	TBA
Minute reference:	TBA
Next review date:	May 2023
<u>Document History</u>	
First Adopted By Council:	18 <sup>th</sup> October, 2011
Reviewed/Amended:	Annually



 City of Mount Gambier	<b>DRAFT</b>		<b>Version No:</b>	11.0
	<b>R155 RATE REBATE POLICY</b>		<b>Issued:</b>	DRAFT
			<b>Next Review:</b>	DRAFT

**1. INTRODUCTION**

It is the policy of the City of Mount Gambier (the Council) that a rebate of rates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirements under the Local Government Act 1999 (the Act) and where appropriate, the requirements of this Policy.

**2. SCOPE**

- 2.1 The Act sets out in Chapter 10, Division 5 (Sections 159 to 166) those provisions applicable to the Council granting a rebate of rates to persons or bodies.
- 2.2 The Council has decided to adopt a Policy to assist it in its decision making functions relative to the operation of the rate rebate provisions contained in the Act.
- 2.3 This Policy is intended to provide guidance to the community as to the grounds upon which a person or body is, or may be entitled to receive a rebate of rates and the matters that the Council will take into account in deciding an application for a rebate.
- 2.4 In accordance with the rebate provisions contained in the Act, this Policy sets out the type of use in respect of land where the Council must grant a rebate of rates and the amount of that rebate and these types of land use where the Council has a discretion to grant a rebate of rates.

**3. PURPOSE**

- 3.1 Section 159(3) of the Act provides that the Council may grant a rebate of rates under the Act if it is satisfied that it is appropriate to do so.
- 3.2 The Act provides for a mandatory rebate of rates in specified cases and the amount of that mandatory rebate (see Clause 3 below).
- 3.3 The Act also provides that where the Council must grant a rebate of rates under the Act, and the amount of that rebate is fixed by the Act at less than 100%, the Council may increase the amount of the rebate.
- 3.4 The Act provides, at Section 166 for the Council to provide a discretionary rebate of rates in the cases set out in that Section.

**4. MANDATORY REBATES**

- 4.1 The Council must grant a rebate in the amount specified in respect of land uses which the Act provides will be granted a rebate.





 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	<b>Version No:</b>	11.0
		<b>Issued:</b>	DRAFT
		<b>Next Review:</b>	DRAFT

4.2 Rates on the following land will be rebated at 100%:

4.2.1 Health Services

Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the Health Care Act.

4.2.2 Religious Purposes

Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes.

4.2.3 Public Cemeteries

Land being used for the purposes of a public cemetery.

4.2.4 Royal Zoological Society of SA

Land (other than land used as domestic premises) owned by, or under the care, control and management of the Royal Zoological Society of South Australia Incorporated.

4.3 Rates on the following land will be rebated at 75%:

4.3.1 Community Services

Land being predominantly used for service delivery or administration (or both) by a community services organisation. A "community services organisation" is defined in the Act as a body that –

- 4.3.1.1 *Is incorporated on a not for profit basis for the benefit of the public; and*
- 4.3.1.2 *Provides community services without charge or for a charge that is below the cost to the body of providing the services; and*
- 4.3.1.3 *Does not restrict its services to persons who are members of the body.*



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	Version No:	11.0
		Issued:	DRAFT
		Next Review:	DRAFT

**It is necessary for a community services organisation to satisfy all of the above criteria to be entitled to the mandatory 75% rebate.**

The Act further provides that eligibility for a rebate by a community services organisation is subject to it providing one or more of the following community services:

- 4.3.1.4 Emergency accommodation;
- 4.3.1.5 Food or clothing for disadvantaged persons;
- 4.3.1.6 Supported accommodation: Local Government Act defines as:
  - (a) Residential care facilities that are approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth); or
  - (b) Accommodation for persons with mental health difficulties, intellectual or physical difficulties, or other difficulties, who require support in order to live an independent life; or
  - (c) Without limiting paragraph (b), accommodation provided by a community housing provider registered under the Community Housing Providers National Law that is incorporated on a not-for-profit basis for the benefit of the public, other than accommodation provided by such a body:
    - (i) that has as a principal object of the body the provision of housing for members of the body; or
    - (ii) that is excluded from the ambit of this paragraph by the Minister by notice published in the Gazette;
- 4.3.1.7 Essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
- 4.3.1.8 Legal services for disadvantaged persons;
- 4.3.1.9 Drug or alcohol rehabilitation services; or
- 4.3.1.10 the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses.
- 4.3.1.11 Disadvantaged person are persons who are disadvantaged by reason of poverty, illness, frailty or mental, intellectual or physical disability.

**4.3.2 Educational Purposes**

- 4.3.2.1 Land occupied by a government school under a lease or licence and being used for educational purposes; or
- 4.3.2.2 Land occupied by a non-government school registered under The Education and Early Childhood Services (Registration and Standards) Act 2011 and being used for educational purposes; or
- 4.3.2.3 Land being used by a University or University College to provide accommodation and other forms of support for students on a not for profit basis.



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	<b>Version No:</b>	11.0
		<b>Issued:</b>	DRAFT
		<b>Next Review:</b>	DRAFT

- 4.4 Where the Council is satisfied from its own records or from other sources that a person or body meets the necessary criteria for a mandatory 100% or 75% rebate, the Council will grant the rebate of its own initiative. Where the Council's records or other sources do not meet the criteria, it will require the person or body to apply for the rebate in accordance with Clause 6 of this Policy.
- 4.5 Where a person or body is entitled to a rebate of 75% the Council may, pursuant to Section 159(4) of the Act, increase the rebate up to a further 25%. The Council may grant the further 25% rebate upon application or on its own initiative. In either case the Council **will** take into account those matters set out at Clauses 6.4 of this Policy and **may** take into account any or all of those matters set out at Clause 6.5 of this Policy.
- 4.6 Where an application is made to the Council for a rebate of up to a further 25% the application will be made in accordance with Clause 7 of this Policy and the Council will provide written notice to the applicant of its determination of that application.
- 4.7 Council has delegated the determination of entitlement to Mandatory Rebates to the Chief Executive Officer.

**5. DISCRETIONARY REBATES**

- 5.1 The Council may in its absolute discretion grant a rebate of rates or service charges in any of the following cases pursuant to Section 166 of the Act: -
  - 5.1.1 *where it is desirable for the purpose of securing the proper development of the area (or a part of the area);*
  - 5.1.2 *where it is desirable for the purpose of assisting or supporting a business in its area;*
  - 5.1.3 *where it will be conducive to the preservation of buildings or places of historic significance;*
  - 5.1.4 *where the land is being used for educational purposes;*
  - 5.1.5 *where the land is being used for agricultural, horticultural or floricultural exhibitions;*
  - 5.1.6 *where the land is being used for a hospital or health centre;*
  - 5.1.7 *where the land is being used to provide facilities or services for children or young persons;*
  - 5.1.8 *where the land is being used to provide accommodation for the aged or disabled;*
  - 5.1.9 *where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Commonwealth) or a day therapy centre;*
  - 5.1.10 *where the land is being used by an organisation which, in the opinion of the Council, provides a benefit or service to the local community;*
  - 5.1.11 *where the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment;*



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	<b>Version No:</b>	11.0
		<b>Issued:</b>	DRAFT
		<b>Next Review:</b>	DRAFT

5.1.12 where the rebate is considered by the Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable due to:

- (i) a redistribution of the rates burden within the community arising from a change to the basis or structure of the Council's rates; or
- (ii) a change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations.

5.1.13 where the rebate is considered by Council to be appropriate to provide relief in order to avoid a liability to pay a rate or charge that is inconsistent with liabilities that were anticipated in the annual Business Plan or a liability that is unfair or unreasonable;

5.1.14 where the rebate is to give effect to a review of a decision of the Council under Chapter 13 Part 2; and

5.1.15 where the rebate is contemplated under another provision of this Act.

5.2 A council must, in deciding whether to grant a rebate of rates or charges under Section 166, subsection (1)(d), (e), (f), (g), (h), (i) or (j), take into account:

- (a) The nature and extent of council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in its area; and
- (b) The community need that is being met by activities carried out on the land for which the rebate is sought; and
- (c) The extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons; and
- (d) May take into account other matters considered relevant by the council.

The Council may take into account, but not limited to, the following:

- (i) Why there is a need for financial assistance through a rebate;
- (ii) The level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- (iii) The extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- (iv) Whether the applicant has made/intends to make applications to another Council;
- (v) Whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
- (vi) Whether the applicant is a public sector body, a private not for profit body or a private for profit body;



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	<b>Version No:</b>	11.0
		<b>Issued:</b>	DRAFT
		<b>Next Review:</b>	DRAFT

- (vii) Whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- (viii) The desirability of granting a rebate for more than one year in those circumstances identified at Clause 4.2 of this policy;
- (ix) Consideration of the full financial consequences of the rebate for the Council;
- (x) The time the application is received;
- (xi) the availability of any community grant to the person or body making the application;
- (xii) whether the applicant is in receipt of a community grant; and
- (xiii) Any other matters, and policies of the Council, which the Council considers relevant.

5.3 The Council has an absolute discretion to:

- (a) *Grant a rebate of rates or service charges in the above cases; and*
- (b) *Determine the amount of any such rebate to a maximum of 100% of the relevant rate.*

5.4 Discretionary rebates granted under this policy will be reviewed in accordance with Section 166(3) (3a) or at the time of reviewing the policy (Section 10).

5.5 Persons or bodies that or who seek a discretionary rebate will be required to submit an application form to the Council and provide such information as stipulated on the application form and any other information that the Council may reasonably require.

## 6. LIMESTONE COAST LANDSCAPE LEVY

From 1 July, 2020 the new *Landscape South Australia Act 2019* (the Act) replaced the *Natural Resource Management Act 2004*. Local Government continues to play a key role in collection of the Regional Landscape Levy. Councils are required under the Act to make a specified contribution to their Regional Landscape Board. Council recovers this contribution by imposing a separate rate on individual rateable properties in the Council area.

The Council will provide a concession or rebate off the Landscape levy for rateable properties who presently receive a mandatory or discretionary rebate of rates. The level of the Landscape Levy concession will be equivalent (in percentage terms) to the level of rate rebate Council has granted to those same rateable properties.



 City of Mount Gambier	<b>DRAFT</b>	
	<b>R155 RATE REBATE POLICY</b>	
	<b>Version No:</b>	11.0
	<b>Issued:</b>	DRAFT
	<b>Next Review:</b>	DRAFT

## 7. SERVICE CHARGE

In accordance with Section 155 of the Act a Council may impose a service rate on rateable land within its area for a *prescribed service*. A prescribed service is described as treatment or provision of water, collection, treatment or disposal of waste, a television transmission service or any other service prescribed by the regulations for the purposes of this definition.

Council is focused on environmentally sound waste management practices and will impose a Waste Service Charge (WSC) as a tool to become more responsive to waste management related costs and share the costs and benefits within the community.

The WSC will be charged on the basis of the service being available at the property. It will exclude vacant land and primary production where there is no dwelling on the land and will be charged irrespective if the land owner/occupier is using the service.

A rate rebate will not be available on Council Waste Service Charge.

## 8. APPLICATIONS

8.1 The Council will inform the community of the provisions for rate rebates under the Act by the inclusion of suitable details in the Council's Business Plan (and on the Draft Annual Business Plan) in accordance with Council's adopted Public Consultation Policy.

8.2 Application forms are available from the Council Office located at The Civic Centre, 10 Watson Terrace, Mount Gambier, telephone 8721 2555 or download from the Council website [www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au).

8.3 All persons or bodies that/who want to apply to the Council for a rebate of rates must do so by completing and lodging a Rate Rebate Application on or before 31<sup>st</sup> March in each year to be considered for a rebate in the new rating year commencing 1<sup>st</sup> July of each year. The Council reserves the right to refuse to consider applications received after that date. However, applicants which satisfy the criteria for a mandatory 100% rebate will be granted the rebate at any time.

8.4 The Act provides that the Council may grant a rebate of rates or charges on such conditions as the Council considers fit.

8.5 The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.

Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	Version No:	11.0
		Issued:	DRAFT
		Next Review:	DRAFT

8.6 It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act.

The maximum penalty for this offence is \$5,000.

8.7 If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The maximum penalty for this offence is \$5,000.

8.8 The Council will, in writing, advise an applicant for a rebate of its determination of that application within sixty (60) business days of receiving the application or of receiving all information requested by the Council. The advice will state whether the application:

*6.11.1 Has been granted and the amount of the rebate; or*

*6.11.2 Has not been granted and the reason(s) why.*

8.9 A person or body that is aggrieved by a determination of Council in respect of an application for a rate rebate may seek a review of that determination by writing to the Council in accordance with Council's Internal Review of Decisions Policy.

**9. DELEGATION**

9.1 The Council has delegated its power, pursuant to Section 44 of the Act, to grant applications for mandatory rebates which meet the requirements of the Act.

9.2 The Council has delegated its power to refuse applications for an increase of mandatory rebates to a greater percentage than that provided by the Local Government Act.

9.3 All discretionary rebates shall be determined by the Council.

**10. RATE RELIEF OPTIONS**

To address any potential inequities in how rates are levied across the Council area the following rate relief options are provided:

**10.1 Residential Rate Cap**

Where an owner/occupier's principal place of residence property with a Category 1 (Residential) Land Use, experiences an increase in general rates payable, for the preceding financial year compared to the general rates payable for the current financial year (excluding any rebates/remissions) and where that increase, in monetary terms, is greater than 15%.



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	Version No:	11.0
		Issued:	DRAFT
		Next Review:	DRAFT

The amount of the rate rebate is the amount of total rates for the current year over and above the calculation referred to above, i.e. the difference (in monetary terms) between the general rates imposed in the preceding financial year plus 15%.

(All calculations referenced herein are total (gross) rates figures i.e. excluding any rebates/remissions).

The rebate will not apply where:

- (a) Any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$20,000, or
- (b) Any such increase is in whole or part because the zoning or land use category of the land has changed, or
- (c) Any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the current financial year than on the date the Council declared its general rates for the preceding financial year; or
- (d) The ownership of the rateable property has changed since 1<sup>st</sup> July in the preceding financial year (i.e. the residential property has changed ownership and the new owners have purchased the residential property at the new current market value); or
- (e) The subject property boundary(s) have been altered in some way (e.g. subdivision, boundary alignment etc.) and the subject property is not the exact same property, for valuation purposes, as assessed in the previous financial year; or
- (f) Other factors considered relevant by the Chief Executive Officer that do not warrant the granting of the discretionary rate rebate.

The rebate will only apply to:

- (a) A ratepayer in respect of their principal place of residence and excludes second and subsequent properties and all other non-principal place of residence properties;
- (b) The current financial year only then subject to an annual review.

Where an entitlement to a Residential Rate Capping ceases or no longer applies during the course of a financial year, the Council is entitled to recover full rates for that financial year.





 City of Mount Gambier	<b>DRAFT</b>	
	<b>R155 RATE REBATE POLICY</b>	
	<b>Version No:</b>	11.0
	<b>Issued:</b>	DRAFT
	<b>Next Review:</b>	DRAFT

10.2 For Land Use Category 8 (Vacant Land) Use

Vacant land owned by person(s) intending to be developed in the short term as their principal place of residence, may be considered for a rebate/deferral on Council rates on a case by case basis through the existing relief provisions of the Act, (i.e. hardship application). The maximum rate rebate calculated resulting in the rates payable being equivalent to the average residential land use (Category 1).

10.3 Postponement of Rates - Seniors

Section 182A of the Act provides for applications to be made to Council for a postponement of the payment of the prescribed proportion of rates for the current or future financial years if:

- (a) the person is a prescribed ratepayer, or is the spouse of a prescribed ratepayer; and
- (b) the rates are payable on land that is the principal place of residence of the prescribed ratepayer; and
- (c) the land is owned by the prescribed ratepayer and his or her spouse and no other person has an interest, as owner in the land.

The Act defines a 'prescribed ratepayer' as a person who holds a current State Seniors Card issued by the State Government; or who has the qualification(s) to hold such a card and has applied for the card but has yet to be issued with the card.

All Postponement Applications will be considered and must comply with the provisions of Section 182A of the Act and Regulation 18 of the Local Government (General) Regulations 2013.

**All applications for rebates, remissions or postponements must be in writing, addressed to the Chief Executive Officer, City of Mount Gambier, 10 Watson Terrace, Mount Gambier SA 5290 or emailed to [city@mountgambier.sa.gov.au](mailto:city@mountgambier.sa.gov.au)**

10.4 Retirement Villages

For the purpose of providing a rebate to Retirement Villages, particularly upon issues arising from circumstances where the ratepayer(s) claim to provide or maintain infrastructure that might otherwise be maintained by the Council, a rebate does not generally apply. The power to provide a rebate will be exercised as appropriate and in accordance with the Act.

**11. REVIEW AND EVALUATION**

This Policy is scheduled for review by the Council annually. However, the Policy will be reviewed as required by any legislative changes which may occur.



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	<b>Version No:</b>	11.0
		<b>Issued:</b>	DRAFT
		<b>Next Review:</b>	DRAFT

**12. AVAILABILITY OF POLICY**

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website [www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au). Copies will also be provided to interested members of the community upon request and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

DRAFT



 City of Mount Gambier	<b>DRAFT</b>		<b>Version No:</b>	11.0
	<b>R155 RATE REBATE POLICY</b>		<b>Issued:</b>	DRAFT
			<b>Next Review:</b>	DRAFT

**RATE REBATE APPLICATION**

**1. DETAILS OF APPLICANT**

Organisation Name .....

Postal Address .....

..... Postcode .....

Telephone ..... Email .....

Please provide details of a contact person for the Applicant

Given Name ..... Surname .....

Postal Address .....

..... Postcode .....

Telephone ..... Email .....

DRAFT

**2. DETAILS OF LAND**

Council Assessment Number .....

Certificate of Title Reference .....

Address .....


.....

Owner of Land (if not you) .....

**3. CATEGORIES OF REBATE**

Please tick  the category of rebate under which you are seeking a rebate.



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	Version No:	11.0
		Issued:	DRAFT
		Next Review:	DRAFT

**3.1 Mandatory - 100%**

- Health Services* – Land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australia Health Commission Act 1976 (Section 160 of the Local Government Act 1999);
- Religious Purposes* – Land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes (Section 162 of the Local Government Act 1999);
- Public Cemeteries* – Land being used for the purposes of a public cemetery (Section 163 of the Local Government Act 1999);
- Royal Zoological Society of SA* – Land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated (Section 164 of the Local Government Act 1999).

**3.2 Mandatory - 75%**

- 3.2.1 Community Services** – Land being predominantly used for service delivery or administration by a community services organisation (Section 161 of the Local Government Act 1999).

To qualify as a Community Service Organisation under the rebate provisions of the Local Government Act 1999 an organisation **MUST MEET ALL THREE** of the following criteria. (See section 'Additional Information' at end of this form).

(a) is incorporated on a not for profit basis for the benefit of the public; **and**

YES  NO


(b) provides community services without charge or for a charge that is below the cost to the body of providing the services; **and**

YES  NO

(c) does not restrict its services to persons who are members of the body.

YES  NO




 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	Version No:	11.0
		Issued:	DRAFT
		Next Review:	DRAFT

*If you have ticked (a), (b) and (c) above which of the following services does your organisation provide from the property specified in this application. If these services apply only to part of your property, please supply additional details. You must answer these below questions in respect of your application.*

- Emergency accommodation;*
- Food or clothing for disadvantaged persons (i.e., persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability);*
- Supported accommodation - Local Government Act defined as:*
  - (a) Residential care facilities that are approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth); or*
  - (b) Accommodation for persons with mental health difficulties, intellectual or physical difficulties, or other difficulties, who require support in order to live an independent life; or*
  - (c) Without limiting paragraph (b), accommodation provided by a community housing provider registered under the Community Housing Providers National Law that is incorporated on a not-for-profit basis for the benefit of the public, other than accommodation provided by such a body that:*
    - (i) has as a principal object of the body, the provision of housing for members of the body; or*
    - (ii) is excluded from the ambit of this paragraph by the Minister by notice published in the Gazette.*
- Essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;*
- Legal services for disadvantaged persons;*
- Drug or alcohol rehabilitation services; and/or*
- Research into, or community education about, diseases or illnesses, or palliative care to persons who suffer from diseases or illnesses.*
- Disadvantaged person are persons who are disadvantaged by reasons of poverty, illness, frailty, or mental, intellectual or physical disability.*



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	Version No:	11.0
		Issued:	DRAFT
		Next Review:	DRAFT

**3.2.2 Educational Purposes** - (Section 165 of the Local Government Act 1999)

*Which of the following criteria apply:*


- Land occupied by a government school under a lease or licence and being used for educational purposes; or*
- Land occupied by a non-government school registered under The Education and Early Childhood Services (Registration and Standards) Act 2011 and being used for educational purposes; or*
- Land being used by a University or University College to provide accommodation and other forms of support for students on a not for profit basis.*

**3.3 Discretionary** - (Section 166 of the Local Government Act 1999)

*The Council may in its discretion grant a rebate of rates or service charges in any of the following cases. Please indicate which of the following is applicable to your application:*

- The rebate is desirable for the purpose of securing the proper development of the area (or a part of the area);*
- The rebate is desirable for the purpose of assisting or supporting a business in its area;*
- The rebate will be conducive to the preservation of buildings or places of historic significance;*
- The land is being used for educational purposes;*
- The land is being used for agricultural, horticultural or floricultural exhibitions;*
- The land is being used for a hospital or health centre;*
- The land is being used to provide facilities or services for children or young persons;*
- The land is being used to provide accommodation for the aged or disabled;*
- The land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1987 (Commonwealth) or a day therapy centre;*
- The land is being used by an organisation which, in the opinion of the Council provides a benefit or service to the local community;*



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	Version No:	11.0
		Issued:	DRAFT
		Next Review:	DRAFT

- the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment;*
- the rebate is appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a rate payer due to a change in the basis of valuation used for the purposes of rating, rapid changes in valuations, or anomalies in valuations.*

**4. AMOUNT OF REBATE**

4.1 If you are seeking a mandatory rebate under Clause 3.2 of this Application, for which you are entitled to a 75% rebate, are you also applying to the Council to increase that rebate?

YES  NO

Please specify the amount of rebate that you are applying for: \$\_\_\_\_\_

4.2 If you are applying for a discretionary rebate under Clause 3.3 of this Application, please specify the rebate amount you are applying for:

\$\_\_\_\_\_

Please specify why you (or the organisation you represent) need financial assistance through a rebate and why the amount of rebate you have applied for is appropriate.

.....

.....

.....

.....

.....



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	Version No:	11.0
		Issued:	DRAFT
		Next Review:	DRAFT


**5. ADDITIONAL INFORMATION REQUIRED**

The Council requires you to attach the following additional information to this Application:

- 5.1 Where you are seeking a rebate under Clause 3.2 of this Application – Community Services:
  - 5.1.1 Evidence that the land is being used for service delivery and/or administration;
  - 5.1.2 A copy of the organisation’s Constitution and/or other documentation establishing that it is incorporated on a not-for-profit basis;
  - 5.1.3 A copy of the organisation’s latest Annual Report;
  - 5.1.4 Evidence that the organisation provides services free of charge or below cost;
  - 5.1.5 Evidence that the organisation provides services to persons other than its members.
- 5.2 Where you are seeking a rebate in any other case:
  - 5.3.1 Evidence that the land is being used for the purpose for which the rebate is being sought;
  - 5.3.2 Information as to whether, and if so, to what extent you (or the organisation you represent) will be providing a service within the Council area;
  - 5.3.3 Whether you have made or intend to make an application to another council;
  - 5.3.4 The extent of financial assistance (if any) being provided by Commonwealth or State agencies;
  - 5.3.5 Whether you are in receipt of a community grant;
  - 5.3.6 Any other information that you believe is relevant in support of this Application.





 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	Version No:	11.0
		Issued:	DRAFT
		Next Review:	DRAFT

**6. APPLICATION FORMS**

Application forms and all additional information must be submitted to the Council on or before the 31 March annually to be considered for a discretionary Rebate of Rates or a mandatory rebate of 75% in the new rating year commencing 1 July of each year.

The application date does not apply to applicants which satisfy the criteria for a mandatory 100% rebate.

Failure to submit application forms or to provide the additional information required by the Council to assess the application by the due date may result in the Council declining to consider the application.

**IMPORTANT INFORMATION**

It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act. The maximum penalty for this offence is \$5,000, (Section 159 (2) of the Local Government Act 1999).

The Council may grant a rebate of rates or charges on such conditions as the Council considers fit.

*If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases.*

*If a person or body fails to notify the Council that person or body is guilty of an offence and liable to a maximum penalty of \$5,000, (Section 159 (7) and (8) of the Local Government Act 1999).*

The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.

Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

I declare that the information I have provide on and attached to this application form is true and correct.


**DATED** this \_\_\_\_\_ day of \_\_\_\_\_ 20

Print Name .....

Signature .....

Position Title .....



 City of Mount Gambier	<b>DRAFT</b> <b>R155 RATE REBATE POLICY</b>	<b>Version No:</b>	11.0
		<b>Issued:</b>	DRAFT
		<b>Next Review:</b>	DRAFT

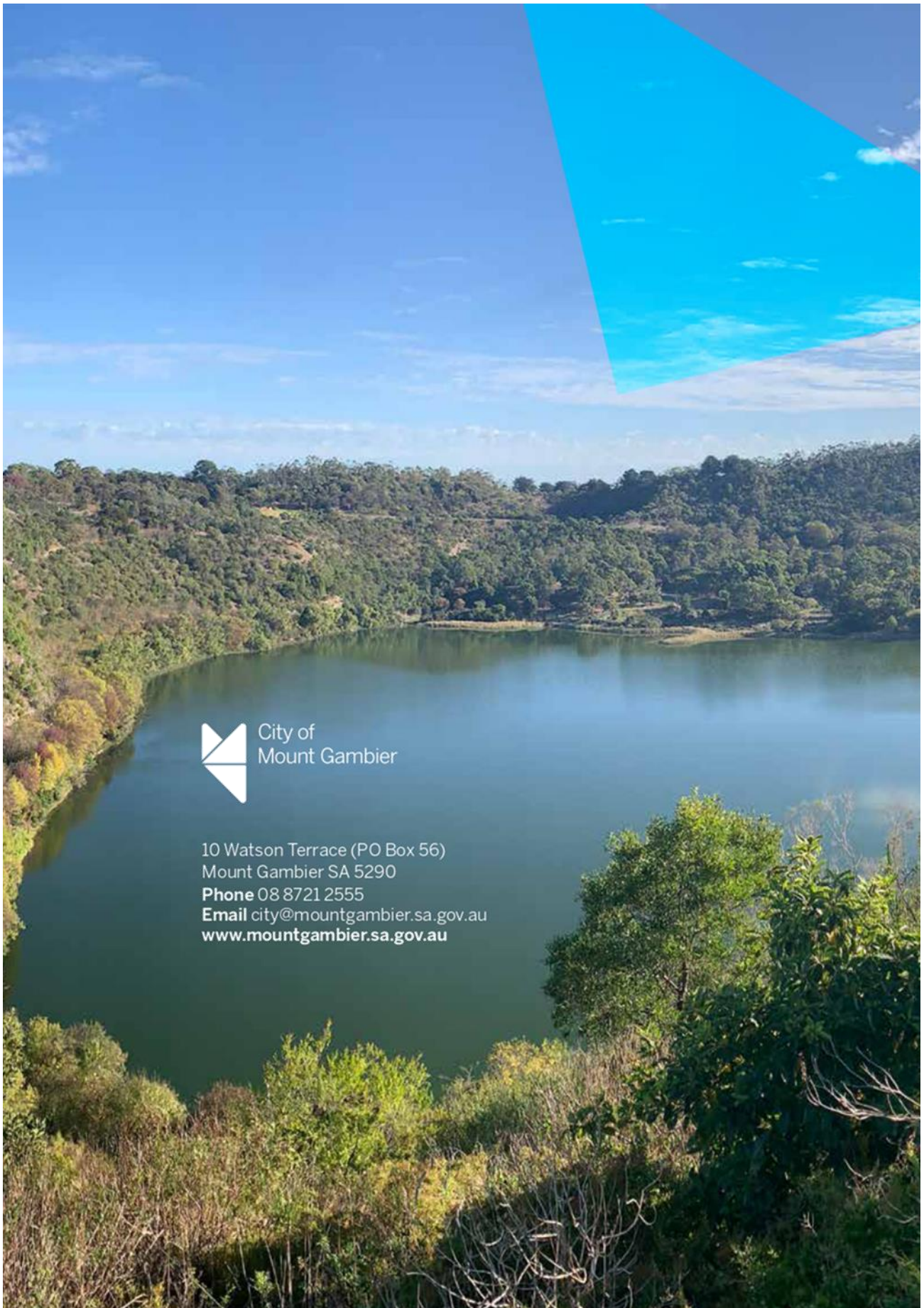
File Reference:	AF18/48
Applicable Legislation:	Local Government Act, 1999 Chapter 10, Division 5 (Sections 159 to 166)
Reference: Strategic Plan – Beyond 2015	Goal 5, Strategic Objective 5
Related Policies:	R105 Rating Policy/Statement R130 Rates - General Matters
Related Procedures:	Nil
Related Documents:	Nil

**DOCUMENT DETAILS**

Responsibility:	General Manager Council Business Services
Version:	11.0
Last revised date:	29 June, 2021
Effective date:	TBA
Minute reference:	TBA
Next review date:	May 2023
<u>Document History</u>	
First Adopted By Council:	May 2002
Reviewed/Amended:	Annually







**4.2 DRAFT LONG TERM FINANCIAL PLAN 2023-2032 – REPORT NO. AR22/35078**

<b>Committee:</b>	<b>Audit and Risk Committee</b>
<b>Meeting Date:</b>	<b>6 June 2022</b>
<b>Report No.:</b>	<b>AR22/35078</b>
<b>CM9 Reference:</b>	<b>AF11/863</b>
<b>Author:</b>	<b>Julie Scoggins, Manager Financial Services</b>
<b>Authoriser:</b>	<b>Darren Barber, General Manager Corporate and Regulatory Services</b>
<b>Summary:</b>	<b>Legislation - Council is required to develop and adopt a Long Term Financial Plan (LTFP) in accordance with the Local Government Act and Regulations. Annual Review - Council has decided to review the LTFP annually aligned with the timing of the Annual Business Plan and Asset Management Plans.</b>
<b>Strategic Plan Reference:</b>	<b>Goal 1: Our People Goal 2: Our Location Goal 3: Our Diverse Economy Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage Goal 5: Our Commitment</b>

**REPORT RECOMMENDATION**

1. That Audit and Risk Committee Report No. AR22/35078 titled 'Draft Long Term Financial Plan 2023-2032' as presented on 06 June 2022 be noted.
2. That the Audit and Risk Committee feedback on Council's Draft Long Term Financial Plan 2023-2032 and/or the associated processes and risks, as follows:
  - XXXXX
  - XXXXX
  - XXXXXbe incorporated with the public consultation feedback to be presented to the Special Council meeting to be held on 28 June 2022 for consideration of the adoption of the Draft Long Term Financial Plan 2023-2032.



## TYPE OF REPORT

Corporate

## BACKGROUND

1. **Audit and Risk Committee Terms of Reference** - The following section of the Audit and Risk Committee Terms of Reference is relevant to this report:

### **12.6 Review of Strategic Management and Business Plans:**

*The Committee shall review and provide advice on Council's strategic management plans (at the time of their preparation and scheduled review), which include the following:*

- *Strategic Plan;*
  - *Key principles and assumptions of the Long Term Financial Plan;*
  - *Various Asset Management Plans; and*
  - *Annual Business Plan.*
2. **Legislation** - Under Section 122 of the Local Government Act 1999 a Council must develop and adopt a Long Term Financial Plan for a period of at least 10 years. A Council may review its strategic management plans at any time, but must undertake a review of its Long Term financial plan as soon as practicable after adopting the Council's Annual Business Plan (ABP) for a particular financial year; and in any event, undertake a comprehensive review within 2 years after each general election of the Council.
  3. **Previously Adopted LTFP** - The LTFP was previously adopted by Council in December 2021.
  4. **Strategic Management Plans** - At the November Council meeting the proposal to review the LTFP and Asset Management Plans at the same time as constructing the Annual Business Plan and Budget was presented. This approach ensures that these key documents are aligned.
  5. **Elected Member LTFP Information & Briefing Sessions** - The Manager, Financial Services presented scenarios in relation to debt structuring and talked through some key assumptions underpinning the draft long term financial plan.
  6. **Council Endorsement of the Draft Long Term Financial Plan** - Council endorsed the Draft Long Term Financial Plan 2023-2032 for community consultation at the Council meeting on 17 May 2022.

## PROPOSAL

1. **Purpose of the LTFP** - The LTFP is a road map that illustrates financially the needs and aspirations of our community which supports and is supported by such documents as the Asset Management Plan, Strategic Plan (Community Plan) and Futures Paper.
2. **Target Setting for Future Annual Business Plan and Budgets** - Council uses the LTFP to frame its Annual Business Plan and Budget by setting high-level parameters and targets that will assist Council in maintaining and improving the level of services of its existing assets whilst also delivering strategic new major projects such as the Wulanda Recreation and Convention Centre.
3. **Key Objective** - The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving the objectives detailed in Council's suite of strategic management plans.
4. **LTFP Baseline** - The LTFP has been updated to include the draft Budget Review 3 for 2021/22 and the draft budget for 2022/23.
5. **Revised LTFP** - The draft Long Term Financial Plan has been updated to consider changes from 2021/22 onwards.



6. **Sensitivity Analysis** - Detailed modelling has been completed with sensitivity analysis undertaken to highlight the impact of potential changes to key assumptions on the financial ratios and Council’s financial sustainability (with highlights shown in the table below).

- **Sensitivity 1** - 1.0% increase in CPI.
- **Sensitivity 2** - 1.0% increase in interest rates for a \$10m credit foncier and the remaining CAD flexible debt.

Operating Surplus Ratio				Net Financial Liabilities Ratio				
%	Average Ratio	Minimum Target	Number of Years Above Minimum	Average Ratio	Maximum Target	Peak Ratio	Peak Year	Number of Years Below Maximum
Adopted LTFP	3.0%	0.0%	6	89.5%	100.0%	132.4%	2022/23	6
<b>Draft LTFP</b>	<b>1.6%</b>	<b>0.0%</b>	<b>6</b>	<b>90.3%</b>	<b>100.0%</b>	<b>135.1%</b>	<b>2022/23</b>	<b>6</b>
Sensitivity 1	-0.4%	0.0%	5	99.4%	100.0%	135.1%	2022/23	5
Sensitivity 2	1.1%	0.0%	5	93.0%	100.0%	135.4%	2022/23	5

7. Based upon the analysis summarised in the table above it can be seen that the Draft LTFP achieves (over the long term) the Key Financial Indicators (KFI) targets as included in the Draft Treasury Management Policy (on average over the LTFP) and by the target date of FY 2027:

- **Operating Surplus Ratio** - The average operating surplus ratio over the ten years is 1.6% (target of positive ratio by FY 2027).
- **Net Financial Liabilities Ratio (NFL)** - The target of a ratio of lower than 100% by FY 2027 is achieved and on average the target of lower than 100% is achieved over the 10 years of the LTFP.
- **Asset Renewal Funding Ratio** – The expenditure planned on renewing and maintaining assets in the LTFP results in Council achieving an average Asset Renewal Funding ratio of slightly more than 100% over the 10 years of the LTFP. It should be noted that the Asset Management Plans have been reviewed at a high level and are included in the agenda at this meeting. The Asset Management Plans and associated forward works program will be reviewed in more detail the first half of FY 2023 for incorporation in the next draft of the LTFP to be adopted in the next financial year.

8. **Inflation Assumptions** - The draft Long Term Financial Plan 2023-2032 key assumptions are based upon the Local Government Price Index (LGPI) which is a financial indicator of the escalation in the cost of goods purchased by Local Government entities. The indicator for future years is unavailable and as such the historic variance of 0.30% has been added to the Forecast CPI for some assumptions (which has been sourced from Deloitte Access Economics based on the forecast as at December 2021).

9. **Key Assumptions** - The draft Long Term Financial Plan key assumptions are as follows:

- **Annual General Rate Revenue 4.5%** - General rate revenue increase including growth is in line with the previously adopted LTFP.
- **Waste Service Charge 4.5%** - Waste service charge revenue increase of 4.5% in line with the previously adopted LTFP.
- **Other Operating Revenue** - Is expected to increase by forecast CPI.
- **Employee Costs** - As per Council’s EA, and then CPI.
- **Operating Expenditure** - Forecast LGPI (Forecast CPI + 0.30%).
- **Forward Capital Works Program** - Based on the draft Asset Management Plans presented at this meeting with the exception of Caroline. It should be noted that the forward works program is inflated each year by estimated LGPI.



- **Debt structure assumptions** - The mix of borrowings between fixed debt and flexible debt and the term of the loans used to fund Council's activities have been considered in the context of the draft Treasury Management Policy (T150) for this version of the LTFP. A presentation was made to Elected Members and the Audit and Risk Committee outlining the proposed borrowings structure.
  - **Wulanda** - Is based on the latest approved business case and grant deeds.
10. **Excluded from the LTFP** - It is appropriate to note that there are a number of significant matters that have been excluded from this version of the LTFP at this time:
- **PLEC** - Further investment in PLEC beyond current agreement (\$0.5m p.a. FY 2022 and FY 2023).
  - **Sport, Recreation and Open Space Strategy** - This is currently under development.
  - **Asset Management** - A further more detailed review will be undertaken in preparation for the development of the AMP/LTFP and ABP to be brought to Council in May and June 2023.
11. **Local Government Reform** - The LTFP will become a primary document that will be reviewed by ESCOSA on a four year rotating schedule as part of a range of strategic planning documents with advice provided to the Council.
12. **The draft LTFP (Attached)** - Is presented as a set of financial statements and includes the following statements for years FY 2021 to FY 2032;
- Statement of Comprehensive Income
  - Statement of Financial Position (Balance Sheet)
  - Statement of Changes in Equity
  - Statement of Cash Flow
  - Uniform Presentation of Finances
  - Key Financial Indicators.

## LEGAL IMPLICATIONS

Under Section 122 of the Local Government Act a Council must develop and adopt a Long Term Financial Plan for a period of at least 10 years.

Local Government Act 1999 - Section 122

Local Government (Financial Management) Regulations - 2011 - Regulations 5 & 7.

## STRATEGIC PLAN

The LTFP as a strategic management document is informed by and informs the Strategic Plan and Futures paper. It is also aligned with the Asset Management Plans.

## COUNCIL POLICY

[A900 Asset Management Policy](#)

[B300 Budget Framework Policy](#)

[T150 Treasury Management Policy](#)

## ECONOMIC IMPLICATIONS

The LTFP models Council to be financially sustainable over the long term.

## ENVIRONMENTAL IMPLICATIONS

As determined in the Strategic Plan.





## SOCIAL IMPLICATIONS

As determined in the Strategic Plan.

## CULTURAL IMPLICATIONS

As determined in the Strategic Plan.

## RESOURCE IMPLICATIONS

Completed within staff resources.

## VALUE FOR MONEY

The LTFP models Council to be financially sustainable over the long term.

## RISK IMPLICATIONS

The LTFP models Council to be financially sustainable over the long term. The LTFP is updated annually and needs to have regard to relevant risk, opportunities and mitigation strategies.

A number of key risks have been identified in the development of the Annual Business Plan and Budget and the LTFP:

- **Indexation** - Escalation of expenditure and revenue in terms of CPI and LGPI (with the exception of total rates revenue that has been increased by 4.5% p.a.). The forecast inflation rates have been applied as at 31 December 2021. Should rates be higher, expenditure will be reviewed to ensure that key financial indicator target ratios are maintained.
- **Interest Rates** - Interest rates have been forecast by applying future forecast rate changes to the LGFA interest rate for variable debt. Debt strategy has also been considered in the development of the LTFP in terms of fixed versus variable debt.

## EQUALITIES AND DIVERSITY IMPLICATIONS

Nil

## ENGAGEMENT AND COMMUNICATION STRATEGY

Decision to be made	Make a recommendation that the Long Term Financial Plan be endorsed for public consultation.
Key factors to be considered in decision (dot points)	<ul style="list-style-type: none"> <li>• Annual Business Plan</li> <li>• Asset Management Plans</li> <li>• Community Plan</li> <li>• Local Government Act 1999</li> </ul>
Area of community influence	<p>Aspects that are fixed:</p> <ul style="list-style-type: none"> <li>- Legislative Factors</li> </ul> <p>Key areas for community input:</p> <ul style="list-style-type: none"> <li>- Community may make submissions on all sections of the Draft Long Term Financial Plan.</li> </ul>
Method of consultation, informing community & cost	<p>Copies will be available at:</p> <ul style="list-style-type: none"> <li>• The Mount Gambier Library; and</li> <li>• The Customer Service counter.</li> <li>• Have Your Say website</li> </ul>



	A facility will be available for the community to ask questions and receive submissions on Council's Have Your Say website during the public consultation period.
Feedback to stakeholders/Council	A written response will be made to all submissions once the Long Term Financial Plan 2023-2032 has been adopted by Council.
Timeframe for consultation	19 May - 9 June 2022.

### **IMPLEMENTATION STRATEGY**

Targets from the LTFP will be communicated to Council staff to inform the 2023/24 Annual Business Plan and Budget process.

### **CONCLUSION AND RECOMMENDATION**

The Long Term Financial Plan is a high level strategic planning document which is a key aid to Council's budgeting and planning process. It will assist Council staff and Elected Members in planning for the delivery of facilities and services to meet the expectations of the community in a sustainable manner.

Council's Strategic Plan includes significant additional infrastructure and services, planning which includes consideration for the timing of revenue and expenditure, and the feasibility of each project. Proactive planning and modelling are vitally important to the ongoing financial sustainability of Council.

While Council uses the LTFP to inform its Annual Business Plan and budget, the plan is a roadmap and as such does not determine the rates or charges in each year.

### **ATTACHMENTS**

1. Draft Long Term Financial Plan 2023-2032 [↓](#)





# Draft Long Term Financial Plan 2023 - 2032



### **Draft Long Term Financial Plan 2023-2032**

1. Acknowledgement of Country
2. Executive Statement
3. Significant Influences and Challenges
4. Strategic Financial Framework
5. Key Assumptions
6. Key Financial Ratios
7. Sensitivity Analysis

#### **Appendix:**

Assumptions

Financial Statements

---



The City of Mount Gambier recognises the Boandik people as the traditional owners and custodians of the land Mount Gambier sits upon today.

We respect their spiritual relationship with the land and recognise the deep feelings of attachment Aboriginal and Torres Strait Islander peoples have with this land.

The City of Mount Gambier is committed to working together with Aboriginal and Torres Strait Islander communities in the process of reconciliation.

Image: Belinda Bonney, Reconciliation of the Nation: we all walk together as one (detail).



## Draft Long Term Financial Plan 2023-2032

### 2. Executive Statement

**Purpose** - The purpose of a Long Term Financial Plan (LTFP) is to guide the future direction of Council in a financially sustainable manner. The LTFP is designed as a 'high-level' summarised document focusing on the future planning of Council's financial operations, particularly in relation to key components such as rate increases, service levels to our community, asset replacement/renewal and loan indebtedness.

**Legislation** – Section 122 (1) of the Local Government Act 1999 ("the Act") requires that Councils must develop and adopt Strategic Management Plans including the LTFP which is a moving document updated on a rolling basis over a ten year term.

**Strategic Financial Framework** - City of Mount Gambier Council's LTFP provides the forward strategic financial framework to resource the community's needs and aspirations. Through the alignment of this plan with the Strategic Plan, Futures Paper and the Asset Management Plan, Council is able to plan, manage and communicate its future objectives in a sustainable way for the long term.

**Previous Versions** - The Council's LTFP was adopted in March 2019 and subsequently reviewed and adopted in June 2020, February 2021 and December 2021.

**Roadmap** - The LTFP is a roadmap for the future and provides a target for future Annual Business Plans and Budgets. As such it provides guidance in terms of direction and financial capacity, and does not determine the rates and charges for the future. If key assumptions such as growth, capital investment or interest rates change then this may drive changes in the annual budget.

**Financial Position** - Over the life of this Plan, Council has planned to achieve its financial targets by FY2027. Over the medium to long term, Council is expected to be financially sustainable in accordance with the information contained within this Plan.

**Financial Sustainability** - Financial sustainability in local government ensures that each generation pays their way rather than any one generation living off their assets and leaving the responsibility for infrastructure/asset renewal to future generations.

**Financial Statements** - At a high level, the LTFP projects:

- **Statement of Comprehensive Income** - Details the profit and loss account (operating surplus (deficit) and capital transactions);
- **Statement Of Financial Position** - This presents the financial position of Council at a given date. It comprises three main components: assets, liabilities and equity;
- **Statement Of Cashflows** - This shows the amount of cash and cash equivalents entering and leaving the Council;
- **Uniform Presentation Of Finances** - The Net Lending/(Borrowing) for the Financial Year result is a measure that takes account of both operating and capital activities for the financial year; and
- **Statement of Changes in Equity** - This reflects the movement in equity reserves during the period, being the financial performance of the year plus any other comprehensive income gains.

**Wulanda Recreation & Convention Centre** - With the construction of the Community and Recreation Hub that commenced in 2020, the assumptions for the construction and the operating model for this facility have been updated in this version of the LTFP model.



## Draft Long Term Financial Plan 2023-2032

### 3. Significant Influences and Challenges

**Overview** - The LTFP is a long-term forecast and as such it is supported by many assumptions, for example: community aspirations, needs and wants, growth, inflation, service levels, federal and state government policy settings and interventions. Many of these factors inevitably are external to Council and as such outside of its control.

**Strategic Financial Framework** - The Plan complements and is complemented by other important Council plans and strategies:

- Futures Paper;
- Strategic (Community) Plan 2020-2024;
- Asset Management Plans; and
- Annual Business Plan.

**Wulanda Recreation & Convention Centre (WRCC)** - The Wulanda Recreation and Convention Centre is a multi-purpose facility designed to be a community space, with facilities and activities for all ages and abilities. This development will provide substantial year round indoor facilities, addressing many community needs both now and for future generations to come. The Wulanda Recreation and Convention Centre will increase the ability for Mount Gambier to host major sporting competitions, conferences, events and performances providing significant social and economic benefits.

**Local Government Reform** - The LTFP will become a primary document that will be reviewed by ESCOSA on a four year rotating

schedule as part of a range of strategic planning documents with advice provided to the Council.

**Total Rate Revenue** - Council's major source of income is rates, which accounts for c68% of operating revenue over the ten years and is an important part of the planned long-term strategy. It contributes towards the delivery of WRCC and the Asset Management Plan (both the renewals and new/upgrade) and funding to meet the expectations of the Community, by maintaining services, roads, waste management, footpaths, buildings, etc.

**Inflation** - This Long Term Financial Plan has incorporated two inflation indices being the Consumer Price Index (CPI) applied to rates and other revenue that reflects ability to pay, and the Local Government Price Index (LGPI), which forecasts inflation applicable to local government sector expenditure. These have been updated as at the end of December 2021.

**Asset Management Plans** – The Asset Management Plans have been updated (with the exception of Caroline landfill) and the draft documents have been issued for public consultation at the same time as the Annual Business Plan and this document. This is aligned with the LTFP which allows Council to factor in the new and ongoing costs associated with renewals required to maintain our asset base at the required standard and investment in new assets.

**Updated Assumptions** - It should be noted the following assumptions have been updated:

- **Base Year** – The LTFP has been updated to include the Budget Review 3 position for FY 2022 and the Draft Budget for FY 2023.



## Draft Long Term Financial Plan 2023-2032

- **Indexation** – Forecast CPI and LGPI assumptions have been updated to reflect the latest view as at 31 December 2021 with an expected differential between CPI and LGPI of 0.3%.
- **Capital Works Program** – This program has been updated to reflect include indexation, changes to the plant renewal program to reflect latest practices, carry forwards identified as part of Budget Review 3, the latest view for Wulanda Recreation & Convention Centre and new projects including those funded by grants such as Local Roads and Community Infrastructure.

**Sensitivity Analysis** – Detailed modelling has been undertaken with sensitivity analysis completed to highlight the impact of potential changes to key assumptions on the financial ratios and Council's financial sustainability (with more detail included later in this document):

- **Sensitivity 1** – 1.0% increase in CPI.
- **Sensitivity 2** – 1.0% increase in interest rates for \$10m credit foncier and the remaining CAD flexible debt.

### Key Financial Indicators:

The following targets have been set in line with the adopted T150 Treasury Management Policy:

- **Operating Surplus Ratio %** - Positive surplus ratio by FY 2027.
- **Net Financial Liabilities Ratio %** - Net Financial Liabilities Ratio of lower than 100% to be achieved by FY 2027.
- **Asset Renewal Funding Ratio %** - 100% or greater throughout the duration of the LTFP.

If any of the targets are not achieved (i.e. if growth or CPI is lower than planned), this will mean that other assumptions will need to be changed to ensure that the targets set by the LTFP are achieved.

**Risks** – The LTFP is updated annually and needs to have regard to relevant risk, opportunities and mitigation strategies. During the development of this LTFP we have identified the following:

- **State Government** – Elections, Local Government reforms and funding/cost shifting.
- **Council Elections** – Could lead to new priorities.
- **Climate Change Impact** – The future impact on the way in which Council operates will need to be considered.
- **Indexation** – Escalation of expenditure and revenue.
- **Service Levels** – Adjusting service levels may result in increased cost of renewal/upgrade, maintenance and depreciation for example new footpaths.
- **Grant Revenue** – Whilst grant revenue may fund additional capital works, additional maintenance/renewal expenditure will be incurred as a result.
- **Procurement Market Conditions** – Current market conditions have either driven up costs, or less availability of contractors which will also impact on the capacity to deliver.
- **Wulanda** – Impact on the organisation to support activation and operations.
- **AMP** – Further analysis is required for the next version of LTFP.





## Draft Long Term Financial Plan 2023-2032

**Opportunities** – The following potential opportunities have also been identified:

- **Efficiencies** – Efficiencies will be investigated in operating expenditure to support capital works expenditure or through strategic procurement activities (where like activities are 'bundled up').
- **Timing** – Needs to consider capacity to deliver.
- **Commercial Partnerships/Grant Funding** – Seek greater contributions from others to fund current activities/additional projects.
- **Borrowings** – Have been assessed and the structure has been reviewed for this version of the LTFP. In line with our Treasury Management Policy the intent will be to have an optimal structure that ensures that the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term. It should be noted that the debt structure has been presented and discussed with Elected Members and the Audit and Risk Committee.
- **Grant Revenue** – Attracting further grant revenue will improve ratios if used to fund works already in LTFP.

**Exclusions** – The following potential significant investment is excluded from this version of the LTFP:

- **PLEC** – Further investment in PLEC beyond the current agreement (\$0.5m p.a. FY 2022 and FY 2023).
- **Sport, Recreation & Open Space Strategy** – This is currently under development.

- **Asset Management** – Further review to be undertaken in preparation for the development of the Asset Management Plan/LTFP and Annual Business Plan to be brought to Council in May and June 2023.

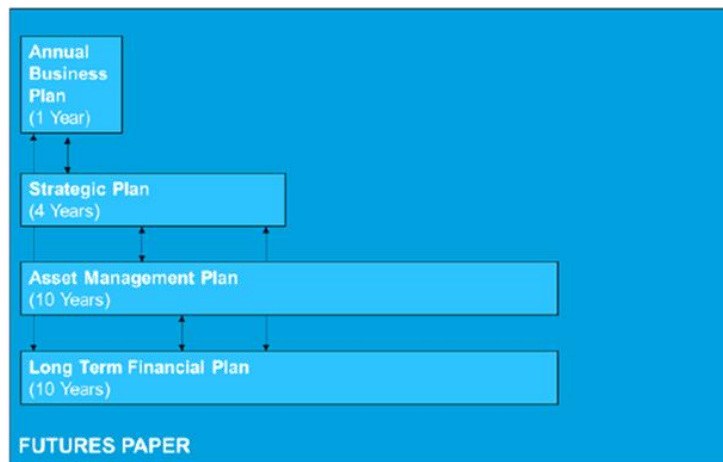


## Draft Long Term Financial Plan 2023-2032

### 4. Strategic Financial Framework

**The Strategic Financial Framework** - Brings together the key strategic management documents to ensure that the vision, goals and objectives set by the Futures Paper are implemented in the Long Term Financial Plan, Asset Management Plan, Strategic Plan, and Annual Business Plan.

**The Long Term Financial Plan** - Guides and is guided by other key strategic management documents as shown below:



- **Futures Paper** - The paper outlines strategies for action at the individual, organisation and community level that will enable the community to achieve their collective aspirations.
- **Long Term Financial Plan (10 Years)** - The Long Term Financial Plan shows the financial impact of the implementation of the Strategic Plan over the next 10 years and incorporates key assumptions from the Strategic Plan and Asset Management Plan. The LTFP will be reviewed by Council on an annual basis.
- **Asset Management Plan (10 Years)** - Identifies the required future expenditure on infrastructure and funding required to maintain service levels. It is aligned with the LTFP.
- **Strategic Plan (4 Years)** - Represents the vision, aspirations and priorities of our community now and into the future. The Strategic Plan is informed by the Futures Paper and identifies the outcomes Council seeks to achieve and the strategies Council will put in place to get there.
- **Annual Business Plan (1 Year)** - Each year, Council develops an Annual Business Plan guided by Council's strategic financial framework which sets strategic directions over the medium and long term and converts these into annual actions and outcomes. This shows the outcomes Council expects to achieve in the year, the services, the key measures of success and the budget required to deliver these outcomes.



## Draft Long Term Financial Plan 2023-2032

### 5. Key Assumptions

#### OPERATING REVENUE:

- **General Rates** – Revenue has been indexed by 4.5% p.a. over the life of the LTFP.
- **Council Operations User Charges** – CPI increases have been applied over the remaining 10 years aligned with the user pays principle.
- **Waste Service Charges** – Have been indexed by 4.5% p.a. in line with the increase in general rate revenue.
- **Grant Funding (Recurrent)** – Such as the Financial Assistance Grant (FAG) and Roads to Recovery (RTR) and Local Roads and Community Infrastructure (LRCI) have been assumed to be received within the year they are paid. Indexation applied is in line with forecast CPI increases over the period of the plan.
- **Grant Funding (One-off)** – Is applied in the same year that tied expenditure is planned.

#### OPERATING EXPENDITURE:

- **Materials, Contracts & Other Expenditure** - Has been indexed in line with forecast LGPI increases over the period of the plan.
- **Employee Costs** – In the first instance has been indexed in line with the current Administration Staff Enterprise Agreement. Post this period an increase of CPI has been allowed for. Superannuation costs have been assumed to increase in line with legislation i.e. to reach 12% (+1%) by 2025/26.

- **FTEs** – The number of FTEs employed by Council over the life of the LTFP are assumed to be consistent with no forecast increase.
- **Finance Costs** – Have been modelled factoring in the projected debt Council will hold in each year of the plan, and the forecast interest rate to be charged by the Local Government Finance Authority. In this plan the interest rate used has been modelled based on actual/indicative rates provided by the LGFA for credit foncier loans and for Convertible Cash Advance Debentures (flexible borrowings) forecasts provided by Deloitte Access Economics and historical data.

#### CAPITAL EXPENDITURE

- **Asset Renewal** – Is provisioned to allow for Council to meet the renewal requirements as per the draft Asset Management Plans (with the exception of Caroline landfill). Renewal, maintenance and depreciation of new and upgraded assets have been included in the plan to ensure these are funded.
- **New Capital/Upgrade** – Has been included in the plan and are based on Council's draft Asset Management Plans.
- **WRCC** – Is based upon the latest approved business case and approved grant deeds.

#### CAPITAL REVENUE

- **Grants** – Grants have been incorporated based on current grant deeds.



## Draft Long Term Financial Plan 2023-2032

### STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

- **Assets** such as trade & other receivables, inventories and equity accounted investments have all been modelled based on historical averages, with no significant variances expected over the period of the plan.
- **Infrastructure, Property, Plant and Equipment** are modelled based on the cumulative effect of depreciation, capital expenditure, asset disposals and adjustments made to maintain valuations at fair value.
- **Liabilities** such as trade and other payables and provisions, have been modelled based on historical averages of Council, with no significant variances expected over the period of the plan.
- **Borrowings** provide an alternative source of funding to enable Council to achieve its objectives and in particular the funding of the Wulanda Recreation & Convention Centre. Borrowing requirements have been modelled based on the cumulative effect of operating deficits/surpluses, capital expenditure and revenue. The debt structure and allocation between fixed (credit foncier) and flexible (CADs) has been reviewed for this version of the LTFP as presented to Elected Members and the Audit and Risk Committee.



## Draft Long Term Financial Plan 2023-2032

### 6. Key Financial Ratios

#### OVERVIEW

**Local Government Sector Performance** - The following Key Financial Indicators are deemed by the Local Government Sector to be the best indicators for determining financial sustainability:

- Operating surplus / (deficit) ratio;
- Net financial liabilities ratio; and
- Asset renewal funding ratio.

**Legislative Requirement** - These indicators are also a requirement of Council's annual financial reporting in accordance with Local Government legislation and regulations.

Section 122 of the Local Government Act 1999 states that Councils should assess:

*"...The sustainability of the Council's financial performance and position, and... The extent of levels of services that will be required to be provided by the council to achieve its objectives and to the extent to which any infrastructure will need to be maintained, replaced or developed by the Council..."*

**Treasury Management Policy** - The following graphs and accompanying commentary are set against targets included in the adopted "Treasury Management Policy".

**Additional Ratio** – The borrowing to income ratio has been incorporated in the LTFP as an additional measure of financial sustainability.



## Draft Long Term Financial Plan 2023-2032

### OPERATING SURPLUS RATIO

#### What is the purpose of this ratio?

This financial indicator is useful in determining if current ratepayers are paying enough to cover products and services provided in each period.

#### How is this ratio calculated?

Operating surplus before capital revenues as a percentage of total operating revenue.

#### What is the target?

The target to be achieved by FY2027 is that Council will achieve a positive ratio.



#### Result:

Council expects to return to a surplus ratio in FY 2027, aligned with the target, delivering a positive ratio for 6 years of the LTFP. The average ratio over the life of the LTFP is 1.6%.

It should be noted that the surplus is required in future years for the repayment of debt.



## Draft Long Term Financial Plan 2023-2032

### NET FINANCIAL LIABILITIES RATIO

#### What is the purpose of this ratio?

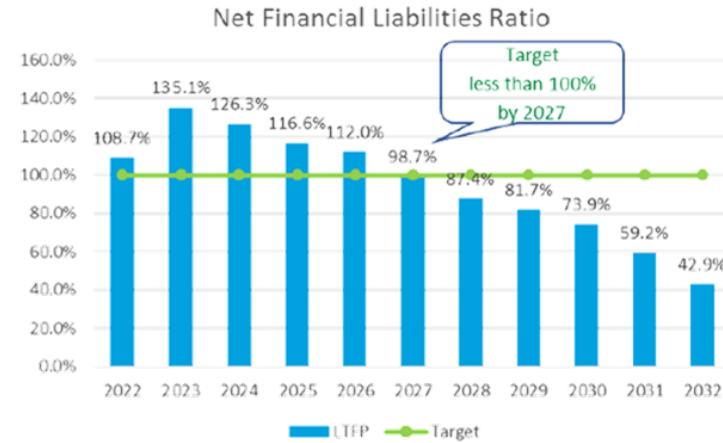
This financial indicator is useful in determining the level of indebtedness that Council has in comparison to its operating revenue.

#### How is this ratio calculated?

Net financial liabilities as a percentage of total operating revenue.

#### What is the target?

"Council will achieve a net financial liabilities ratio of less than 100% of total operating revenue by FY 2027".



#### Result:

Council achieves its target of less than 100% Net Financial Liabilities Ratio by FY 2027 (98.70%), with a ratio of below the target for 6 out of the 10 years, an average ratio of 90.3% and a peak ratio of 135.1% in FY 2023 over the forward 10 years, driven by the funding of the Wulanda Recreation and Convention Centre.



## Draft Long Term Financial Plan 2023-2032

### ASSET RENEWAL FUNDING RATIO

#### What is the purpose of this ratio?

This financial indicator is useful in determining if Council is maintaining all of its assets.

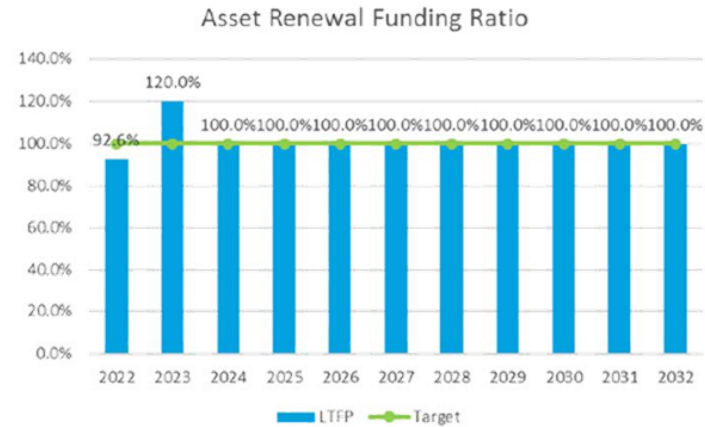
This is best demonstrated by comparing total Capital Renewal expenditure planned against Strategic Asset Management Plan requirements.

#### How is this ratio calculated?

Capital expenditure on renewal or replacement of existing assets as a percentage of asset management plan allocations.

#### What is the target?

"Council will maintain an asset renewal funding ratio of greater than or equal to 100% of Asset Management Plans".



#### Result:

Council will achieve over the period of the plan the required expenditure that is set out in the Draft Asset Management Plan.

The expenditure planned on renewing and maintaining assets in the LTFP results in Council achieving an average Asset Renewal Funding ratio of slightly above 100% over the 10 years of the LTFP.

The peak ratio of 120.0% in FY 2023 is driven by carry forwards for Caroline where the Asset Management Plan has not been updated at this stage.

It should be noted that the Asset Management Plan/ forward works program will be reviewed in more detail the first half of FY 2023 for incorporation in the next draft of the LTFP to be adopted in June 2023.





## Draft Long Term Financial Plan 2023-2032

### BORROWING TO INCOME RATIO

#### What is the purpose of this ratio?

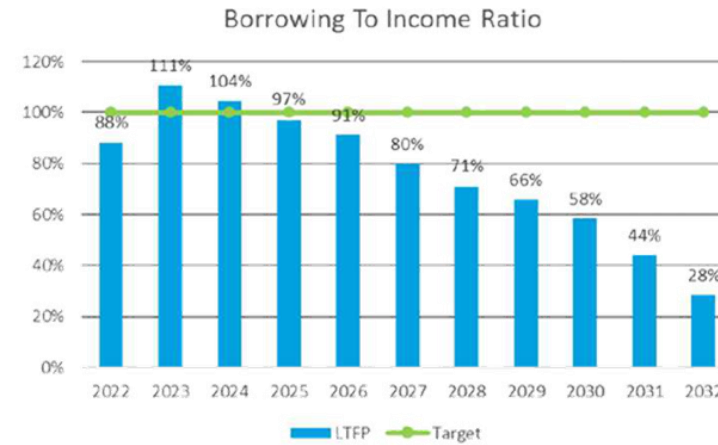
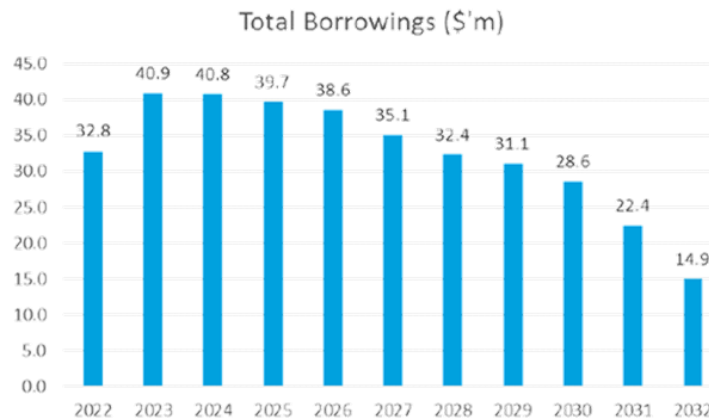
This is a way to measure Council's ability to make loan repayments comfortably without putting the organisation in financial hardship.

#### How is this ratio calculated?

Total borrowings including CAD divided by total operating revenue.

#### What is the target?

"Council will maintain a target of less than 100%".



#### Result:

For 8 out of the 10 years of the LTFP the borrowing to income ratio is lower than the 100% target.

Debt structure assumptions i.e. the mix of borrowings between fixed debt and flexible debt and the term of the loans used to fund Council's activities have been considered in the context of the adopted Treasury Management Policy (T150).



## Draft Long Term Financial Plan 2023-2032

### 7. Sensitivity Analysis

Detailed modelling has been undertaken with sensitivity analysis completed to highlight the impact of potential changes to key assumptions on the financial ratios and Council's financial sustainability, compared to the LTFP:

#### SCENARIO 1 – 1% INCREASE IN CPI RATE

- **Operating Surplus Ratio:**
  - **Achievement of Target** - The target of a positive operating surplus is not achieved until FY 2028 (1 year later than the target).
  - **Average Ratio** - The average over the 10 years is (0.4%).
  - **Target Achieved** - The target is achieved for 5 years out of the 10 years.
- **Net Financial Liabilities Ratio:**
  - **Achievement of Target** - The target of a net financial liabilities ratio of less than 100% is not achieved until FY 2028 (1 year later than the target).
  - **Average Ratio** - The average over the 10 years is 99.4% (i.e. below the target (favourable)).

- **Target Achieved** - The target is achieved for 5 years out of the 10 years.

#### SCENARIO 2 – 1.0% INCREASE IN INTEREST RATES FOR \$10M CREDIT FONCIER AND THE REMAINING CAD FLEXIBLE DEBT.

- **Operating Surplus Ratio:**
  - **Achievement of Target** - The target of a positive operating surplus is still achieved in FY 2028 (1 year later than the target).
  - **Average Ratio** - The average over the 10 years is 1.1%.
  - **Target Achieved** - The target is achieved for 5 years out of 10 years.
- **Net Financial Liabilities Ratio:**
  - **Achievement of Target** - The target of a net financial liabilities ratio of less than 100% is not achieved until FY 2028 (1 year later than the target).
  - **Average Ratio** - The average over the 10 years is 93.0% (i.e. still favourable).
  - **Target Achieved** - The target is achieved for 5 years out of the 10 years.



## Draft Long Term Financial Plan 2023-2032

### Assumptions

Key Assumptions	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/2
General Rates Revenue Increase	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Consumer Price Index (South Australian CPI)	2.30%	2.30%	2.30%	2.40%	2.30%	2.40%	2.50%	2.30%	2.40%	2.30%
Local Government Price Index	2.60%	2.60%	2.60%	2.70%	2.60%	2.70%	2.80%	2.60%	2.70%	2.60%

- **Council Election costs** – FY2023 \$130k, FY2027 \$140k, and FY2031 \$150k.



## Draft Long Term Financial Plan 2023-2032

### Financial Statements – Uniform Presentation Of Finances

2021 Actual	\$'000s	2022 Draft BR3	2023 Draft ABP	2024 Draft LTFP	2025 Draft LTFP	2026 Draft LTFP	2027 Draft LTFP	2028 Draft LTFP	2029 Draft LTFP	2030 Draft LTFP	2031 Draft LTFP	2032 Draft LTFP
33,495	Income	37,179	36,963	39,019	40,787	42,346	43,918	45,541	47,245	48,987	50,815	52,701
35,242	Expenses	35,733	39,631	40,933	42,089	43,011	43,677	44,556	45,586	46,311	47,310	47,862
(1,747)	<b>Operating surplus / (deficit)</b>	<b>1,447</b>	<b>(2,669)</b>	<b>(1,914)</b>	<b>(1,302)</b>	<b>(665)</b>	<b>240</b>	<b>985</b>	<b>1,659</b>	<b>2,676</b>	<b>3,505</b>	<b>4,840</b>
<b>Net outlays on existing assets</b>												
5,326	Capital expenditure on renewal and replacement of existing assets	6,615	7,421	7,451	7,643	8,138	6,786	8,322	10,799	10,731	8,073	7,969
(7,940)	Depreciation, amortisation and impairment	(8,179)	(9,209)	(9,824)	(10,163)	(10,207)	(10,244)	(10,403)	(10,649)	(10,683)	(10,838)	(10,893)
(393)	Proceeds from sale of replaced assets	(299)	(333)	(479)	(398)	(243)	(403)	(320)	(420)	(517)	(623)	(462)
(3,007)	<b>Net outlays on existing assets</b>	<b>(1,863)</b>	<b>(2,121)</b>	<b>(2,852)</b>	<b>(2,917)</b>	<b>(2,311)</b>	<b>(3,861)</b>	<b>(2,400)</b>	<b>(269)</b>	<b>(469)</b>	<b>(3,387)</b>	<b>(3,385)</b>
<b>Net outlays on new and upgraded assets</b>												
16,298	Capital expenditure on new and upgraded assets <i>(including investments property &amp; real estate developments)</i>	42,597	14,079	999	710	729	748	769	791	812	834	856
(555)	Amounts received specifically for new and upgraded assets Proceeds from sale of surplus assets <i>(including investment property and real estate developments and non-current assets held for resale)</i>	(20,601)	(5,962)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)
15,743	<b>Net outlays on new and upgraded assets</b>	<b>21,996</b>	<b>8,117</b>	<b>925</b>	<b>636</b>	<b>655</b>	<b>674</b>	<b>695</b>	<b>717</b>	<b>738</b>	<b>760</b>	<b>782</b>
(14,483)	<b>Net lending / (borrowing) for financial year</b>	<b>(18,686)</b>	<b>(8,665)</b>	<b>13</b>	<b>979</b>	<b>991</b>	<b>3,427</b>	<b>2,690</b>	<b>1,211</b>	<b>2,407</b>	<b>6,132</b>	<b>7,443</b>



## Draft Long Term Financial Plan 2023-2032

### Financial Statements – Statement of Comprehensive Income

2021 Actuals	\$'000s	2022 Draft BR3	2023 Draft ABP	2024 Draft LTFP	2025 Draft LTFP	2026 Draft LTFP	2027 Draft LTFP	2028 Draft LTFP	2029 Draft LTFP	2030 Draft LTFP	2031 Draft LTFP	2032 Draft LTFP
<b>Income</b>												
22,769	Rates	23,759	24,832	25,922	27,060	28,250	29,492	30,790	32,148	33,563	35,042	36,586
621	Statutory Charges	525	575	588	601	616	630	645	661	676	693	709
4,880	User Charges	5,039	6,268	7,240	7,654	7,872	8,078	8,271	8,477	8,672	8,879	9,082
4,505	Grants, Subsidies and Contributions	7,032	4,728	4,663	4,761	4,865	4,968	5,078	5,194	5,305	5,422	5,538
25	Investment Income	15	0	0	0	0	0	0	0	0	0	0
60	Reimbursements	173	65	66	68	70	71	73	75	76	78	80
635	Other Income	636	495	541	643	673	678	684	690	695	701	707
<b>33,495</b>	<b>Total Income</b>	<b>37,179</b>	<b>36,963</b>	<b>39,019</b>	<b>40,787</b>	<b>42,346</b>	<b>43,918</b>	<b>45,541</b>	<b>47,245</b>	<b>48,987</b>	<b>50,815</b>	<b>52,701</b>
<b>Expenses</b>												
13,058	Employee Costs	13,997	14,682	14,866	15,276	15,709	16,072	16,459	16,870	17,260	17,675	18,082
14,018	Materials, Contracts & Other Expenses	13,374	14,675	14,680	15,140	15,565	15,912	16,374	16,852	17,264	17,869	18,193
7,940	Depreciation, Amortisation & Impairment	8,179	9,209	9,824	10,163	10,207	10,244	10,403	10,649	10,683	10,838	10,893
226	Finance Costs	183	1,064	1,564	1,509	1,530	1,449	1,321	1,215	1,104	928	694
<b>35,242</b>	<b>Total Expenses</b>	<b>35,733</b>	<b>39,631</b>	<b>40,933</b>	<b>42,089</b>	<b>43,011</b>	<b>43,677</b>	<b>44,556</b>	<b>45,586</b>	<b>46,311</b>	<b>47,310</b>	<b>47,862</b>
<b>(1,747)</b>	<b>Operating Surplus / (Deficit)</b>	<b>1,447</b>	<b>(2,669)</b>	<b>(1,914)</b>	<b>(1,302)</b>	<b>(665)</b>	<b>240</b>	<b>985</b>	<b>1,659</b>	<b>2,676</b>	<b>3,505</b>	<b>4,840</b>
(730)	Asset Disposal & Fair Value Adjustments	(120)	0	30	30	30	30	30	30	30	30	30
2,677	Amounts Received Specifically for New or Upgraded Assets	18,225	6,215	74	74	74	74	74	74	74	74	74
1,230	Physical Resources Received Free of Charge											
<b>1,430</b>	<b>Net Surplus / (Deficit)</b>	<b>19,552</b>	<b>3,547</b>	<b>(1,811)</b>	<b>(1,198)</b>	<b>(561)</b>	<b>344</b>	<b>1,088</b>	<b>1,762</b>	<b>2,780</b>	<b>3,609</b>	<b>4,943</b>
<b>Other Comprehensive Income</b>												
<b>Amounts which will not be reclassified subsequently to operating result</b>												
	Changes in Revaluation Surplus - IPP&E	23	2,355	8,990	13	72	2,385	6,338	0	2,485	42	6,002
	Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	595	0	0	0	0	0	0	0	0	0	0
<b>0</b>	<b>Total Other Comprehensive Income</b>	<b>618</b>	<b>2,355</b>	<b>8,990</b>	<b>13</b>	<b>72</b>	<b>2,385</b>	<b>6,338</b>	<b>0</b>	<b>2,485</b>	<b>42</b>	<b>6,002</b>
<b>1,430</b>	<b>Total Comprehensive Income</b>	<b>20,170</b>	<b>5,902</b>	<b>7,179</b>	<b>(1,186)</b>	<b>(489)</b>	<b>2,728</b>	<b>7,426</b>	<b>1,762</b>	<b>5,265</b>	<b>3,651</b>	<b>10,945</b>



## Draft Long Term Financial Plan 2023-2032

### Financial Statements – Statement of Financial Position (Balance Sheet)

2021 Actuals	\$'000s	2022 Draft BR3	2023 Draft ABP	2024 Draft LTFP	2025 Draft LTFP	2026 Draft LTFP	2027 Draft LTFP	2028 Draft LTFP	2029 Draft LTFP	2030 Draft LTFP	2031 Draft LTFP	2032 Draft LTFP
<b>ASSETS</b>												
<b>Current Assets</b>												
1,893	Cash & Cash Equivalents	500	500	500	500	500	500	500	500	500	500	500
4,181	Trade & Other Receivables	1,804	1,447	1,327	1,385	1,438	1,490	1,544	1,601	1,659	1,721	1,783
47	Inventories	43	47	47	48	50	51	52	54	55	57	58
<b>6,121</b>	<b>Total Current Assets</b>	<b>2,347</b>	<b>1,994</b>	<b>1,874</b>	<b>1,934</b>	<b>1,987</b>	<b>2,040</b>	<b>2,096</b>	<b>2,155</b>	<b>2,214</b>	<b>2,278</b>	<b>2,341</b>
<b>Non-Current Assets</b>												
243,964	Infrastructure, Property, Plant & Equipment	283,257	298,659	305,202	302,265	301,636	300,299	304,183	304,734	307,591	305,110	308,612
19,458	Other Non-Current Assets	19,458	19,458	19,458	19,458	19,458	19,458	19,458	19,458	19,458	19,458	19,458
<b>263,422</b>	<b>Total Non-Current Assets</b>	<b>302,715</b>	<b>318,117</b>	<b>324,660</b>	<b>321,723</b>	<b>321,094</b>	<b>319,757</b>	<b>323,641</b>	<b>324,192</b>	<b>327,049</b>	<b>324,568</b>	<b>328,070</b>
<b>269,543</b>	<b>TOTAL ASSETS</b>	<b>305,062</b>	<b>320,111</b>	<b>326,534</b>	<b>323,656</b>	<b>323,081</b>	<b>321,797</b>	<b>325,737</b>	<b>326,347</b>	<b>329,264</b>	<b>326,846</b>	<b>330,412</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
5,765	Trade & Other Payables	4,184	4,127	4,167	4,348	4,475	4,568	4,687	4,810	4,918	5,068	5,160
447	Borrowings	232	2,930	1,269	1,332	1,397	1,465	1,537	1,612	1,691	1,774	1,435
3,013	Provisions	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981
<b>9,225</b>	<b>Total Current Liabilities</b>	<b>7,397</b>	<b>10,037</b>	<b>8,417</b>	<b>8,660</b>	<b>8,853</b>	<b>9,014</b>	<b>9,204</b>	<b>9,403</b>	<b>9,590</b>	<b>9,823</b>	<b>9,576</b>
<b>Non-Current Liabilities</b>												
13,502	Borrowings	32,586	38,003	39,489	38,326	37,195	33,659	30,834	29,482	26,946	20,644	13,510
4,064	Provisions	2,752	3,842	3,220	2,448	3,301	2,663	1,812	1,813	1,814	1,815	1,816
<b>17,566</b>	<b>Total Non-Current Liabilities</b>	<b>35,338</b>	<b>41,845</b>	<b>42,709</b>	<b>40,774</b>	<b>40,496</b>	<b>36,322</b>	<b>32,646</b>	<b>31,295</b>	<b>28,760</b>	<b>22,459</b>	<b>15,326</b>
<b>26,791</b>	<b>TOTAL LIABILITIES</b>	<b>42,735</b>	<b>51,883</b>	<b>51,127</b>	<b>49,434</b>	<b>49,349</b>	<b>45,337</b>	<b>41,850</b>	<b>40,698</b>	<b>38,350</b>	<b>32,282</b>	<b>24,902</b>
<b>242,752</b>	<b>Net Assets</b>	<b>262,327</b>	<b>268,229</b>	<b>275,407</b>	<b>274,222</b>	<b>273,733</b>	<b>276,461</b>	<b>283,886</b>	<b>285,649</b>	<b>290,913</b>	<b>294,564</b>	<b>305,510</b>
<b>EQUITY</b>												
66,406	Accumulated Surplus	85,958	89,504	87,694	86,495	85,934	86,277	87,366	89,128	91,907	95,516	100,460
175,462	Asset Revaluation Reserves	175,485	177,840	186,830	186,843	186,915	189,299	195,637	195,637	198,122	198,164	204,166
884	Other Reserves	884	884	884	884	884	884	884	884	884	884	884
<b>242,752</b>	<b>Total Equity</b>	<b>262,327</b>	<b>268,229</b>	<b>275,407</b>	<b>274,222</b>	<b>273,733</b>	<b>276,461</b>	<b>283,886</b>	<b>285,649</b>	<b>290,913</b>	<b>294,564</b>	<b>305,510</b>



## Draft Long Term Financial Plan 2023-2032

### Financial Statements – Cashflow Statement

2021 Actual	\$'000s	2022 Draft BR3	2023 Draft ABP	2024 Draft LTFP	2025 Draft LTFP	2026 Draft LTFP	2027 Draft LTFP	2028 Draft LTFP	2029 Draft LTFP	2030 Draft LTFP	2031 Draft LTFP	2032 Draft LTFP
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
22,978	Rates Receipts	23,497	24,802	25,891	27,028	28,217	29,457	30,754	32,110	33,523	35,000	36,542
621	Statutory Charges	556	573	588	601	615	630	645	661	676	692	708
5,214	User Charges	5,258	6,231	7,210	7,641	7,866	8,072	8,266	8,471	8,666	8,873	9,076
5,210	Grants, Subsidies and Contributions (operating purpose)	6,650	5,153	4,849	4,758	4,863	4,965	5,075	5,191	5,302	5,419	5,535
26	Investment Receipts	17	0	0	0	0	0	0	0	0	0	0
66	Reimbursements	172	68	66	68	70	71	73	75	76	78	80
3,517	Other Revenue	1,077	407	569	706	691	681	687	693	699	705	711
<b>Payments:</b>												
(13,005)	Payments to Employees	(13,711)	(14,664)	(14,860)	(15,263)	(15,695)	(16,060)	(16,446)	(16,857)	(17,247)	(17,661)	(18,068)
(17,433)	Payments for Materials, Contracts & Other Expenses	(15,283)	(14,416)	(14,678)	(15,048)	(15,479)	(15,842)	(16,281)	(16,756)	(17,181)	(17,748)	(18,128)
(212)	Finance Payments	(183)	(1,064)	(1,564)	(1,509)	(1,530)	(1,449)	(1,321)	(1,215)	(1,104)	(928)	(694)
<b>6,982</b>	<b>Net Cash provided (or used in) Operating Activities</b>	<b>8,050</b>	<b>7,090</b>	<b>8,072</b>	<b>8,982</b>	<b>9,617</b>	<b>10,525</b>	<b>11,451</b>	<b>12,373</b>	<b>13,410</b>	<b>14,430</b>	<b>15,762</b>
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
555	Amounts Received Specifically for New/Upgraded Assets	20,601	5,962	74	74	74	74	74	74	74	74	74
393	Sale of Replaced Assets	299	333	479	398	243	403	320	420	517	623	462
<b>Payments:</b>												
(5,326)	Expenditure on Renewal/Replacement of Assets	(6,615)	(7,421)	(7,451)	(7,643)	(8,138)	(6,786)	(8,322)	(10,799)	(10,731)	(8,073)	(7,969)
(16,298)	Expenditure on New/Upgraded Assets	(42,597)	(14,079)	(999)	(710)	(729)	(748)	(769)	(791)	(812)	(834)	(856)
<b>(20,676)</b>	<b>Net Cash provided (or used in) Investing Activities</b>	<b>(28,312)</b>	<b>(15,205)</b>	<b>(7,897)</b>	<b>(7,882)</b>	<b>(8,551)</b>	<b>(7,058)</b>	<b>(8,698)</b>	<b>(11,096)</b>	<b>(10,952)</b>	<b>(8,211)</b>	<b>(8,290)</b>
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
11,550	Proceeds from CAD	19,088	0	2,755	168	266	0	0	260	0	0	0
0	Proceeds from Borrowings	0	25,000	0	0	0	0	0	0	0	0	0
<b>Payments:</b>												
0	Repayments of CAD	0	(15,877)	0	0	0	(2,071)	(1,288)	0	(845)	(4,528)	(5,698)
(206)	Repayments of Borrowings	(219)	(1,007)	(2,930)	(1,269)	(1,332)	(1,397)	(1,465)	(1,537)	(1,612)	(1,691)	(1,774)
(163)	Repayment of Principal Portion of Lease Liabilities	0	0	0	0	0	0	0	0	0	0	0
<b>11,181</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>18,869</b>	<b>8,115</b>	<b>(175)</b>	<b>(1,101)</b>	<b>(1,066)</b>	<b>(3,467)</b>	<b>(2,753)</b>	<b>(1,277)</b>	<b>(2,457)</b>	<b>(6,219)</b>	<b>(7,472)</b>
<b>(2,513)</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,393)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>
<b>4,406</b>	<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	<b>1,893</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>1,893</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>



## Draft Long Term Financial Plan 2023-2032

### Financial Statements – Statement of Equity

2021 Actuals	\$'000s	2022 Draft BR3	2023 Draft ABP	2024 Draft LTFP	2025 Draft LTFP	2026 Draft LTFP	2027 Draft LTFP	2028 Draft LTFP	2029 Draft LTFP	2030 Draft LTFP	2031 Draft LTFP	2032 Draft LTFP
241,322	Opening Balance	242,752	262,327	268,229	275,407	274,222	273,733	276,461	283,886	285,649	290,913	294,564
1,430	Net Surplus / (Deficit) for Year	19,552	3,547	(1,811)	(1,198)	(561)	344	1,088	1,762	2,780	3,609	4,943
	<b>Other Comprehensive Income</b>											
	- Gain (Loss) on Revaluation of I,PP&E	23	2,355	8,990	13	72	2,385	6,338	0	2,485	42	6,002
0	Other Comprehensive Income	23	2,355	8,990	13	72	2,385	6,338	0	2,485	42	6,002
1,430	Total Comprehensive Income	19,575	5,902	7,179	(1,186)	(489)	2,728	7,426	1,762	5,265	3,651	10,945
	Transfers between Equity											
242,752	Equity - Balance at end of the reporting period	262,327	268,229	275,407	274,222	273,733	276,461	283,886	285,649	290,913	294,564	305,510





## Draft Long Term Financial Plan 2023-2032

### Glossary

Term	Definition
<b>Asset Renewal Funding Ratio</b>	Indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its assets are used or 'consumed'. The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the level of depreciation. Where a Council has soundly based Asset Management Plans, a more meaningful asset sustainability ratio would be calculated by measuring the actual level of capital expenditure on renewal and replacement of assets (or proposed in the budget) with the optimal level identified in the plan.
<b>Financial Assets</b>	Financial Assets include cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses, inventories and land held for resale.
<b>Financial Sustainability</b>	Financial Sustainability is where planned long-term service and infrastructure levels and standards are met without unplanned and disruptive increases in rates or cuts to services.
<b>Asset Management Plans (AMPs)</b>	An operational plan for Council's Landfill, Building and Structures, Infrastructure (Roads), Plant and Equipment and Library, IT & other physical assets with the objective of providing the required level of service, maintenance and renewal of such assets in the most cost effective and efficient manner.
<b>Net Financial Liabilities Ratio (NFLR)</b>	Is Net Financial Liabilities as a percentage of total operating revenue. The ratio allows interested parties to readily equate the outstanding level of the Council's accumulated financial obligations against the level of one-year's operating revenue. Where the ratio reduces over time, it generally indicates that the Council's capacity to meet its financial obligations is strengthening.
<b>Net lending / (borrowing)</b>	Net Lending / (Borrowing) equals Operating surplus / (deficit), less net outlays on non-financial assets. The Net lending / (borrowing) result is a measure of the Council's overall (i.e. Operating and Capital) budget. Achieving a zero result on the Net lending / (borrowing) measure in any one year essentially means that the Council has met its expenditure (both operating and capital) from the current year's revenues.
<b>Non-financial or physical asset</b>	Non-financial or physical assets refers to infrastructure, land, buildings, plant, equipment, furniture and fittings, library books and inventories.
<b>Operating deficit</b>	Where operating revenues are less than operating expenses (i.e. operating revenue is therefore not sufficient to cover all operating expenses).
<b>Operating expenses</b>	Operating expenses are operating expenses shown in the Income Statement, including depreciation, but excluding losses on disposal or revaluation of non-financial assets.



### Draft Long Term Financial Plan 2023-2032

<b>Operating revenues</b>	Operating revenues are incomes shown in the Income Statement but exclude profit on disposal of non-financial assets and amounts received specifically for new/upgraded assets (e.g. from a developer).
<b>Operating surplus</b>	Operating surplus is where operating revenues are greater than operating expenses (i.e. operating revenue is therefore sufficient to cover all operating expenses).
<b>Operating Ratio (OSR) Surplus</b>	Operating Surplus Ratio expresses the operating surplus (deficit) as a percentage of operating revenue.



**4.3 DRAFT ASSET MANAGEMENT PLANS (AMPS) 2023-2032 – REPORT NO. AR22/36371**

<b>Committee:</b>	<b>Audit and Risk Committee</b>
<b>Meeting Date:</b>	<b>6 June 2022</b>
<b>Report No.:</b>	<b>AR22/36371</b>
<b>CM9 Reference:</b>	<b>AF11/863</b>
<b>Author:</b>	<b>Barbara Cernovskis, General Manager City Infrastructure</b>
<b>Authoriser:</b>	<b>Sarah Philpott, Chief Executive Officer</b>
<b>Summary:</b>	<b>This report is to review the Draft Asset Management Plan (AMPs) which form the basis for the Long-Term Financial Plan and the Annual Business Plan &amp; Budget process.</b>
<b>Strategic Plan Reference:</b>	<b>Goal 1: Our People</b>
	<b>Goal 2: Our Location</b>
	<b>Goal 3: Our Diverse Economy</b>
	<b>Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage</b>
	<b>Goal 5: Our Commitment</b>

**REPORT RECOMMENDATION**

1. That Audit and Risk Committee Report No. AR22/36371 titled 'Draft Asset Management Plans (AMPs) 2023-2032' as presented on 06 June 2022 be noted.
2. That the Audit and Risk Committee feedback on Council's Draft Asset Management Plans (AMPs) 2023-2032 and/or the associated processes and risks, as follows:

- XXXXX
- XXXXX
- XXXXX

be incorporated with the public consultation feedback to be presented to the Special Council meeting to be held on 28 June 2022 for consideration of the adoption of the Draft Asset Management Plans (AMPs) 2023-2032.



## TYPE OF REPORT

Corporate

## BACKGROUND

**Audit and Risk Committee Terms of Reference** - The following section of the Audit and Risk Committee Terms of Reference is relevant to this report:

### **12.6 Review of Strategic Management and Business Plans:**

*The Committee shall review and provide advice on Council's strategic management plans (at the time of their preparation and scheduled review), which include the following:*

- *Strategic Plan;*
- *Key principles and assumptions of the Long Term Financial Plan;*
- *Various Asset Management Plans; and*
- *Annual Business Plan.*

The requirement for Councils Asset Management Plans (AMPs) relate to the overall Strategic Management Plans of Council, as per Chapter 8 Part 1, Section 122 of the Local Government Act 1999:

*"A council must develop and adopt plans (which may take various forms) for the management of its area, to be called collectively the **strategic management plans**, which*

*(a) identify the council's objectives for the area over a period of at least 4 years (the relevant period),  
(....)*

*(1a) A council must, in conjunction with the plans required under subsection (1), develop and adopt*

- (a) a long-term financial plan for a period of at least 10 years; and*
- (b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years, (and these plans will also be taken to form part of the council's strategic management plans).*

*(1b) The financial projections in a long-term financial plan adopted by a council must be consistent with those in the infrastructure and asset management plan adopted by the council."*

### Strategic Management Plans

At the November 2021 Council meeting the proposal to review the LTFP and Asset Management Plans at the same time as constructing the Annual Business Plan and Budget was presented. This approach ensures that these key documents are aligned.

Council Policy - A900 Asset Management was revised and adopted by Council in April 2022 and a review of the following Asset Management Plans has been undertaken:

- Infrastructure (Roads, Footpaths, Stormwater etc.)
- Plant & Equipment
- Buildings & Structures
- Caroline Landfill
- Library, IT and Sundry

The review undertaken has identified that further work is required to establish additional asset classes and AMPs that clearly align with Councils strategic direction and will support project delivery to effectively implement a number of Councils masterplans.

The Caroline Landfill AMP has not been updated. The February 2021 Caroline Landfill AMP has been retained pending analysis currently underway to review the service delivery of this asset in line



with changes to the EPA regulations relating to Mass Balance Reporting that came into effect on 1 December 2021.

## PROPOSAL

### Service Level Reviews

The AMP review has identified the need to document defined service level reviews for all parts of the organisation. Detailed service level reviews, that document the minimum service standard in accordance with community expectations, the resources required to maintain the standard and hence the budget required to provide the service, will better inform the AMPs for future planning and budgeting.

### COVID 19 Impact on Procurement

As a result of changes in global conditions created by the COVID-19 pandemic the following impact has been seen:

- *Project Delays* - Delivery of projects and some services have been hampered or delayed as products and services have become harder to source.
- *Carry Forwards* - Project delays have in turn led to carried forward projects resulting from the Budget Review process during the year. This can have a cumulative impact on the LTFP over time. It is hoped in time the impact of the COVID-19 pandemic will normalise as business moves to a 'COVID normal' state. While it is unlikely to return to pre-COVID conditions, it is anticipated delivery of goods and services will stabilise.

### Capacity to Deliver

The focus of this year's AMP review in conjunction with the development of the FY2023 Capital Budget has been to consolidate carried forward projects with the scheduled book for works for each year. This 'reset' will free up limited resources to deliver future capital budgets without carry forward projects consuming finite resources such as labour.

### Forward Capital Works Scheduling

Council realises that when time progresses, certain acquisitions / builds will (need to) be deferred or brought forward to ensure that Council has the capacity to perform the required works within its available resources - both from a staffing, managerial and contractor perspective.

The consolidated AMP budget included in the LTFP looks as per the following table:

Asset Management Plan - 2023-2032											
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Infrastructure	Renewal	3,710,056	3,456,868	3,460,193	3,652,994	3,463,794	3,465,712	3,467,755	3,469,712	3,471,721	3,473,782
	Upgrade/new	549,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000
Buildings	Renewal	850,800	587,389	1,089,158	1,091,021	1,092,884	1,094,869	1,096,984	1,099,010	1,101,089	1,103,222
	Upgrade/new	12,829,421	353,640	53,640	53,640	53,640	53,640	53,640	53,640	53,640	53,640
Plant	Renewal	1,386,000	2,054,251	1,580,377	984,964	445,707	1,628,588	1,944,328	1,598,618	1,626,884	1,376,407
	Upgrade/new	620,940	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Caroline	Renewal	0	0	0	2,090,664	0	0	2,154,013	2,187,152	0	0
Library	Renewal	108,000	163,713	167,970	172,455	176,939	181,716	186,804	191,679	196,682	201,816
IT	Renewal	30,000	192,459	197,463	202,735	208,006	213,622	219,604	225,336	231,217	237,252
	Upgrade/new	0	78,497	80,538	82,688	84,838	87,129	89,568	91,906	94,305	96,766
Sundry	Renewal	100,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
	Upgrade/new	80,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
TOTAL	Renewal	6,184,856	6,524,680	6,565,161	8,264,833	5,457,330	6,654,507	9,139,487	8,841,507	6,697,592	6,462,478
	Upgrade/new	14,079,361	976,137	678,178	680,328	682,478	684,769	687,208	689,546	691,945	694,406
	TOTAL	20,264,217	7,500,817	7,243,339	8,945,161	6,139,808	7,339,276	9,826,695	9,531,053	7,389,537	7,156,884

**Note:** Caroline AMP figures remain consistent with the FY2021 AMP Review and have been highlighted in grey.

The individual AMPs (excluding Caroline Landfill), as well as the Asset Management Summary have been attached to this report.



## LEGAL IMPLICATIONS

The preparation of asset management plans is a statutory requirement of the Local Government Act. Requirements for the AMPs relate to the overall Strategic Management Plans of Council, as per Chapter 8 Part 1, Section 122 of the *Local Government Act 1999*.

Local Government Reform - The AMPs will become a primary document that will be reviewed by ESCOSA on a four year rotating schedule as part of a range of strategic planning documents with advice provided to the Council.

## STRATEGIC PLAN

The AMPs are a statutory part of Councils Strategic Management Plans.

## COUNCIL POLICY

The AMPs have been reviewed in accordance with the following Council Policies:

- [A900 Asset Management](#)
- [Asset Accounting Policy](#)

## ECONOMIC IMPLICATIONS

The AMPs ensure adequate provision is made for the long-term, sustainable management of Councils infrastructure and assets.

## ENVIRONMENTAL IMPLICATIONS

Environmental consequence is considered in accordance with Councils Strategic Plans.

## SOCIAL IMPLICATIONS

Social consequence is considered in accordance with Councils Strategic Plans that include the Regional Health Plan and Reconciliation Action Plan.

## CULTURAL IMPLICATIONS

Cultural consequence is considered in accordance with Councils Strategic Plans that include the Reconciliation Action Plan.

## RESOURCE IMPLICATIONS

The AMPs will be implemented within Councils capacity to deliver.

## VALUE FOR MONEY

The AMPs ensure adequate provision is made for the long-term, sustainable management of Councils infrastructure and assets.

## RISK IMPLICATIONS

The AMPs in conjunction with the LTFP focus on sustainable management of risk, both from a service level and a financial perspective.

## EQUALITIES AND DIVERSITY IMPLICATIONS

NA

## ENGAGEMENT AND COMMUNICATION STRATEGY

Community consultation for the three strategic management documents (AMP, LTFP and Annual Business Plan and Budget) will take place together as shown below:

Decision to be made	Make a recommendation that the Asset Management Plan be endorsed for public consultation.
---------------------	---



Key factors to be considered in decision (dot points)	<ul style="list-style-type: none"> <li>• Annual Business Plan</li> <li>• Long Term Financial Plan</li> <li>• Community Plan</li> <li>• Local Government Act 1999</li> </ul>
Area of community influence	<p>Aspects that are fixed:</p> <ul style="list-style-type: none"> <li>- Legislative Factors</li> </ul> <p>Key areas for community input:</p> <ul style="list-style-type: none"> <li>- Community may make submissions on all sections of the Draft Asset Management Plans.</li> </ul>
Method of consultation, informing community & cost	<p>Copies of the draft AMPs will be available at:</p> <ul style="list-style-type: none"> <li>- The City of Mount Gambier Library;</li> <li>- Civic Centre;</li> <li>- Council's Have Your Say platform.</li> </ul> <p>A facility will be available for the community to ask questions and receive submissions on Council's website during the consultation period.</p>
Feedback to stakeholders/Council	A written response will be made to all submissions once the AMP 2023-2032 has been adopted by Council.
Timeframe for consultation	Commencing on 19 May and concluding on 9 June 2022.
Community input	Commentary on the Draft AMP.

### IMPLEMENTATION STRATEGY

AMPs will be delivered in accordance with the Objectives and KPI's outlined in the 2023/24 Annual Business Plan and Budget.

### CONCLUSION AND RECOMMENDATION

Council's Asset Management Plans influence the allocation of resources for Council to provide services and infrastructure in a sustainable manner to the community. The Draft Asset Management Plans 2023-2032 were endorsed at the 17 May 2022 Council meeting for community consultation.

The Audit and Risk Committee are invited to make any recommendations to Council to be included in public consultation feedback on Council's Draft Asset Management Plan 2023-2032 and/or the associated processes and risks.

### ATTACHMENTS

1. Draft - Asset Management Summary 2023-2032 [↓](#)
2. Draft - Buildings and Structures Asset Management Plan 2023-2032 [↓](#)
3. Draft - Infrastructure Asset Management Plan 2023-2032 [↓](#)
4. Draft - Library Information Technology and Sundry Asset Management Plan 2023-2032 [↓](#)
5. Draft - Plant Equipment Asset Management Plan 2023-2032 [↓](#)






# Asset Management Summary 2023-2032

DRAFT  
May 2022





Document Control					
Document ID: AR19/7730 City of Mount Gambier Infrastructure Asset Management Plan - Summary					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	March 2019	Creation of separate Asset Management Plan Summary	KR	NS	NS
2	February 2021	Updated in preparation for FY2022 budget process	CM	JZ	
3	May 2022	Updated in preparation for FY2023 budget process	MM	JS	BC

© Copyright 2007 – All rights reserved. This Infrastructure and Asset Management Plan template was prepared for the Local Government Association of South Australia by the Institute of Public Works Engineering Australia, (IPWEA), Jeff Roorda & Associates (JRA) and Skilmar Systems for the use of South Australian councils only under the LGA's Sustainable Asset Management in SA Program.



## TABLE OF CONTENTS

1.	<b>Summary</b> .....	1
2.	<b>Key Asset Management Projects</b> .....	2
	2.1. Footpath Construction Program .....	2
	2.2. Buildings and Structures strategic analysis.....	2
3.	<b>Mobilising the Workforce</b> .....	2
4.	<b>Caroline Landfill</b> .....	3
5.	<b>New Projects</b> .....	3
6.	<b>Asset Management Plans</b> .....	3
7.	<b>Asset Management Practices</b> .....	3
	7.1. Accounting / Financial Systems .....	3
	7.2. Asset Management Systems.....	4
	7.3. Information Flow Requirements and Processes.....	4
8.	<b>Plan Improvement and Monitoring</b> .....	5
	8.1. Performance Measures .....	5
	8.2. Improvement Plan .....	5
	8.3. Monitoring and Review Procedures.....	5
	<b>REFERENCES</b> .....	6



## 1. Summary

The City of Mount Gambier currently manages approximately \$260 million of assets on behalf of the community. Council recognises the importance that these assets be provided and maintained at a satisfactory level taking into consideration legislative and compliance obligations, community expectations and available resources.

Assets are categorised into asset classes. Each class contains complex data, including information about an asset's age, location, use, type, estimated useful life and residual values. Table 1 provides a summary of Council's asset categories as at 30 June 2021.

**Table 1: Infrastructure, Property, Plant and Equipment Summary, as at 30 June 2021**

Asset Class	Net Fair Value \$'000	Accumulated Depreciation \$'000	Carrying Amount \$'000	Annual Depreciation \$'000
<b>LAND</b>				
Fair Value level 2*	15,601	-	15,601	-
Fair Value level 3**	37,791	-	37,791	-
<b>BUILDINGS &amp; STRUCTURES</b>				
Fair Value level 2*	3,987	2,018	1,969	-
Fair Value level 3***	110,607	55,304	55,303	2,630
Waste Management	10,081	8,920	1,161	795
<b>INFRASTRUCTURE</b>				
Stormwater drainage	8,110	2,353	5,757	115
Footpaths and Kerbing	75,902	19,807	56,095	1,157
Roads	70,457	20,216	50,241	1,861
Carparks	10,496	2,865	7,631	257
Plant & Equipment	8,997	2,707	6,290	724
Office Equipment	2,064	1,499	565	114
Riddoch Collection	3,515	-	3,515	-
Other	4,175	2,358	1,817	122
<b>TOTAL</b>	<b>361,783</b>	<b>118,047</b>	<b>243,736</b>	<b>7,775</b>

**NB** – This table excludes work in progress and right of use assets.



**\*Fair value hierarchy level 2 valuations**

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

**\*\*Fair value hierarchy level 3 valuations of land**

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

**\*\*\*Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets**

There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

## **2. Key Asset Management Projects**

### **2.1. Footpath Construction Program**

Council is reviewing its ongoing footpath construction program to improve accessibility to its Community using alternative means of transportation to motor vehicle transport. The Draft Long Term Financial Plan (LTFP) supports an investment of approximately \$3.8M for this program over the next 10 years.

### **2.2. Buildings and Structures strategic analysis**

Development of Council's categorisation and understanding of building and structure assets is a priority to enable better planning for annual budgeting, capital renewal and maintenance requirements.

## **3. Mobilising the Workforce**

One of Council's priorities is to mobilise field staff to update and maintain asset data whilst on the job in real time.

Equipping staff in the field with appropriate technology / devices will allow identification and reporting of any asset-related issues in real time which will streamline maintenance schedules and procedures. It will also assist with more accurate costings, further strengthening the ability to allocate, track and forecast Council's resources.



## 4. Caroline Landfill

Caroline Landfill is a critical piece of infrastructure for the region, being the only engineered landfill in South Australia located south of Murray Bridge. Financial modelling on the anticipated consumption of airspace of waste cells has been developed to assist with annual forecasting of depreciation, long term movements in cash outlays provide for more accurate forecasting of remediation provisions.

Recent changes to EPA requirements for construction of fully engineered landfill cells has had a significant impact on the cost of construction. Current Cell designs lodged with the EPA are undergoing review to ensure regulatory compliance with the new requirements. The impact is as yet unknown until the design is approved and tenders sought for construction. For this reason, the Caroline Landfill AMP last reviewed in FY2021 remains current until the impact of construction costs is examined further.

The Caroline Landfill AMP has not been included in this review.

## 5. New Projects

The Asset Management Plans include a provision for new/upgrade projects over the next 10 years. This creates the capacity for future investment. Individual projects will be incorporated in each annual budget following a ranking process undertaken to ensure that Council invests in priorities that will deliver public value to the community.

## 6. Asset Management Plans

This year Council has reviewed at a high level updated asset management plans for the following classes:

- Infrastructure
  - Roads
  - Footpaths
  - Drainage
  - Carparks
- Buildings and Structures
- Plant and Equipment
- Library, IT and Sundry.

Council is in the process of reviewing asset classes as part of reviewing service level standards to better inform the asset management plans. Parks and Gardens is one asset class that is missing from the current AMPs. Due to the many varied open spaces within the City of Mount Gambier a Sport, Recreation and Open Space Strategy (SROSS) has been developed to better understand the needs of the community in this space. Due to the inherent risks that require detailed planning and forecasting, especially when considering the inclusion of the Wulanda Recreation and Convention Centre in this space, this asset class will be included in future AMPs to define the service levels.

Refer to Appendix 1 for the Summary Forward Capital Works Program.

## 7. Asset Management Practices

### 7.1. Accounting / Financial Systems

- Local Government authorities in South Australia are established under the provisions of the Local Government Act, 1999.



- Financial and Accounting practices and procedures are required to be in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations and the Australian Accounting Standards.
- Council's asset accounting policy (as adopted in April 2022) ensures that all Council owned assets are valued and depreciated in accordance with relevant Australian Accounting Standards ("the Standards") pursuant to Local Government Act 1999 under section 303(4).organisation.
- Council's audit regime includes the required annual statutory audit required by legislation and also a periodic 'procedural' audit. This process is also completed on an annual basis.
- Council's accounting and financial systems utilise the Civica local government enterprise software solution entitled 'Authority'.
- The Authority software solution enables integration of all Council operations including the Finance and Asset Management functions.

## 7.2. Asset Management Systems

Council uses the Civica software AM program as its core asset management program. This program records all asset classes owned by Council together with all the relevant information on each asset. It allows assets to be linked to inspection and condition assessments as well as the historical information about the asset.

## 7.3. Information Flow Requirements and Processes

The key information that flows into the AM Plans are:

- The asset register data on size, age, value, remaining life of the network
- The unit rates for categories of work/material
- The adopted service levels
- Projections of various factors affecting future demand for services
- Correlations between maintenance and renewal, including decay models
- Data on new assets acquired by Council.

The key information that flows from the AM Plans are:

- The assumed Works Program and trends
- The resulting budget, valuation and depreciation projections;
- The useful life analysis
- Funding gap/excess considerations
- Improvements for AM planning.

These will impact on the LTFP, Community Plan, Annual Business Plan and Budget.



## **8. Plan Improvement and Monitoring**

### **8.1. Performance Measures**

The effectiveness of the Infrastructure and Asset Management Plan can be measured in the following ways:

- The degree to which the required cashflows identified in this AM Summary are incorporated into Council's LTFP and Community Plan;
- The degree to which 1-20 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the Asset Management Plans.

### **8.2. Improvement Plan**

Improvements identified for each individual asset class are detailed in their relevant AM plan. General improvements identified across all categories include:

- Development of a single corporate Asset Register
- Defining levels of service
- Standard categorisation of assets for improved reporting.

### **8.3. Monitoring and Review Procedures**

This AM Summary and supporting Asset Management Plans will be reviewed annually as part of the development of an integrated planning process at the same time of the annual business plan and budget and Long Term Financial Plan to ensure alignment. At this time AMPs will be amended to recognise any changes in service levels and/or resources available to provide those services that will flow into the LTFP and ABP.

Under the Local Government Act 1999, the Plan has a life of 4 years and is due for revision and updating within 2 years of each Council election.



## REFERENCES

The City of Mount Gambier Futures Paper

City of Mount Gambier Strategic Plan 2020-2024

City of Mount Gambier Annual Business Plan and Budget

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org.au](http://www.ipwea.org.au)





**Appendix 1 – Summary Forward Capital Works Program**

Asset Management Plan - 2023-2032											
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Infrastructure	Renewal	3,710,056	3,456,868	3,460,193	3,652,994	3,463,794	3,465,712	3,467,755	3,469,712	3,471,721	3,473,782
	Upgrade/new	549,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000
Buildings	Renewal	850,800	587,389	1,089,158	1,091,021	1,092,884	1,094,869	1,096,984	1,099,010	1,101,089	1,103,222
	Upgrade/new	12,829,421	353,640	53,640	53,640	53,640	53,640	53,640	53,640	53,640	53,640
Plant	Renewal	1,386,000	2,054,251	1,580,377	984,964	445,707	1,628,588	1,944,328	1,598,618	1,626,884	1,376,407
	Upgrade/new	620,940	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Caroline	Renewal	0	0	0	2,090,664	0	0	2,154,013	2,187,152	0	0
Library	Renewal	108,000	163,713	167,970	172,455	176,939	181,716	186,804	191,679	196,682	201,816
IT	Renewal	30,000	192,459	197,463	202,735	208,006	213,622	219,604	225,336	231,217	237,252
	Upgrade/new	0	78,497	80,538	82,688	84,838	87,129	89,568	91,906	94,305	96,766
Sundry	Renewal	100,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
	Upgrade/new	80,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
TOTAL	Renewal	6,184,856	6,524,680	6,565,161	8,264,833	5,457,330	6,654,507	9,139,487	8,841,507	6,697,592	6,462,478
	Upgrade/new	14,079,361	976,137	678,178	680,328	682,478	684,769	687,208	689,546	691,945	694,406
	TOTAL	20,264,217	7,500,817	7,243,339	8,945,161	6,139,808	7,339,276	9,826,695	9,531,053	7,389,537	7,156,884

**NB** – The Caroline Asset Management Plan has not been updated at this stage.






# Building and Structures Asset Management Plan 2023-2032

DRAFT  
May 2022



<b>Document Control</b>					
Document ID: AR19/9672 City of Mount Gambier Building and Structures Asset Management Plan 2022-2031					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	March 2019	1 <sup>st</sup> version as a stand-alone document	KR	DM	NS
2	January 2021	Updated in preparation for FY2022 budget process	CM	JZ	
3	January 2021	Updated in preparation for FY2022 budget process	AM	JS	BC

© Copyright 2007 – All rights reserved. This Asset Management Plan template was prepared for the Local Government Association of South Australia by the Institute of Public Works Engineering Australia, (IPWEA), Jeff Roorda & Associates (JRA) and Skilmar Systems for the use of South Australian councils only under the LGA's Sustainable Asset Management in SA Program.



**TABLE OF CONTENTS**

<b>1</b>	<b>INTRODUCTION</b> .....	<b>4</b>
	1.1 Background .....	4
	1.2 Goals and objectives of Asset Management .....	5
	1.3 Plan Framework .....	5
<b>2</b>	<b>LEVELS OF SERVICE</b> .....	<b>7</b>
	2.1 Legislative Requirements .....	7
	2.2 Current Levels of Service .....	7
<b>3</b>	<b>FUTURE DEMAND</b> .....	<b>9</b>
	3.1 Demand Forecast.....	9
	3.2 Changes in Technology.....	10
	3.3 Demand Management Plan .....	11
<b>4</b>	<b>LIFECYCLE MANAGEMENT PLAN</b> .....	<b>12</b>
	4.1 Background Data .....	12
	4.1.1 Physical Parameters.....	12
	4.1.2 Asset Capacity and Performance .....	12
	4.1.3 Asset Condition .....	13
	4.1.4 Asset Valuations.....	13
	4.2 Risk Management Plan .....	14
	4.3 Operations and Maintenance .....	14
	4.3.1 Maintenance Plan.....	14
	4.3.2 Renewal Plan .....	15
	4.3.3 Renewal Standards .....	15
	4.3.4 Summary of Future Renewal Expenditure .....	15
	4.4 Creation / Acquisition / Upgrade Plan .....	16
	4.4.1 Selection Criteria .....	17
	4.4.2 Standards and Specifications .....	17
	4.4.3 Summary of Future Upgrade / New Assets Expenditure .....	17
	4.5 Disposal Plan .....	17
<b>5</b>	<b>FINANCIAL SUMMARY</b> .....	<b>Error! Bookmark not defined.</b>
	5.1 Financial Statements and Projections .....	17
	5.1.1 Sustainability of Service Delivery .....	17
	5.2 Funding Strategy .....	18
	5.3 Valuation Forecasts.....	18
	5.4 Key Assumptions made in Financial Forecasts .....	19
	5.5 Improvement and Monitoring.....	19
	5.5.1 Accounting and financial systems .....	19
<b>6</b>	<b>REFERENCES</b> .....	<b>19</b>
<b>7</b>	<b>APPENDICES</b> .....	<b>20</b>
	7.1 Buildings and structures Asset Management Plan.....	20



## 1 INTRODUCTION

### 1.1 Background

The purpose of the Buildings and Structures Asset Management Plan (AMP) is to outline a broad approach asset management, demonstrate proactive management of assets (and services provided from those assets) and model the funding required from the assumptions developed for those assets. This AMP is to be read in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Long Term Financial Plan (LTFP)
- Council's Development Plan
- Annual Business Plan and Budget (ABP&B)
- Council's Strategic Plan
- Community Land Management Plans
- Management Agreements for the management of Council facilities

This AMP covers all Council controlled buildings and structures within the City of Mount Gambier as indicated in the following summary:

**Table 1 : Building and Structures covered by this Plan (as at 30 June 2020)**

Asset Category	At Cost Value	Carrying Value (\$)
Buildings	\$84.75M	\$45.99M
Structures	\$23.59M	\$12.85M
<b>TOTAL</b>	<b>\$108.34M</b>	<b>\$58.84M</b>

**Table 2 : Key Stakeholders**

Key Stakeholder	Role in AMP
Councillors	<ul style="list-style-type: none"> <li>• Represent needs of the community and stakeholders</li> <li>• Set targeted sustainability ratios</li> <li>• Ensure organisation is financial sustainable</li> <li>• Adopt Strategic Plans, LTFP (biennially), AMPs (biennially) and Annual budget</li> </ul>
Executives	<ul style="list-style-type: none"> <li>• Setting / review of LTFP (annually), AMPs (annually) and Annual budget</li> <li>• Portfolio sponsor</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• End users of service/assets</li> <li>• Licence/Leaseholders</li> </ul>
Insurers	<ul style="list-style-type: none"> <li>• Partner with Council to mutually cover risk exposure</li> </ul>
Contractors/suppliers	<ul style="list-style-type: none"> <li>• Support the provision of human and physical resources</li> <li>• External valuations, including insurance valuations</li> </ul>
Government	<ul style="list-style-type: none"> <li>• Provides occasional grants to Council for building projects</li> </ul>



Building Maintenance Business Unit	<ul style="list-style-type: none"> <li>• Responsible for actual maintenance and renewal for identified buildings and structures</li> <li>• Contract manage relevant building maintenance contracts</li> </ul>
Strategic Finance & Accountability / Finance Business Unit	<ul style="list-style-type: none"> <li>• Preparation of Council's LTFFP, AMPs and Annual budget</li> <li>• Asset valuation and depreciation</li> <li>• Procurement facilitation</li> </ul>

## 1.2 Goals and objectives of Asset Management

The Council exists to provide services to its community. Some of these services are provided by building and structure assets. Council has acquired assets by purchase, construction and by donation/gift.

Council's goal in managing building and structure assets is to meet the defined level of service in the most cost-effective manner for present and future consumers. The key elements of building and structure asset management are:

- Taking a life cycle approach to developing cost-effective management strategies for the long term
- Providing a defined level of service and monitoring performance in line with stakeholder needs
- Managing risks associated with asset failures and disasters
- Having an LTFFP which includes required, affordable expenditure and how it will be financed
- Continuous improvement in asset management practices.<sup>1</sup>

This AMP is prepared under the direction of Council's Strategic Plan which represents the vision, aspirations and priorities of the community now and into the future.

A 'top down' approach has been used where analysis is applied at the system or network level to meet minimum legislative and organisational requirements for sustainable service delivery and long-term financial planning and reporting.

Future versions of the AM Plan will move towards 'advanced' asset management using both a hybrid 'top down' and 'bottom up' approach for reporting up to date information about individual assets.

## 1.3 Plan Framework

Key elements of the Plan are

- Levels of service – specifies the services and levels of service to be provided by Council.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Life cycle management – how Council will manage its existing and future assets to provide the required services.
- Financial summary – what funds are required to provide the required services.
- Asset management practices.
- Monitoring – how the Plan will be monitored to ensure it is meeting Council's objectives.
- Asset management improvement plan.

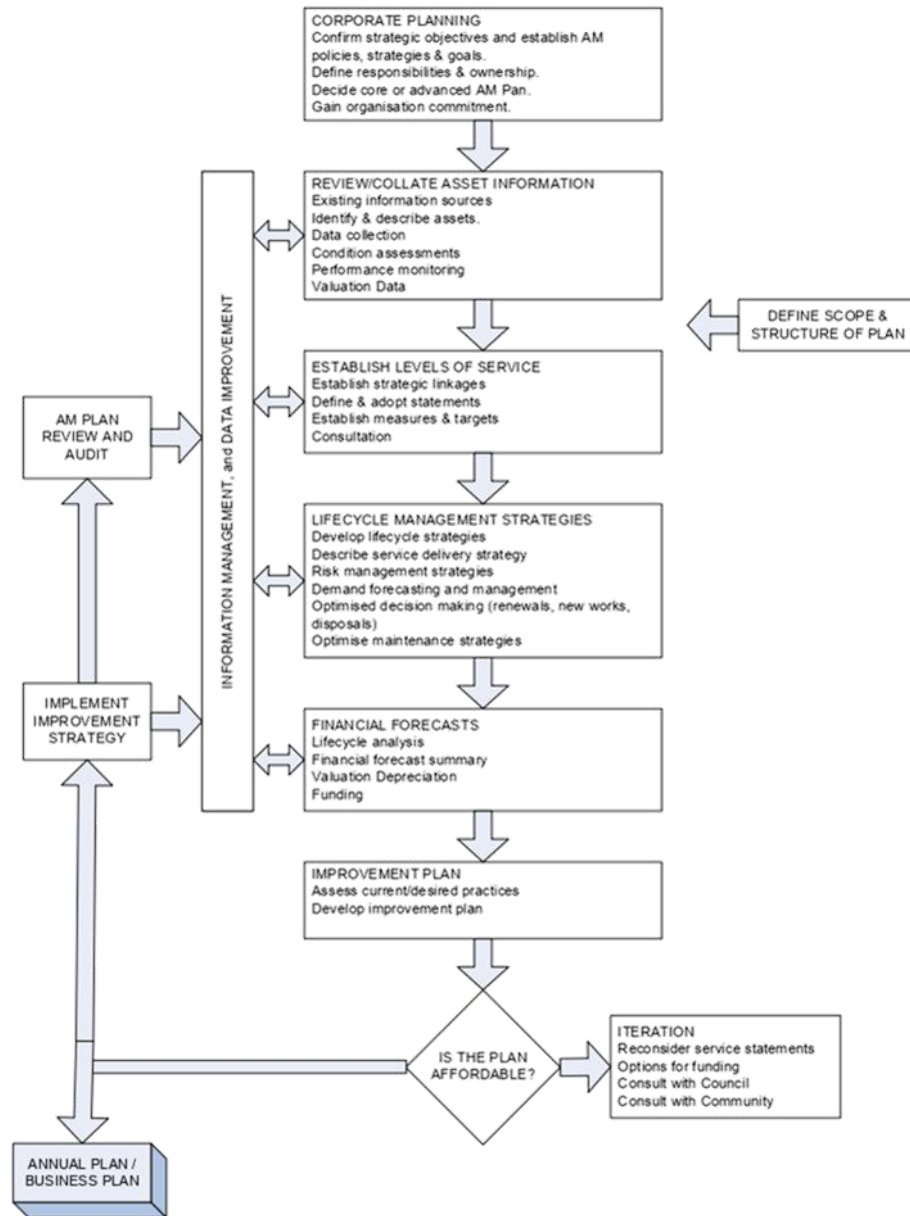
---

<sup>1</sup> IIMM 2006 Sec 1.1.3, p 1.3



A road map for preparing an Asset Management Plan is shown below.

**Figure 1: Road Map for preparing an Asset Management Plan**  
 Source: IMM Fig 1.5.1, p 1.11



## 2 LEVELS OF SERVICE

Levels of service provide the basis for life cycle management strategies and works programs, whilst supporting the Council's strategic goals. Ongoing planning for the ownership and management of Council's buildings aims to ensure that building assets provide, or help to provide, appropriate services for the community.

### 2.1 Legislative Requirements

Council must meet many legislative requirements including Australian and State legislation and State regulations. These include:

**Table 3 : Legislative requirements**

Legislation	Requirement
Local Government Act, 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by infrastructure and asset management plans for sustainable service delivery.
Development Act and subordinate legislation (example Development Plan and Building Code)	Provides Council with the legislative framework to guide the preservation and enhancement of its buildings and structures.
Heritage Act, 2004	An Act that conserves places with heritage value
Building Code of Australia, 2016	States the minimum requirements for the design, construction and maintenance of buildings
Work Health and Safety Act, 2012	Secures the health, safety and welfare of persons at work
Asbestos Removal Code of Practice	The management and maintenance of asbestos in accordance with the code
Disability Discrimination Act (DDA), 2012	An Act that bans discrimination of people based on a disability
Environmental Protection Act, 1997	An Act that covers the protection of the environment

### 2.2 Current Levels of Service

Council has defined service levels in two terms:

#### 1. Community Service Levels

These relate to how the community receives the service in terms of safety, quality, function, quantity, reliability, responsiveness and cost/efficiency.

#### 2. Operational or Technical Service Levels

These measures relate to the allocation of resources to service activities that the Council undertakes to best achieve the desired community outcomes, whilst meeting all legislative requirements.

Council's current service levels are detailed in Table 4.





**Table 4 : Current Service Levels**

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target	Current Performance
<b>COMMUNITY LEVELS OF SERVICE</b>				
Quality	Provide buildings that are fit for purpose	Customer service requests Condition rating	Less than 2 per month for any particular building or structure	Less than 2 per month for any particular building or structure
Function	Buildings and structures are available and accessible for intended use at all times (apart from during times of maintenance)	Customer complaints relating to unavailability of building or structure	Less than 2 per month for any particular building or structure	Less than 2 per month for any particular building or structure
	Building facilities meet user requirements	Usage of facility	Average usage of facility 50% occupancy for each building	TBC
Safety	Provide buildings that comply with the principles of the BCA and DDA Buildings are free from hazards	Number of injury incidents relating to health, safety and disability for Council owned buildings and structures	Less than 3 per month per building or structure	Less than 3 per month per building or structure
Asbestos	Ensure that all building facilities meet asbestos regulations	Asbestos registers onsite and program in place to remove and/or manage asbestos from, in and around buildings	<2 incidents per year	0 incidents reported
<b>TECHNICAL LEVELS OF SERVICE</b>				
Condition	Carry out routine maintenance on buildings and structures	Number of complaints relating to minor maintenance matters	Less than 5 per month for any particular building or structure	Less than 5 per month for any particular building or structure
Compliance	Compliance with Building Codes and technical standards	All new work and significant refurbishment to comply with current standards	Development Act approval and compliance with Building Code of Australia	Plans and specifications are submitted to gain development approval
Costings/Affordability	Operational expenditure costs are known	Introduction of work order costing system to track maintenance of buildings	All plant, labour and material costs booked to work orders for individual buildings	All plant, labour and material costs booked to work orders for individual buildings
Safety	Condition assessment surveys to identify any issue relating to occupier safety	Building and structure condition assessments to be carried out on a one in three year cycle	Identified safety issues are documented and included in works program for the following financial year budget	Issues addressed as they are identified, assessment frequency not currently stipulated



### 3 FUTURE DEMAND

#### 3.1 Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, consumer preferences and expectations, economic factors, environmental awareness, changing legislative requirements, risk management practices, etc.

Demand factor trends and impacts on service delivery are summarised in Table 5

**Table 5 : Demand Factors, Projections and Impact on Services**

Demand factor	Present position	Projection	Impact on services
Population	26,276 ( <i>census 2016</i> )	32,000 people by 2027 <sup>2</sup>	Population growth will have marginal impact on existing services
Demographics	Ageing population		Increase in aged care accommodation and facilities to service the elderly. Disability access will become increasingly important.
Legislative changes	Compliance with BCA	Increasing legislative and governance demands, long term financial sustainability, environmental sustainability for the existing building stock as well as pressure for additional buildings	Demand for retrofitting buildings for, environmental sustainability etc. and impact on financial resources in the provision of new buildings

<sup>2</sup> Referenced from Community and Recreation Hub Feasibility Study



### 3.2 Changes in Technology

Technology changes are forecast to have little effect on the delivery of services covered by this plan, but will likely improve customer feedback and advice to Council (e.g. Web based communication to Council, smart phone technology, automated monitoring of building services, online/interactive building lighting/art).

Council will face increasing community pressure to retrofit existing facilities with technology that will improve the overall environmental sustainability of the facility and safety.

Technology changes forecast to affect the delivery of services covered by this plan are detailed below.

**Table 6 : Potential changes in technology and effect on service delivery**

Technology Change	Effect on Service Delivery
CCTV Cameras	Council have implemented CCTV systems that are utilised in asset management, assessment and surveillance to assist in reduction of damage to its buildings and structures.
Automatic detection and safety systems	Expansion of electronic access to buildings
Plant & Equipment	Updated plant & equipment may result in improved service delivery within a more efficient timeframe and to a better standard.
Mobile computing	Use of improved technology for condition rating may lead to increased data integrity and ability to link to GIS for improved visualisation. Will also mean simpler and more efficient information transfer without double handing of data.
Environment Sustainability	Installation of energy and water saving equipment for environmental responsibility and for cost efficiency.



### 3.3 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets, such as leasing arrangements or providing services from existing infrastructure which may be located in another community area or contributing to capital improvements of another organisation that provide benefits for our community. An example of this includes, the Mount Gambier Airport, located outside the City of Mount Gambier boundary, however Council has contributed funding to upgrade its facilities.

The current lack of information on the extent of service provision required to meet community demand for buildings makes it difficult to assess the gap between the community desires/needs and existing service provision. Opportunities identified to date for demand management are shown in Table 7. Further opportunities will be developed in future revisions of this AM Plan.

**Table 7 : Demand Management Plan Summary**

Service Activity	Demand Management Plan
Operations	Utilise office space more efficiently. Identify buildings not being used to their full potential and consult the community on other uses.
Financial	Develop long-term financial management plans to ensure financial sustainability
DDA provision improvements	To enact works programs developed as part of the accessibility assessment identified in Table 6
Environmental sustainability	Use Triple Bottom Line analysis to assess whether any identified project is to proceed. Council will need to ensure that the community is aware of this Plan and understands the long-term financial implications.
Public Toilet Facilities	Councillors and community have recently encouraged investment in building renewal for primary public toilet facilities.



## **4 LIFECYCLE MANAGEMENT PLAN**

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in the section "Levels of Service") while optimising life cycle costs.

### **4.1 Background Data**

#### **4.1.1 Physical Parameters**

The assets covered by this Plan are shown in Table 1.

Over 5% of Council's building and structure assets are identified as heritage. Generally, the building and structure assets are in fair to good condition although asset ages vary considerably across the City. Council has limited data on the age profile of its Asset stock but does have an increasing understanding of the condition data for building and structure asset categories. Council uses a combination of the age and condition data to set future works programs and also to prepare risk control strategies.

#### **4.1.2 Asset Capacity and Performance**

Council's services are generally provided to meet design standards where these are available.

Council engaged a consultant in July 2018 to complete a preliminary disability audit on a selection of buildings including public amenities and heritage sites.

Council to adopt inclusive design principles that encourages best practice rather than meeting minimum legislative requirements.

The Preliminary Disability Access Report (the Report) provides a snapshot of where Council is at in terms of general disabled access. It also identifies buildings (including surrounds) that are not meeting compliance standards and should be ear marked for demolishing or significant works. At the time of writing this Plan, further analysis of the Report is required. Council's key tasks in relation to the Report are to:

- Consult with the community
- Prioritise works to be completed
- Design and project cost works
- Ensure strategic alliance (both financial and non-financial)

Future iterations of this Plan will provide further detail on forward works programming.



#### 4.1.3 Asset Condition

Council's building and structure assets were last assessed for condition as at 30 June 2020 by external consultants as part of the revaluation process. The condition is measured using a 0 – 5 rating system.

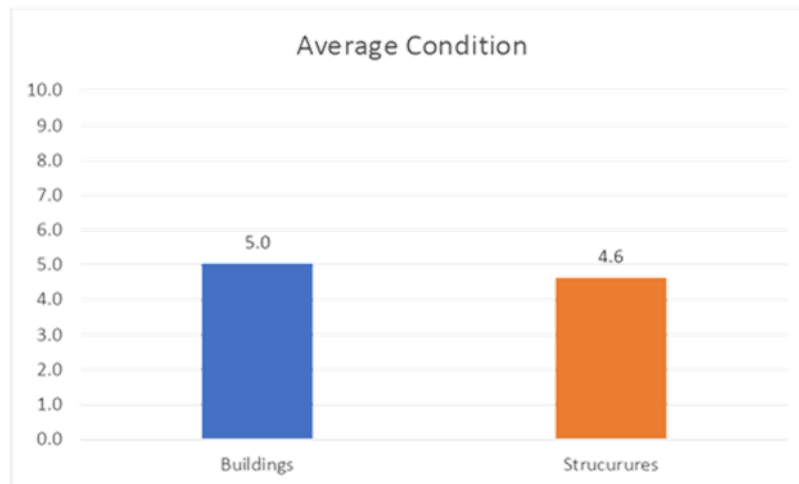
The condition profile of Council's assets will be further assessed by technical building experts and include review of compliance standards, appearance, security, fit for purpose and environmental fitness and be reflected in future updates of this Plan.

**Table 8 : Condition Rating Scale**

Rating	Description of Condition
1	Asset Unserviceable
2	Extremely Poor
3	Poor
4	Below Average
5	Average
6	Fair
7	Good
8	Very Good
9	Excellent
10	New

The condition profile of Council's building and structure assets is shown below in figures 2 and 3.

**Figure 2: Building and Structure Asset Condition Profile**



#### 4.1.4 Asset Valuations

The value of building and structure assets covered by this AMP is summarised below. Building and Structure assets were last re-valued at 30 June 2020 by AssetVal Pty Ltd.

As at 30 June 2020 the value of these assets was:

Total Value (at cost & fair value)	\$ 108.3M
Accumulated Depreciation and Impairment	\$ 49.5M



Carrying Amount	\$ 58.8M
Annual Depreciation Expense	\$ 2.34M

#### 4.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets identifies critical risks to Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

#### 4.3 Operations and Maintenance

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

##### 4.3.1 Maintenance Plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle and may include painting, re-roofing, replace occasional window etc. This work generally falls below the capitalisation threshold.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.



## Renewal / Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

### 4.3.2 Renewal Plan

Assets requiring renewal are identified from one of three methods:

- Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year
- Method 2 uses capital renewal expenditure projections from external condition modelling systems
- Method 3 uses a combination of average network renewals plus defect repairs.

A combination of methods 1 and 2 were used for this Plan.

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

### 4.3.3 Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- Current Australian and Industry Standards
  - Building Code of Australia 2016
  - Disability Discrimination Act (DDA)
  - Asbestos Removal Code of Practice
  - Electrical Wiring Code AS3000
- Work Health Safety Act and Regulations

### 4.3.4 Summary of Future Renewal Expenditure

Council has determined that the optimal level of renewal is based on a weighted percentage of the depreciation per asset sub-class, subsequently adjusted down for the impact of continuous maintenance. This optimal level can be met by the combination of maintenance and capital renewal of the underlying assets. At this point in time, for Buildings and Structures, Council assumes the full maintenance expenditure (100%) is extending the life of the Buildings and Structures equally. The outcome of this process then forms the input in the LTFP and drives the overall asset sustainability ratios within Council for the various asset classes.

Additionally, there are some assets, primarily within the buildings and structures, that are of heritage value, and constant maintenance will be kept up to keep these in their heritage state.

Within buildings and structures the following percentages are applied for the optimal level determination:

	Estimated life	Renewal Percentage
CITY OF MOUNT GAMBIER - Buildings and Structures Asset Management Plan		
Page 15 of 21		

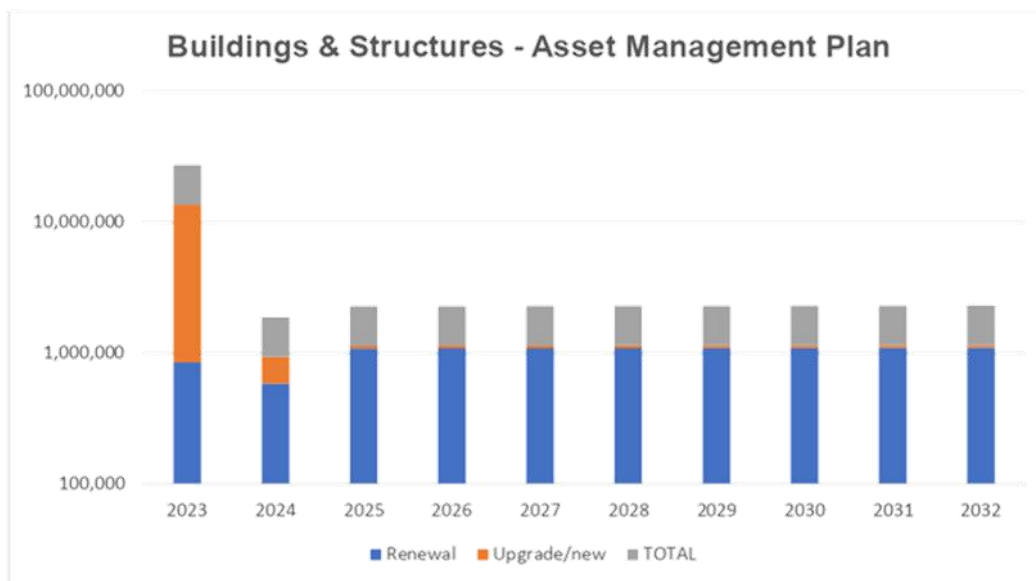




<b>Buildings</b>		
Various	15	100%
Various	20	100%
Services	25	50%
Fit-out	30	50%
Sheds, Structures, Roofing	40	100%
Toilets & Super-structure	50	100%
Super-structure	60	100%
Super-structure	80	90%
Sub-structure & Super-structure	100	90%
Weighted average - <b>Building Renewals</b>		63%
<b>Structures Renewals</b>		90%

Projected future renewal expenditures - the optimal level of renewals - are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5. Note that all costs are shown in nominal dollar values.

**Figure 5: Projected capital renewal expenditure over next 10 years**



Planned renewals are to be funded from Council's capital works program and grants where available. This is further discussed in Section 5.2. Council has recently taken the first step towards improving its buildings and structures planned renewal programming by using remaining useful life estimates. Future iterations of this Plan will become more detailed as Council continues to develop its assets categorisation and information.

**4.4 Creation / Acquisition / Upgrade Plan**

New works are those works that create a new asset that did not previously exist or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs.



Council has commenced building the Wulanda Recreation and Convention Centre which will result in the largest infrastructure asset investment in Council's history. For this reason, expenditure on other new assets has been kept minimal pending a successful completion.

#### **4.4.1 Selection Criteria**

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. Council ultimately makes the decision on priority ranking of new assets based on this information.

#### **4.4.2 Standards and Specifications**

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 4.3.3.

#### **4.4.3 Summary of Future Upgrade / New Assets Expenditure**

New assets and services are to be funded from Council's capital works program and grant funding where available. This is further discussed in Section 5.2.

#### **4.5 Disposal Plan**

Currently there are no assets in the buildings and structures category that are listed for disposal. Council is considering the demolition and renewal of public amenities.

### **5 FINANCIAL SUMMARY**

This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP. The financial projections will be improved as further information becomes available on asset technical details and condition, desired levels of service and current and projected future asset performance.

#### **5.1 Financial Statements and Projections**

##### **5.1.1 Sustainability of Service Delivery**

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium-term costs over the 10 year financial planning period.

##### **Long term - Life Cycle Cost**

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include maintenance and asset consumption, i.e. depreciation expense. The buildings and structures annual consumption cost for the services covered in this Plan, represented by the Buildings – Renewals and the Structures – Renewals amounts to \$21,978.

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals.

The AMP is created with the view to include the optimal level and therefore should not show a gap. Such a gap will only appear in case the LTFP drives capital allocation to a different year than as per the AMP, or when Council does for other reasons spend more or less on life cycle costs for the year than the AMP suggests



Any gap between life cycle costs and life cycle expenditure gives an indication as to whether present consumers are paying their share of the assets that are consumed each year.

The above confirms the purpose of this AMP: to identify levels of service that the community needs and can afford and develop the necessary long-term financial plans to provide the service in a sustainable manner so that future generations are not burdened with failing assets.

A gap between projected asset renewal expenditure and actual (planned) expenditure indicates that further work is required to manage required service levels and future planned expenditure funding needs to eliminate any funding gap.

Council will need to manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services, and to ensure that the gap closes to a controllable level.

## 5.2 Funding Strategy

Projected expenditure identified in Figure 5 is to be funded from Council's operating and capital budgets. The funding strategy is detailed in Council's Long-Term Financial Plan (LTFP).

Additional new and renewal of building capital, in addition to the optimal level, or as part of reaching the optimal level, could be funded out of regular Council income. However, taking into account Council's financial constraints other options to assist reducing a funding gap or fund additional capital expenditure include:

- Grant funding
- Fundraising
- Alternate revenue streams
- Sale of underutilised assets
- Change in services and service levels
- Refinement of CPI and consumption rates and assumptions.

## 5.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others. Depreciation expense values are forecast in line with asset values based on asset condition depreciation and will be adjusted in accordance with asset revaluations which will occur from time to time taking into account condition assessments and additional asset age data.

The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Council may wish to explore the option for limited asset disposal of buildings and structures whilst still maintaining a reasonable and acceptable level of service to the community.



#### 5.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this Plan and in preparing forecasts of required operating and capital expenditure and asset values. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Plan are:

- Asset condition and valuation has been determined by AssetVal Pty Ltd.
- Straight line depreciation of asset condition has been assumed and AssetVal Pty Ltd have determined the residual value for buildings and structures assets.
- This AM Plan was put together based on the information at hand at the time of preparing the Plan. As asset information is updated and more accurate information becomes available, this Plan will become more accurate.
- With respect to Table 12 projected renewals are assumed to increase in value at a rate of 2.5% per annum.

#### 5.5 Improvement and Monitoring

##### 5.5.1 Accounting and financial systems

Council uses Civica Authority as its accounting and financial system. This system integrates with Council's asset management system another module of the Civica Authority suite.

The Australian Accounting Standards provide the benchmark against which Council reports on asset accounting. Council's current capitalisation threshold is \$5,000.

The link between asset management and the financial system includes:

- The assumed works programs and trends
- The resulting budget, valuation and depreciation projections
- Useful life analysis (including renewal projections)
- Inputs to Council's LTFP and ABP&B

## 6 REFERENCES

The City of Mount Gambier Futures Paper

City of Mount Gambier Strategic Plan 2020-2024

City of Mount Gambier Annual Business Plan and Budget

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org.au](http://www.ipwea.org.au)



**7 APPENDICES**

**7.1 Buildings and structures Asset Management Plan**

<b>Buildings and Structures Asset Management Plan - 2023-2032</b>										
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Renewal</b>	850,800	587,389	1,089,158	1,091,021	1,092,884	1,094,869	1,096,984	1,099,010	1,101,089	1,103,222
<b>Upgrade/new</b>	12,829,421	353,640	53,640	53,640	53,640	53,640	53,640	53,640	53,640	53,640
<b>TOTAL</b>	13,680,221	941,029	1,142,798	1,144,661	1,146,524	1,148,509	1,150,624	1,152,650	1,154,729	1,156,862






# Infrastructure Asset Management Plan 2023-2032

DRAFT  
May 2022



Document Control					
Document ID: AF11/1786 City of Mount Gambier Infrastructure and Asset Management Plan					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	March 2019	Creation of Document – 1 <sup>st</sup> Draft	KR	DM	NS
2	January 2020	Updated during FY2022 Budget Process	CM	JZ	
3	May 2022	Updated during FY 2023 Budget Process	AM	JS	BC

© Copyright 2007 – All rights reserved. This Infrastructure and Asset Management Plan template was prepared for the Local Government Association of South Australia by the Institute of Public Works Engineering Australia, (IPWEA), Jeff Roorda & Associates (JRA) and Skilmar Systems for the use of South Australian councils only under the LGA's Sustainable Asset Management in SA Program.



TABLE OF CONTENTS

<b>1</b>	<b>SUMMARY</b> .....	<b>4</b>
1.1	A summary of the road assets used to provide this service are: .....	4
1.2	What does it Cost? .....	4
1.3	Plans for the Future .....	5
1.4	The Next Steps .....	6
<b>2</b>	<b>INTRODUCTION</b> .....	<b>6</b>
2.1	Background .....	6
2.2	Goals and Objectives of Asset Management .....	8
2.3	Plan Framework .....	8
<b>3</b>	<b>LEVELS OF SERVICE</b> .....	<b>9</b>
3.1	Customer Research and Expectations .....	9
3.2	Legislative Requirements .....	10
3.3	Current Levels of Service .....	10
3.4	Desired Levels of Service .....	11
<b>4</b>	<b>FUTURE DEMAND</b> .....	<b>11</b>
4.1	Demand Forecast .....	11
4.2	Changes in Technology .....	11
4.3	Demand Management Plan .....	11
4.4	New Assets from Growth .....	12
<b>5</b>	<b>LIFECYCLE MANAGEMENT PLAN</b> .....	<b>12</b>
5.1	Background Data .....	12
5.1.1	Physical Parameters .....	12
5.1.2	Asset Capacity and Performance .....	13
5.1.3	Asset Condition .....	13
5.1.4	Asset Valuations .....	15
5.2	Risk Management Plan .....	15
5.3	Routine Maintenance Plan .....	15
5.3.1	Maintenance Plan .....	15
5.3.2	Standards and Specifications .....	16
5.4	Renewal / Replacement Plan .....	16
5.4.1	Renewal Plan .....	16
5.4.2	Renewal Standards .....	16
5.4.3	Summary of Future Renewal Expenditure .....	17
5.5	Creation / Acquisition / Upgrade Plan .....	17
5.5.1	Selection Criteria .....	17
5.5.2	Standards and Specifications .....	18
5.5.3	Summary of Future Upgrade / New Assets Expenditure .....	18
5.6	Disposal Plan .....	18
<b>6</b>	<b>FINANCIAL SUMMARY</b> .....	<b>18</b>
6.1	Financial Statements and Projections .....	18
6.1.1	Sustainability of Service Delivery .....	18
6.1.2	Long Term - Life Cycle Cost .....	18
6.1.3	Medium term – 10 Year Financial Planning Period .....	18
6.2	Key Assumptions made in Financial Forecasts .....	19
<b>7</b>	<b>PLAN IMPROVEMENT AND MONITORING</b> .....	<b>19</b>
7.1	Performance Measures .....	19
7.2	Monitoring and Review Procedures .....	19
<b>8</b>	<b>REFERENCES</b> .....	<b>20</b>
<b>9</b>	<b>Appendices</b> .....	<b>21</b>
9.1	Infrastructure Asset Management Plan .....	21





- 4 -

## 1 SUMMARY

### 1.1 A summary of the road assets used to provide this service are:

- Sealed road 229.2 km
- Kerb and Channel length of 453 km
- Constructed footpath area of 121km
- Carpark area of 72,940m<sup>2</sup>
- Traffic Light Sets at 19 locations
- 466 drainage bores.

### 1.2 What does it Cost?

The total dollar value of the annual consumption of the road and drainage asset category is \$3,390,000 (i.e. annual depreciation expense for 2020/21). Council's goal for annual expenditure is to match this value so that no gap exists between the annual depreciation cost and the actual budget expenditure.

Council needs to continue to seek additional funding sources through Government grants to ensure any funding gap is manageable in the long term.



- 5 -

### **1.3 Plans for the Future**

Council plans to operate and maintain the road network to achieve the following strategic objectives:

- Ensure the road network is maintained at a safe and functional standard as set out in this Infrastructure and Asset Management Plan.
- Provide for renewed infrastructure and access standards that meet the demands and expectations of the community in a financially sustainable environment.
- Maintain integration and functionality of local roads with state roads to ensure continuity of freight networks.
- Require service standards for newly created infrastructure acquired through land development and residential expansion to be complimentary with existing asset standards.

#### **Quality**

Roads assets will be maintained in a reasonable condition. Defects found or reported that are outside our service standard will be repaired. See our level of service chart below as continuous improvements milestones. Council will also continue to work on a detailed maintenance response manual to better manage the service demand and expectation.

#### **Function**

Our intent is that a 'fit for purpose' road network is maintained in partnership with other levels of government and stakeholders.

Road asset attributes will be maintained (subject to funding) at a safe level and associated signage and equipment be provided as needed to ensure public safety. We need to ensure the key functional objectives are met:

- Council will endeavour to provide free flowing and unrestricted travel between destinations and locations to all recognised modes of transport and associated user groups.
- Ensure accidents are minimised and only minor consequences occur from accidents.

The main functional consequence of the road network not being able to cater for free flowing and unrestricted traffic is delays to industry and the local community which is likely to decrease quality of life and increase the potential for accidents to occur through driver frustration. Consequently, this is likely to impose additional financial and social burdens onto the community.

#### **Safety**

We inspect all roads regularly and prioritise and repair defects in accordance with our inspection schedule to ensure they are safe.



- 6 -

### **1.4 The Next Steps**

The actions resulting from this Infrastructure and Asset Management Plan are:

- Ensure the road network is regularly inspected and any defects rectified in a timely manner to ensure public safety and to mitigate against public risk.
- To provide for renewal of assets and the creation of new road assets and associated infrastructure in a sustainable manner.
- To plan for growth of the City in a manner that is supported by a fit for purpose road network.

## **2 INTRODUCTION**

### **2.1 Background**

This Infrastructure and Asset Management Plan is designed to:

- Provide responsive management of assets (and services provided from assets)
- Ensure compliance with regulatory requirements
- Assist in securing funding required to provide agreed levels of service

The Infrastructure and Asset Management Plan is to be read with the associated planning documents including:

- City of Mount Gambier Strategic Plan 2020-2024
- City of Mount Gambier Long Term Financial Plan
- Council's Annual Business Plan and Budget
- Asset Accounting Policy
- Asset Management Policy A900
- Land Development Policy L130
- Road Pavement – Excavation and Reinstatement of Policy R270

This Infrastructure and Asset Management Plan covers the entire road network and associated traffic control devices within the City of Mount Gambier including local roads, collector roads and boundary roads. Whilst it references and links to assets owned by both state and federal governments, it does not include these assets in the Plan.



- 7 -

**Table 1 - Assets covered by this Plan as at 30 June 2020**

<b>Asset Category</b>	<b>Current Value (\$)</b>
Bores & Pits	5,668,080.59
Carparks	7,437,691.51
Footpaths	16,111,488.73
Kerb & Channel	39,248,959.13
Road Pavement	35,753,536.64
Retaining Walls	194,318.88
Road Surface (Seals)	10,608,722.58
Road Safety Barriers	31,371.63
Sub Pavement	801,835.01
Traffic Lights	1,419,032.40
<b>TOTAL</b>	<b>117,275,037.1</b>

Key stakeholders in the preparation and implementation of this Infrastructure and Asset Management Plan are:

- City of Mount Gambier
- Ratepayers and tenants
- Transport Industry
- District Council of Grant and its community
- Tourism sector
- Business Sector
- State and Federal Government (funding partners and regulators)



- 8 -

## **2.2 Goals and Objectives of Asset Management**

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by Council staff and by transfer of assets constructed by developers and others.

Council's goal in managing infrastructure assets is to meet the agreed level of service in the most cost-effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Taking a life cycle approach
- Developing cost-effective management strategies for the long term
- Providing a defined level of service and monitoring performance
- Understanding and meeting the demands of growth through demand management and infrastructure investment
- Managing risks associated with asset failures
- Sustainable use of physical resources
- Continuous improvement in asset management practices.<sup>1</sup>

## **2.3 Plan Framework**

Key elements of the Plan are

- Levels of service – specifies the services and levels of service to be provided by Council.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Life cycle management – how Council will manage its existing and future assets to provide the required services.
- Financial summary – what funds are required to provide the required services.
- Asset management practices.
- Monitoring – how the Plan will be monitored to ensure it is meeting Council's objectives.
- Asset management improvement plan.

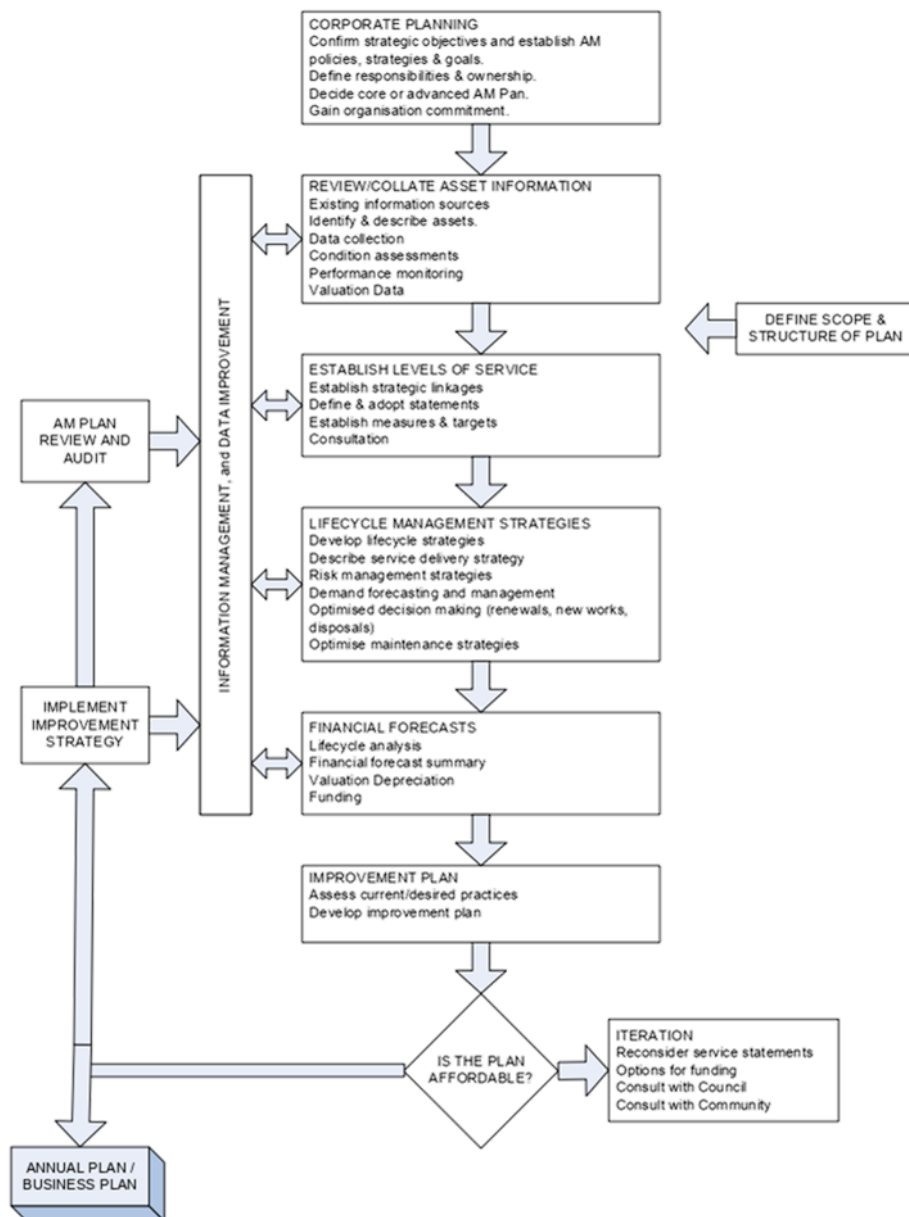
A road map for preparing an Infrastructure and Asset Management Plan is shown below.

---

<sup>1</sup> IIMM 2006 Sec 1.1.3, p 1.3



**Road Map for preparing an Infrastructure and Asset Management Plan**  
Source: IIMM Fig 1.5.1, p 1.11



### 3 LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

Council's anecdotal evidence (primarily based on the number of complaints received) suggests that current service levels are seen by the community as acceptable.



### 3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

**Table 2 - Legislative Requirements**

Legislation	Requirement
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by Infrastructure and Asset Management Plans for sustainable service delivery.
Road Traffic Act	Provides Councils the power to install, maintain, operate, alter or remove traffic control devices on roads under their care and control

### 3.3 Current Levels of Service

Council has defined service levels in two terms.

Community Levels of Service relate to how the community receives the service in terms of safety, quality, function, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.

Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met. These technical measures relate to service criteria such as:

<b>Service Criteria</b>	<b>Technical measures may relate to</b>
Quality	Smoothness of roads
Quantity	Area of parks per resident
Availability	Distance from a dwelling to a sealed road
Safety	Number of injury accidents

Council's current service levels are detailed in Table 3.3.

**Table 3.3. Current Service Levels**

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target	Current Performance
<b>COMMUNITY LEVELS OF SERVICE</b>				
Quality	Provide a smooth ride on a surface that is clearly delineated	Customer service requests	Less than 5 per month per road segment	Less than 5 per month on any one segment
Function	Ensure that the road meets user requirements for travel time and availability	Customer complaints relating to travel time and availability	Less than 2 per month	Less than 2 per month
Safety	Provide safe suitable roads free from hazards	Number of injury accidents	Less than 3 per annum per location	Less than 3 per annum per location
<b>TECHNICAL LEVELS OF SERVICE</b>				
Condition	Carry out routine maintenance on potholes	Number of pothole complaints	Less than 5 per month	Less than 5 per month
Accessibility	Provide unrestricted access to residential, commercial and industrial sectors of the City	Limit property access from road works and maintenance works	Less than 60 minutes for minor maintenance works. Less than 2 days for major reconstruction works	70 minutes for minor works and 2.5 days for major works



Safety	Provide clear safety signage and line marking	Annual defect and condition survey	Less than 5% of signs defective. Less than 5% of line marking not clearly visible	Less than 5% of signs defective 10% of line marking not clearly visible
--------	---	------------------------------------	--	--

### 3.4 Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including residents' feedback to Councillors and staff, service requests and correspondence. Council will be undertaking a review in order to quantify all desired levels of service. This work will be incorporated in future revisions of this Infrastructure and Asset Management Plan.

## 4 FUTURE DEMAND

### 4.1 Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural and industry practices, environmental awareness, etc.

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

**Table 4.1 Demand Factors, Projections and Impact on Services**

Demand factor	Present position	Projection	Impact on services
Population	27,421 (30 <sup>th</sup> June 20121)	1% growth	Moderate residential growth. Increased traffic on collector roads
Demographics	Ageing population	2 to 3% growth	Increase in aged care accommodation
Climate change	Substantial bicycle network	Significant growth in bicycle network and associated infrastructure	Increase in bike paths, dedicated bus lanes and crossing facilities in road network
	Adequate public transport systems	Increased public transport	

### 4.2 Changes in Technology

Technology changes are forecast to have an effect on the delivery of services covered by this Plan (eg. road reconstruction methodology) and will also likely improve customer feedback and advice to Council (eg. Web based communication to Council, smart phone technology).

### 4.3 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this Infrastructure and Asset Management Plan.

**Table 4.3 Demand Management Plan Summary**

Service Activity	Demand Management Plan





- 12 -

Traffic control devices (roundabouts, signals)	Revise traffic management plan every 5 years (major revision), and annual update
Improve boundary roads and collector roads	Continue with boundary roads program Upgrade designated collector roads
Public Carpark	Work towards an effective and affordable city wide public transport system to reduce on street and off street public car parking demand.
Footpath and Shared path	Adopt a city-wide Shared path network strategy and audit to activate CBD and recreational areas.  Promote "cultural drive" towards more walking and cycling as a commuting means  Audit and compliance review of existing infrastructure for accessibility and adopt future works programme towards upgrading existing non-compliance asset to comply accessible standards.

#### 4.4 New Assets from Growth

Where new assets are required for growth, these will be constructed by developers and donated to Council or constructed / acquired by Council. The growth financial model forecasts asset values acquired from developers or constructed by Council over the next 20 years.

Acquiring these new assets will commit Council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required and also capital renewal costs for assets required beyond their useful life. These future costs are identified and considered in developing forecasts of future operating and maintenance costs.

## 5 LIFECYCLE MANAGEMENT PLAN

The Lifecycle Management Plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in section 3) while optimising life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical Parameters

The assets covered by this Infrastructure and Asset Management Plan are shown below:

- Road sub pavement
- Road surface (seal)
- Constructed footpaths / nature strips
- Traffic control devices
- Road pavement
- Kerb and channel
- Drainage
- Carparks

Generally, the road assets mentioned above are in good condition although asset ages vary considerably across the City. Council has limited data on the age profile of its asset stock and will be revising condition

CITY OF MOUNT GAMBIER – INFRASTRUCTURE AND ASSET MANAGEMENT PLAN



- 13 -

data for most road asset categories. Council uses the condition data to set future works programs and to prepare risk control strategies.

Note: Comprehensive condition or age data currently does not exist for Council's drainage assets but is currently being developed.

**5.1.2 Asset Capacity and Performance**

Council's services are generally provided to meet design standards where these are available.

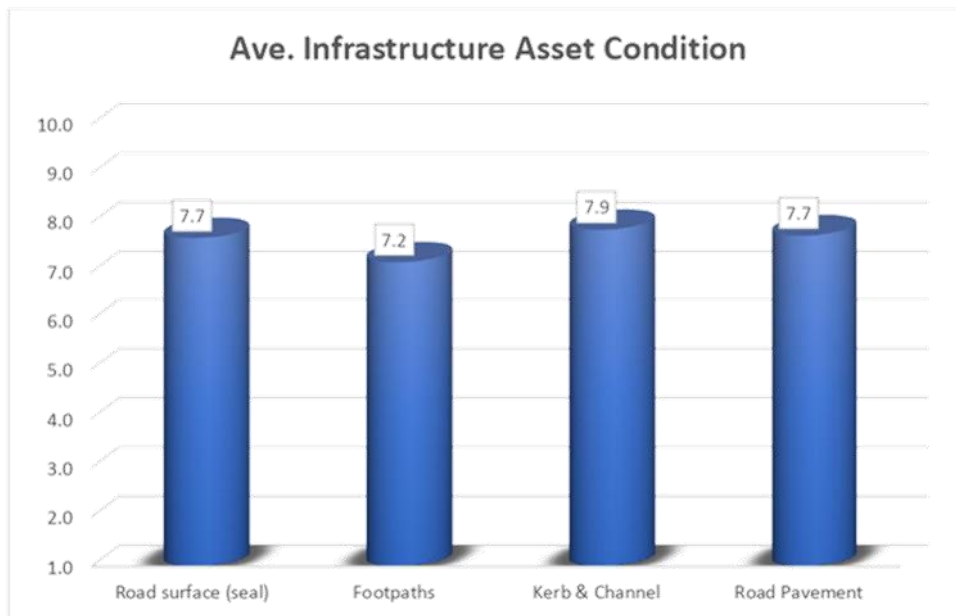
**5.1.3 Asset Condition**

The condition profile of Council's road assets as of April 2022 is shown below.

Condition is measured using a 0 – 10 rating system.<sup>2</sup>

Rating	Description of Condition
10	Excellent condition: Only planned maintenance required. New asset.
8	Very good: Minor maintenance required plus planned maintenance.
6	Good: Significant maintenance required.
5	Average condition. Significant maintenance required.
4	Failing: Significant renewal/upgrade required (start of rapid deterioration).
<2	Poor: Unserviceable. Asset renewal or disposal required.

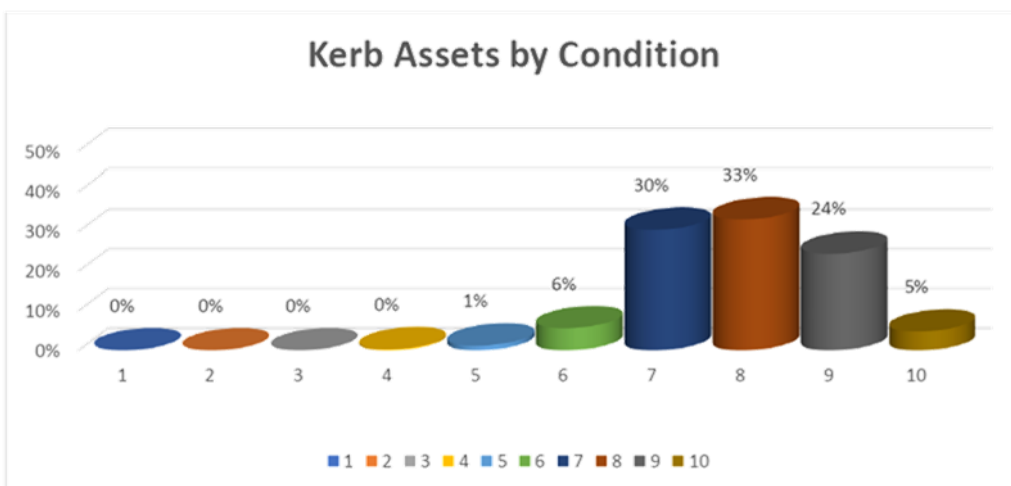
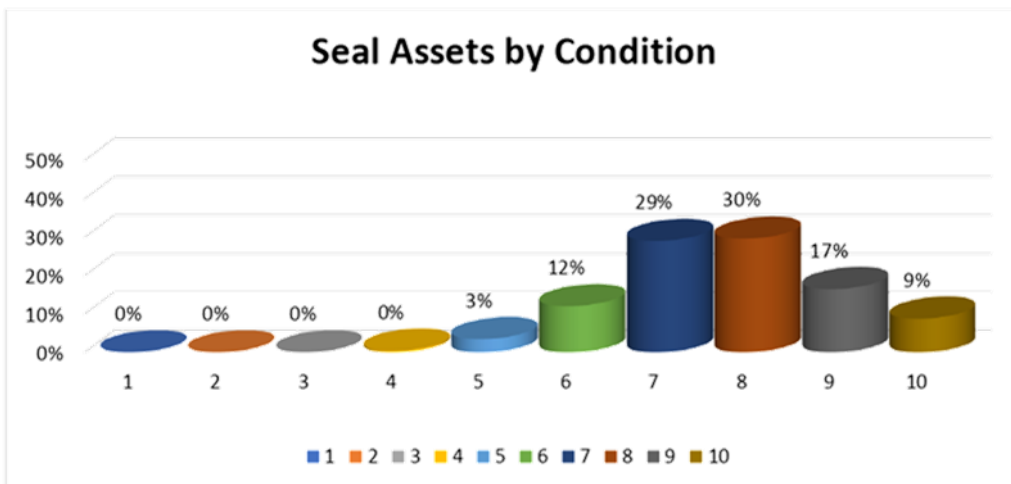
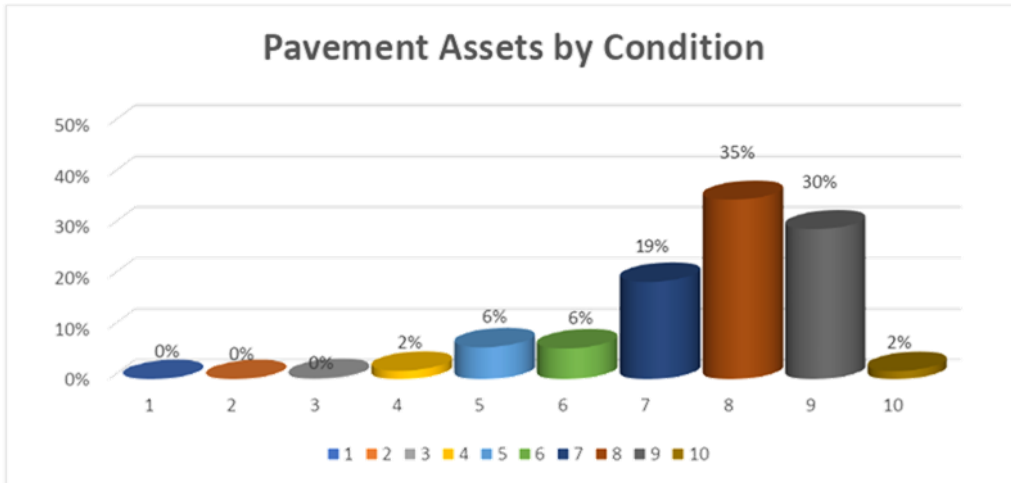
**Fig 3. Asset Condition Profiles**



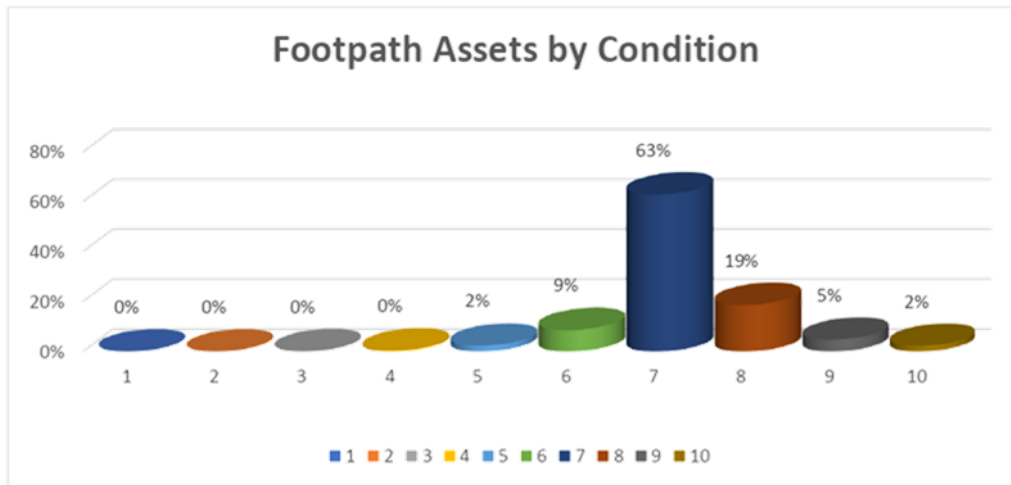
<sup>2</sup> IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned')



- 14 -



- 15 -



#### 5.1.4 Asset Valuations

The value of assets as at 1<sup>st</sup> July 2021 covered by this Infrastructure and Asset Management Plan is summarised below. Assets are valued at green field rates.

Current Replacement Cost	\$162,607,404
Net Fair Value	\$117,275,037
Annual Depreciation	\$3,390,000
Accumulated Depreciation	\$45,332,367

#### 5.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets identifies critical risks to Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

#### 5.3 Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again. This function is essential to the long-term sustainability of the network and is one of several maintenance functions that **should receive priority in Council's annual budget**.

##### 5.3.1 Maintenance Plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.



- 16 -

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including road resealing, repainting, building roof replacement, etc. This work generally falls below the capital/maintenance threshold.

Current maintenance expenditure levels are considered to be marginally below adequate to maintain current service levels. Future revision of this Infrastructure and Asset Management Plan will include linking required maintenance expenditures with required service levels as a means to further manage assets in a sustainable manner.

Assessment and prioritisation of reactive maintenance is currently undertaken by Council staff using experience and judgement.

### 5.3.2 Standards and Specifications

Maintenance work is carried out in accordance with the following Standards and Specifications:

- Current Australian and Industry Standards
- Council Policy - Road Pavement – Excavation and Reinstatement of (revised 2017)
- Council Policy - Land Division (revised 2018)
- Civil Contractors Federation Guidelines
- Work Health Safety Act and Regulations

## 5.4 Renewal / Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

### 5.4.1 Renewal Plan

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register through the 'Renewal Model'. Candidate proposals are inspected to verify accuracy of remaining life estimate and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is based on asset condition and is then adopted ultimately by Council.

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Examples of low-cost renewal include footpath asphalt overlay versus complete reconstruction of a bitumen footpath. This method provides a better level of service than currently available at a smaller renewal cost than complete reconstruction, and also provides an extended asset life which matches current service levels.

### 5.4.2 Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications.

- Current Australian and Industry Standards



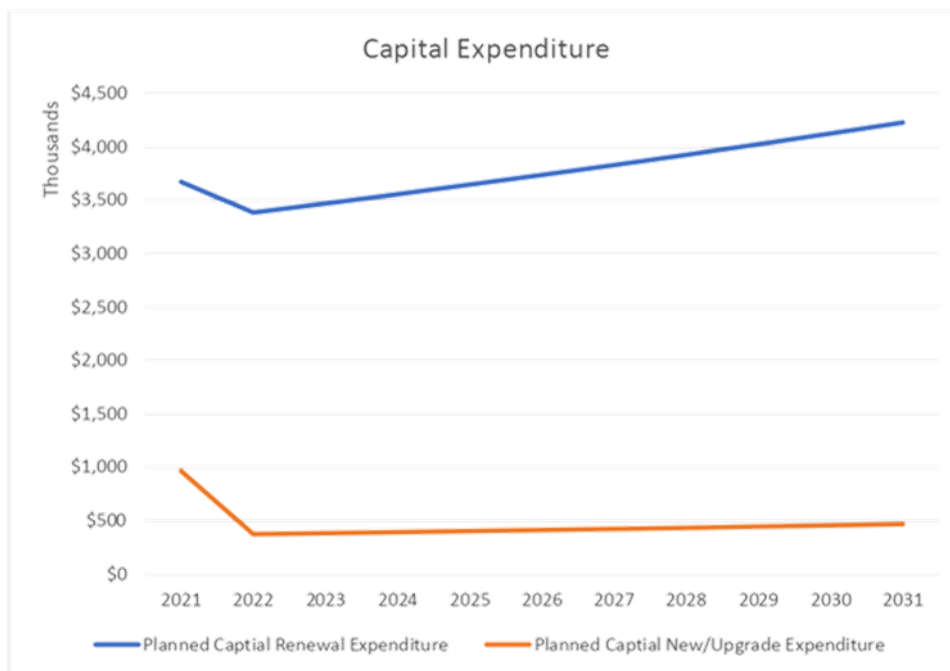
- 17 -

- Council's Road Pavement – Excavation and Reinstatement of
- Council's Land Division Policy
- Civil Contractors Federation Guidelines
- Work Health Safety Act and Regulations

### 5.4.3 Summary of Future Renewal Expenditure

Projected future renewal expenditures are forecast to increase over time as the asset are consumed. The costs are summarised in Fig 5.

**Fig 5. Projected Capital Expenditure**



Renewals are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

### 5.5 Creation / Acquisition / Upgrade Plan

New works are those works that create a new asset that did not previously exist or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development. These assets from growth are considered in Section 4.4.

#### 5.5.1 Selection Criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. Council ultimately makes the decision on priority ranking of new assets based on this information.

CITY OF MOUNT GAMBIER – INFRASTRUCTURE AND ASSET MANAGEMENT PLAN



- 18 -

### **5.5.2 Standards and Specifications**

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

### **5.5.3 Summary of Future Upgrade / New Assets Expenditure**

New assets and services are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

### **5.6 Disposal Plan**

Currently there are no assets in the road category that are listed for disposal.

## **6 FINANCIAL SUMMARY**

This section contains the financial requirements resulting from all the information presented in the previous sections of this Infrastructure and Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

### **6.1 Financial Statements and Projections**

#### **6.1.1 Sustainability of Service Delivery**

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium-term costs over the 10 year financial planning period.

#### **6.1.2 Long Term - Life Cycle Cost**

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include maintenance and asset consumption (depreciation expense). The annual life cycle cost for the services covered in this Infrastructure and Asset Management Plan is \$3,390,000.

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan (2020) is \$3,171,200.

A gap between life cycle costs and life cycle expenditure gives an indication as to whether present consumers are paying their share of the assets that are consumed each year. The purpose of this Infrastructure and Asset Management Plan is to identify levels of service that the community needs and can afford and develop the necessary long-term financial plans to provide the service in a sustainable manner.

#### **6.1.3 Medium term – 10 Year Financial Planning Period**

This Infrastructure and Asset Management Plan identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 20-year period for input into a 10 year financial plan and funding plan to provide the service in a sustainable manner.

This may be compared to existing or planned expenditures in the 20-year period to identify any gap. In a core Infrastructure and Asset Management Plan, a gap is generally due to increasing asset renewals or underfunding of capital renewal programs.



## **6.2 Key Assumptions made in Financial Forecasts**

This section details the key assumptions made in presenting the information contained in this Infrastructure and Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Infrastructure and Asset Management Plan are:

- Asset condition and age has been determined based on engineering knowledge, best available data and previous asset deterioration rates. Some asset categories such as road seals have more accurate data available than other asset categories such as drainage infrastructure. However, current asset age can be reasonably determined by reverse engineering from total asset life and current asset condition.
- Straight line depreciation of asset condition has been assumed but the asset condition tends to drop off significantly towards the end of the asset life. This sharp drop off will impact on funding requirements needed to maintain asset stock in a reasonable condition and therefore Council's approach is to renew assets before this sharp drop in asset condition.
- This Infrastructure and Asset Management Plan was put together based on the information at hand at the time of preparing the Plan.
- It is assumed that there will be minimal effect to asset service and delivery from future technological changes.
- Projected renewals are assumed to increase in value at a rate of 2.5% per annum. Any variation from 2.5% can affect the cumulative gap significantly (the data presented in this report is very sensitive to this assumption).

## **7 PLAN IMPROVEMENT AND MONITORING**

### **7.1 Performance Measures**

The effectiveness of the Infrastructure and Asset Management Plan can be measured in the following ways:

- The degree to which the required cashflows identified in this Infrastructure and Asset Management Plan are incorporated into Council's LTFP and Community Plan;
- The degree to which 1-10 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the Infrastructure and Asset Management Plan.

### **7.2 Monitoring and Review Procedures**

This Infrastructure and Asset Management Plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a maximum life of 4 years and is due for revision and updating within 2 years of each Council election.





- 20 -

## 8 REFERENCES

The City of Mount Gambier Futures Paper

City of Mount Gambier Strategic Plan 2020-2024

City of Mount Gambier Annual Business Plan and Budget

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org.au](http://www.ipwea.org.au)



## 9 Appendices

### 9.1 Infrastructure Asset Management Plan

Infrastructure Asset Management Plan - 2022-2031										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Renewal</b>	3,710,056	3,456,868	3,460,193	3,652,994	3,463,794	3,465,712	3,467,755	3,469,712	3,471,721	3,473,782
<b>Upgrade/new</b>	549,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000
<b>TOTAL</b>	4,259,056	3,830,868	3,834,193	4,026,994	3,837,794	3,839,712	3,841,755	3,843,712	3,845,721	3,847,782






# Library Information Technology and Sundry Asset Management Plan 2023-2032

DRAFT  
May 2022



<b>Document Control</b>					
Document ID: AF11/1786 City of Mount Gambier Infrastructure and Asset Management Plan					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	February 2019	Creation of Document – 1 <sup>st</sup> Draft	KR	PL	PL
2	January 2021	Updated during FY2022 Budget Process	CM	JZ	
3	May 2022	Updated during FY2023 Budget Process	MM	JS	BC

© Copyright 2007 – All rights reserved. This Infrastructure and Asset Management Plan template was prepared for the Local Government Association of South Australia by the Institute of Public Works Engineering Australia, (IPWEA), Jeff Roorda & Associates (JRA) and Skilmar Systems for the use of South Australian councils only under the LGA's Sustainable Asset Management in SA Program.



**TABLE OF CONTENTS**

**LIBRARY, IT AND SUNDRY ASSETS..... 4**

**1 INTRODUCTION ..... 4**

    1.1 Background ..... 4

    1.2 Assumptions ..... 5

    1.3 Goals and Objectives of Asset Management..... 5

    1.4 Plan Framework ..... 6

**2 LEVELS OF SERVICE ..... 7**

    2.1 Legislative Requirements ..... 7

**3 FUTURE DEMAND..... 7**

    3.1 Demand Forecast..... 7

    3.2 Demand Management Plan ..... 8

**4 LIFECYCLE MANAGEMENT PLAN..... 8**

    4.1 Background Data ..... 8

        4.1.1 Physical Parameters..... 8

        4.1.2 Asset Capacity and Performance ..... 8

        4.1.3 Asset Condition ..... 9

    4.2 Routine Maintenance Plan ..... 9

        4.2.1 Maintenance Plan..... 9

        4.2.2 Standards and Specifications ..... 9

    4.3 Renewal / Replacement Plan ..... 9

        4.3.1 Renewal Plan ..... 9

        4.3.2 Summary of Future Renewal Expenditure ..... 9

    4.4 Creation / Acquisition / Upgrade Plan..... 10

        4.4.1 Selection Criteria ..... 10

        4.4.2 Summary of Future Upgrade / New Assets Expenditure..... 10

**5 FINANCIAL SUMMARY ..... 11**

    5.1 Financial Statements and Projections ..... 11

    5.2 Key Assumptions made in Financial Forecasts ..... 12

    5.3 Improvement and Monitoring..... 12

        5.3.1 Accounting and financial systems..... 12

        5.3.2 IT asset management..... 12

**6 REFERENCES ..... 12**

**7 Appendices ..... 13**

    7.1 Library, Information Technology and Sundry Asset Management Plan..... 13



**LIBRARY, IT AND SUNDRY ASSETS**

**1 INTRODUCTION**

**1.1 Background**

The Library, IT and Sundry Asset Management Plan is to be read in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Long Term Financial Plan (LTFP)
- Annual Business Plan and Budget (ABP&B)
- Councils Strategic Plan

The asset categories covered by this Asset Management Plan as of 31 July 2020 are shown in Table 1.

**Table 1 – Library, IT and Sundry Assets**

<b>Asset Category</b>	<b>Cost</b>	<b>Written down Value</b>
Books / Materials	\$2,938,397	\$891,368
IT Hardware and Equipment	\$1,160,098	\$276,205
Software	\$774,563	\$300,159
Leased IT Assets	\$537,749	\$349,612
Minor Plant	\$271,817	\$164,395
Christmas Decorations and Banners	\$60,073	\$51,466
Public Art	\$18,584	\$15,209
Landscaping	\$189,754	\$166,771
Street Trees	\$427,532	\$401,989
Furniture & Fittings (not fixed)	\$84,317	\$44,484



## 1.2 Assumptions

This Library, IT and Sundry Asset Management Plan is based on current service levels.

It is assumed that the current financing approach will continue; therefore, where assets are currently leased, this plan assumes they will continue to be leased.

Key stakeholders in the preparation and implementation of this Asset Management Plan are shown in Table 2.

**Table 2 - Stakeholders**

Key Stakeholder	Role in AM Plan
Councillors	<ul style="list-style-type: none"> <li>• Represent needs of the community and stakeholders</li> <li>• Set targeted sustainability ratios</li> </ul>
Executives	<ul style="list-style-type: none"> <li>• Adopt Asset Management Plan</li> <li>• Annual budget approvals</li> <li>• Portfolio sponsor</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• End users of service/assets</li> </ul>
Insurers and Lessors	<ul style="list-style-type: none"> <li>• Partner with Council to mutually cover risk exposure</li> <li>• Partner with Council to provide alternate financial solutions</li> </ul>
iServices Staff	<ul style="list-style-type: none"> <li>• Plan and facilitate asset acquisition, renewal, upgrade and disposal in accordance with this plan.</li> <li>• Establish service levels</li> <li>• Mitigate risk exposure</li> <li>• Monitor assets (including condition)</li> <li>• Coordinate planned and reactive maintenance with Council staff</li> </ul>
Finance Staff	<ul style="list-style-type: none"> <li>• Council's LTFP</li> <li>• Asset valuation and depreciation</li> <li>• Procurement facilitation</li> </ul>

## 1.3 Goals and Objectives of Asset Management

The Council exists to provide services to its community and many of these services are supported by the assets contained in this plan. The assets Council has acquired include assets by purchase, donation, grants and operating lease.

Council's goal in managing these assets is to meet the expected level of service in the most cost-effective manner for present and future consumers. The key elements of this asset management are:

- Taking a life cycle approach to developing cost-effective management strategies for the long term
- Providing a defined level of service and monitoring performance in line with stakeholder needs
- Managing risks associated with asset failures and disasters
- Continuous improvement in asset management practices.



### 1.4 Plan Framework

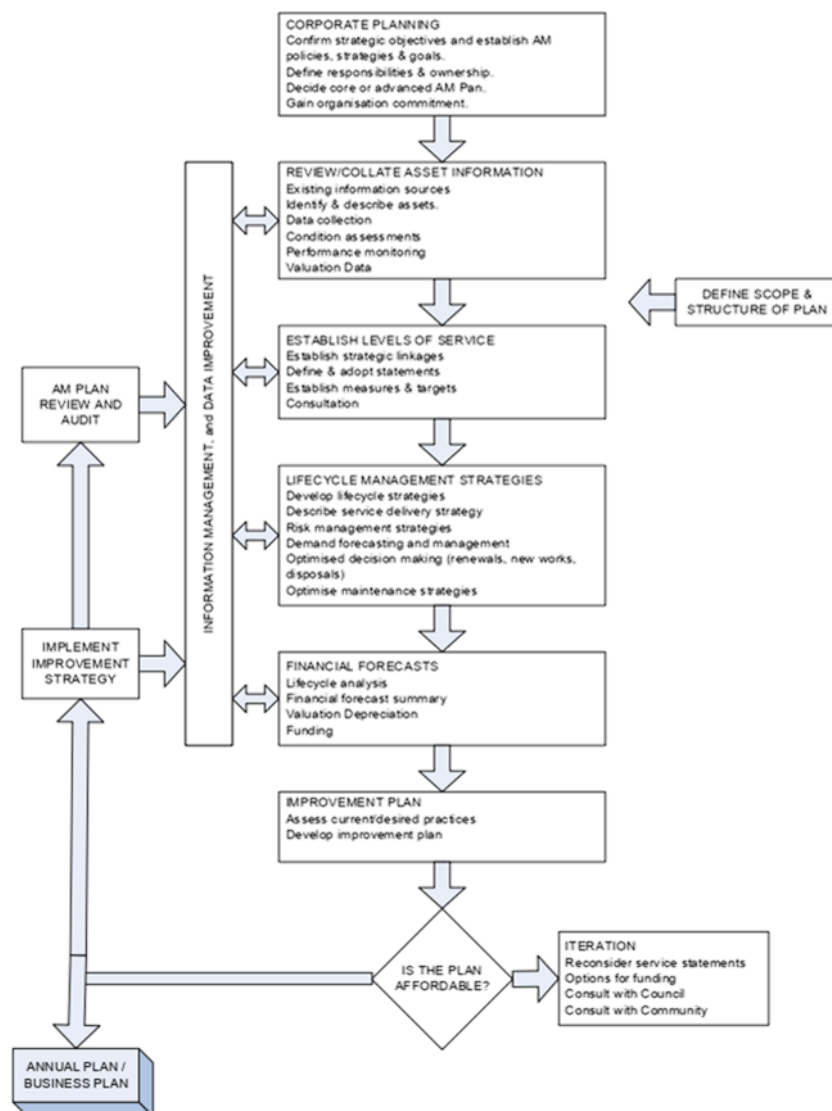
Key elements of the Plan are

- Levels of service – specifies the services and levels of service to be provided by Council
- Future demand – how this will impact on future service delivery and how demand will be met
- Life cycle management – how Council will manage its existing and future assets to provide the defined levels of service
- Financial summary – what funds are required to provide the required services
- Monitoring – how the Plan will be monitored to ensure it is meeting Council’s objectives
- Asset management improvement planning.

A road map for preparing an asset management plan is shown below.

#### Road Map for preparing an Infrastructure and Asset Management Plan

Source: IIMM Fig 1.5.1, p 1.11





## 2 LEVELS OF SERVICE

### 2.1 Legislative Requirements

Council must meet many legislative requirements including Australian and State legislation and State regulations. These include:

**Table 3 - Legislative Requirements**

Legislation	Requirement
Local Government Act, 2009	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by Infrastructure and Asset Management Plans for sustainable service delivery.
State Records Act, 1997	Set out responsibilities and requirement in relation to the management of Council records.
Work Health and Safety Act, 2012	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work

## 3 FUTURE DEMAND

### 3.1 Demand Forecast

Drivers affecting demand include population change, changes in demographics, consumer preferences and expectations, technological advances, economic factors, environmental awareness and risk management practices, etc.

Advances in technology will have significant impact on Council's assets and the expectations of our community to keep up to date with these changes.

Demand factor trends and impacts on service delivery are summarised in Table 4.

**Table 4 - Demand Factors, Projections and Impact on Services**

Demand factor	Present position	Projection	Impact on services
Population	26,276 (census 2016) Estimated 27,421 in 2021	1% growth	Increase access to IT and library assets and increased data processing capacity
Demographics	Ageing population	2 to 3% growth	Increase in IT and library assets that assist our ageing population
Community Expectations		Mobile and online solutions	Increased investment in resources required to meet demand and maintain existing services
Technological advances		Mobile and solutions and devices	Increased investment in resources required to meet demand and maintain existing services



### 3.2 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets, such as providing services from existing infrastructure which may be in another community area. They also include managing expectations in relation to service standards and service failures.

## 4 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in the section "Levels of Service") while optimising life cycle costs.

### 4.1 Background Data

This is the first iteration of Council identifying and formally planning for our assets. Data gathering has begun to holistically identify Council's hardware and software, both owned and leased.

#### 4.1.1 Physical Parameters

The assets covered by this Plan are shown in Table 1.

#### 4.1.2 Asset Capacity and Performance

Council's services are generally provided to meet design standards where these are available. Areas targeted for improvement are detailed in Table 5.

**Table 5 – Areas for improvement**

Service	Improvement
IT Asset Accountability	Identification of IT assets including location and responsibility. Automated process from time of purchase. Procedure to hold responsible officers accountable for all items assigned on a periodic basis.
IT Asset Acquisitions	Development of a procurement and acquisition planning procedure to ensure a certain level of scrutiny over all IT asset acquisitions. Aim is to continue with a decentralised purchasing approach, however incorporate a centralised review prior to purchase.
Enterprise IT applications	Upgrading of Enterprise wide systems to ensure not using outdated, unsupported technology and support Council on its continuous improvement regime.
Information Management	An overarching framework and formal procedures are needed in relation to operational information management and identification of standard mediums to register information.



#### **4.1.3 Asset Condition**

Due to the relatively short life of IT assets, condition is not a key driver for renewal. Advancements in technology and user expectations drive renewal needs however other assets covered by this plan are renewed based on their condition.

#### **4.2 Routine Maintenance Plan**

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

##### **4.2.1 Maintenance Plan**

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle and may relate to regular server maintenance, monitoring public access Wi-Fi and ensuring usability.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

##### **4.2.2 Standards and Specifications**

Maintenance work is carried out in accordance with the following Standards and Specifications:

- Current Australian and Industry Standards
- Work Health Safety Act and Regulations
- Council Standards and Specifications

#### **4.3 Renewal / Replacement Plan**

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is classed as upgrade/expansion or new works expenditure.

##### **4.3.1 Renewal Plan**

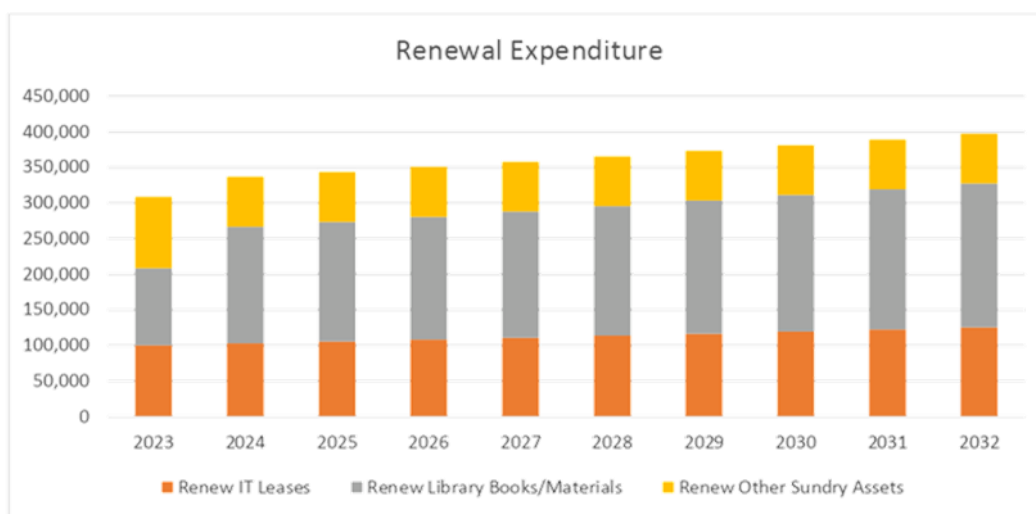
Assets requiring renewal are identified using the Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year

##### **4.3.2 Summary of Future Renewal Expenditure**

Projected future renewal expenditures are forecast to increase over time as the asset stock increases from growth and demand. The costs are summarised in Figure 2. Note that all costs are shown in real dollar values.



**Figure 2: Projected renewal costs**



Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in Council’s Risk Management Plan. Renewal and replacement expenditures in Council’s capital works program will be accommodated in Council’s LTFP.

**4.4 Creation / Acquisition / Upgrade Plan**

New assets are those that create a new asset that did not previously exist or works which upgrade or improve an existing asset beyond its existing capacity. They may result from technology growth, social or environmental needs. Community IT assets may also be acquired at no initial cost to Council from generous public and business donations.

**4.4.1 Selection Criteria**

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, Councillor/Executive requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programs. Council ultimately makes the decision on priority ranking of new assets based on this information.

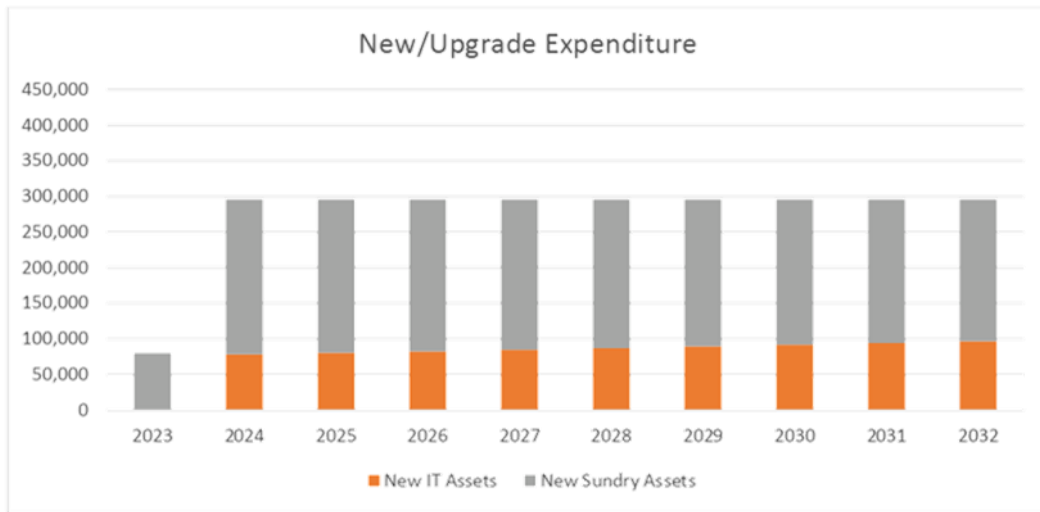
**4.4.2 Summary of Future Upgrade / New Assets Expenditure**

New assets and services are to be funded from Council’s capital works program and grants where available.

Projected upgrade/new asset expenditures are summarised below



**Figure 3: Projected New/Upgrade Costs**

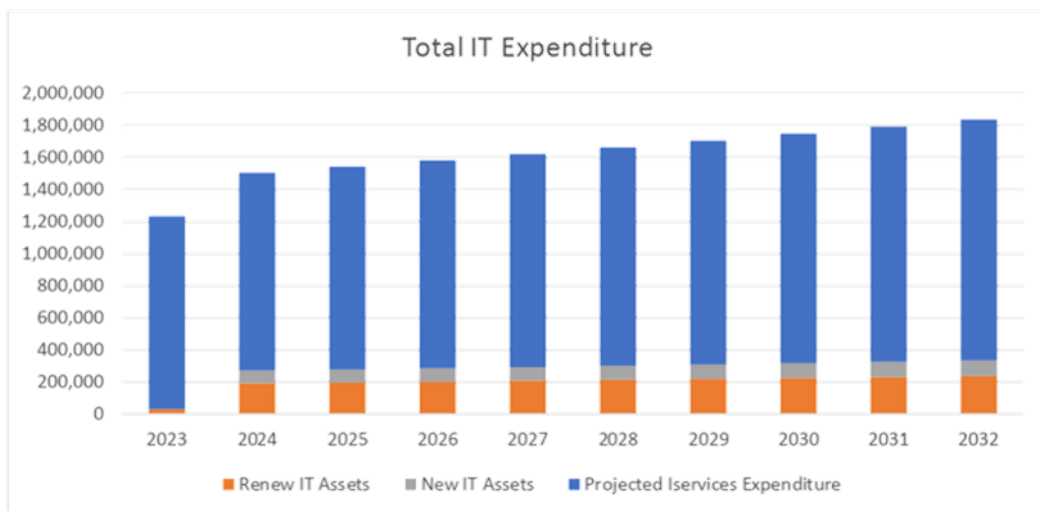


**5 FINANCIAL SUMMARY**

This section contains the financial requirements resulting from all the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

**5.1 Financial Statements and Projections**

The financial projections are shown in Figure 4 for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets) for the IT area.



Note that all costs are shown in real dollar values.



## 5.2 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Renewal of desktop & mobile devices every 3 years and communication devices every 5 years.
- Public art will not be renewed but rather new artwork will be commissioned.
- The art collection will only ever be new assets
- Street trees will be renewed and the planting of new street trees will continue.
- Straight line depreciation of asset condition has been assumed.

## 5.3 Improvement and Monitoring

### 5.3.1 Accounting and financial systems

Council uses Civica Authority as its accounting and financial system. This system integrates with Council's asset management system another module of the Civica Authority suite.

### 5.3.2 IT asset management

Council has Manage Engine Service Desk Plus to assist in managing and monitoring IT assets and customer requests. This program will be used to automate the IT Hardware and Software Registers and include:

- Adopted service levels
- Assignment of responsibility for IT assets
- Reporting
  - Customer requests
  - Leased v's owned assets
  - Categorisation of assets

The link between asset management and the financial system includes:

- The assumed works programs and trends
- The resulting budget, valuation and depreciation projections
- Useful life analysis (including renewal projections)
- Inputs to Council's LTFP and ABP&B

## 6 REFERENCES

The City of Mount Gambier Futures Paper

City of Mount Gambier Strategic Plan 2020-2024

City of Mount Gambier Annual Business Plan and Budget

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org.au](http://www.ipwea.org.au)



**7 Appendices**

**7.1 Library, Information Technology and Sundry Asset Management Plan**

<b>Library, IT and Sundry Asset Management Plan - 2022-2031</b>											
		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Library</b>	<b>Renewal</b>	108,000	163,713	167,970	172,455	176,939	181,716	186,804	191,679	196,682	201,816
<b>IT</b>	<b>Renewal</b>	30,000	192,459	197,463	202,735	208,006	213,622	219,604	225,336	231,217	237,252
	<b>Upgrade/new</b>	0	78,497	80,538	82,688	84,838	87,129	89,568	91,906	94,305	96,766
<b>Sundry</b>	<b>Renewal</b>	100,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
	<b>Upgrade/new</b>	80,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000






# Plant & Equipment Asset Management Plan 2023-2032

DRAFT  
May 2022





<b>Document Control</b>					
Document ID: AF11/1786 City of Mount Gambier Infrastructure and Asset Management Plan					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	February 2019	1 <sup>st</sup> version as a standalone document	KR	NS	NS
2		Updated during FY2022 Budget Process	CM	JZ	
3	May 2022	Updated during FY2023 Budget Process	MM	JS	BC

© Copyright 2007 – All rights reserved. This Infrastructure and Asset Management Plan template was prepared for the Local Government Association of South Australia by the Institute of Public Works Engineering Australia, (IPWEA), Jeff Roorda & Associates (JRA) and Skilmar Systems for the use of South Australian councils only under the LGA's Sustainable Asset Management in SA Program.



## TABLE OF CONTENTS

<b>1</b>	<b>SUMMARY</b> .....	<b>4</b>
1.1	What does it cost? .....	4
1.2	Future Plans .....	4
1.3	Relationship to Long Term Financial Plan and Annual Budgets .....	4
<b>2</b>	<b>FINANCIAL SUMMARY</b> .....	<b>5</b>
2.1	Financial Statements and Projections .....	5
2.1.1	Sustainability of Service Delivery .....	5
2.2	Funding Strategy .....	7
2.3	Valuation Forecasts .....	7
<b>3</b>	<b>ASSET MANAGEMENT PRACTICES</b> .....	<b>7</b>
3.1	Accounting / Financial Systems .....	7
3.2	Information Flow Requirements and Processes .....	7
<b>4</b>	<b>PLAN IMPROVEMENT AND MONITORING</b> .....	<b>8</b>
4.1	Performance Measures .....	8
4.2	Monitoring and Review Procedures .....	8
<b>5</b>	<b>REFERENCES</b> .....	<b>8</b>
<b>6</b>	<b>Appendices</b> .....	<b>9</b>
6.1	Plant and Machinery Asset Management Plan .....	9



## 1 SUMMARY

Plant and equipment owned by Council ranges from large earthmoving equipment, refuse collection vehicles, work utilities and small trucks, mowers, office vehicles, and specialised equipment such as footpath sweeping machine and paver laying machine.

### 1.1 What does it cost?

Total Carrying value of Plant and Equipment as at 30 June 2021 was \$5.875M with annual consumption approximately \$711,448 (i.e. annual depreciation expense). Council's goal is to align the consumption of plant and equipment reasonably over the life of the asset with its planned renewal so that minimal gap exists between the annual depreciation cost and the actual budget expenditure.

### 1.2 Future Plans

Council plans to manage its plant and equipment fleet to achieve the following strategic objectives.

- Ensure the fleet is maintained at a safe and functional standard and is fit for purpose.
- Provide for plant and equipment renewal in accordance with Council Policy P420 Procurement & Disposal of Land and Assets (as amended from time to time).
- Project plant and equipment renewals over a 20-year period, see Appendix D (values have been included based on anticipated dollar value at the time of purchase).
- Council has historically only owned plant and equipment to satisfy 'core function' activities and has sub-contracted or contracted specialist equipment on an as needs basis (e.g. excavators, backhoes, bobcats, asphalt laying equipment).
- Identify and dispose of any surplus equipment or equipment that becomes available of a specialist nature which will help provide and/or improve efficient service delivery to the community.
- Review the most efficient and effective means of owning fleet, for e.g. lease, hire purchase, own outright, buy new, and buy second hand.
- Complete cyclical audits on its plant and equipment fleet to ensure they are stored correctly, onsite and ready for use.

### 1.3 Relationship to Long Term Financial Plan and Annual Budgets

Plant and equipment purchases are not uniform in value and annual budget allocations can vary significantly from year to year. This Asset Management Plan considers the scheduled replacement cost of purchase for the next ten years which is duplicated in both the Annual Budget and the Long-Term Financial Plan.



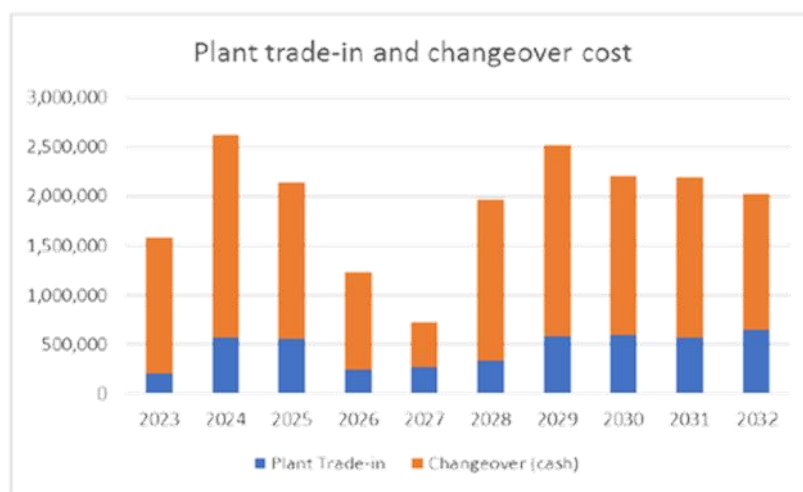
## 2 FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this Infrastructure and Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

### 2.1 Financial Statements and Projections

The financial projections are shown in Figure 1 for planned replacement and net capital changeover expense.

**Figure 1: Plant replacement and changeover**



#### 2.1.1 Sustainability of Service Delivery

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium-term costs over the 10-year financial planning period.

##### Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include maintenance and asset consumption (depreciation expense).

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals.

A gap between life cycle costs and life cycle expenditure gives an indication as to whether present consumers are paying their share of the assets they are consuming each year. The purpose of this Asset Management Plan is to identify levels of service that the community needs and can afford and develop the necessary long-term financial plans to provide the service in a sustainable manner.

##### Medium term – 10 Year Financial Planning Period



This Asset Management Plan identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 20-year period for input into a 10-year financial plan and funding plan to provide the service in a sustainable manner.

This may be compared to existing or planned expenditures in the 10-year period to identify any gap. In a core Asset Management Plan, a gap is generally due to increasing asset renewals or underfunding of capital renewal programs.

Table 1 provides a breakdown over the next 10 years comparing projected renewals and planned renewals. In most cases it is evidenced that Council's planned renewals (net changeover) exceed projected renewals (depreciation).

**Table 1: Projected and Planned Renewals and Expenditure Gap**

Year	Projected Renewals / Depreciation \$'000	Planned Renewals \$'000	Renewal Funding Gap/Excess \$'000	Cumulative Gap \$'000
2023	711	1,386	675	675
2024	729	2,055	1,326	2,001
2025	747	1,581	834	2,835
2026	766	985	219	3,054
2027	785	446	-339	2,715
2028	805	1,629	824	3,539
2029	825	1,945	1,120	4,659
2030	846	1,599	753	5,412
2031	867	1,627	760	6,172
2032	889	1,377	488	6,660

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

The COVID-19 worldwide pandemic has impacted significantly on the renewal and replacement of plant and equipment over recent times delaying delivery and increasing changeover costs. Trade in values have decreased and new plant costs have increased widening the gap between depreciation and planned renewals. The delay on delivery has resulted in budgets being rolled forward to ensure delivery of critical plant and equipment while some planned new/upgrade initiatives aimed at achieving efficiencies in service delivery have needed to be deferred to future budget bids. These factors have a cumulative effect on the AMP as projected costs increase over time further widening the gap between Councils projected renewals and planned renewals.

Work is currently underway to conduct a service review of plant and equipment providing individual plant assessments detailing:

- condition rating
- usage versus age
- maintenance cost
- suitability for intended purpose
- fair market value
- cost of replacement
- ownership vs lease vs hire

This work will better inform the AMP for future budget and long-term financial planning.

Future iterations of this Plan will refine the assumptions used to project plant and equipment renewals with the objective of better aligning net changeover values to depreciation over the life of the asset. The current positive gap indicates that Council's plant & equipment programme more than offsets the depreciation in this AMP. Further iterations of this AMP will aim to bring these more into line, which



include a clearer delineation between asset renewal versus new asset acquisition, as well as review of the depreciation as the optimal level for renewal.

## 2.2 Funding Strategy

Projected expenditure identified in Section 2.1 is to be funded from Council's operating and capital budgets. The funding strategy is detailed in the Council's Long-Term Financial Plan.

## 2.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from acquisition by Council. Depreciation expense values are forecast in line with asset values based on asset useful life and expected residual values. Due to the high turnover and nature of Council's plant and equipment assets, Council does not revalue this asset category.

The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.

# 3 ASSET MANAGEMENT PRACTICES

## 3.1 Accounting / Financial Systems

- Local Government authorities in South Australia are established under the provisions of the Local Government Act, 1999.
- Financial and Accounting practices and procedures are required to be in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations and the Australian Accounting Standards.
- Council's asset accounting policy ensures that all Council owned assets are valued and depreciated in accordance with relevant Australian Accounting Standards ("the Standards") pursuant to Local Government Act 1999 under section 303(4).organisation.
- Council's audit regime includes the required annual statutory audit required by legislation and also a periodic 'procedural' audit. This process is also completed on an annual basis.
- Council's accounting and financial systems utilise the Civica local government enterprise software solution entitled 'Authority'.
- The Authority software solution enables integration of all Council operations including the Finance and Asset Management functions.

## 3.2 Information Flow Requirements and Processes

The key information that flows into this Infrastructure and Asset Management Plan are:

- The asset register data on size, age, value, remaining life of the network
- The adopted service levels



- Projections of various factors affecting future demand for services
- Correlations between maintenance and renewal, including decay models
- Data on new assets acquired by Council.

The key information flows from this Asset Management Plan are:

- The assumed Works Program and trends
- The resulting budget, valuation and depreciation projections
- The useful life analysis
- Funding gap/excess considerations
- Improvements for asset management planning.

These will impact on the Long-Term Financial Plan, Community Plan, Annual Budget and business unit plans and budgets.

## 4 PLAN IMPROVEMENT AND MONITORING

### 4.1 Performance Measures

The effectiveness of the Asset Management Plan can be measured in the following ways:

- The degree to which the required cash flows identified in this Asset Management Plan are incorporated into Council's LTFP
- The degree to which 1-5-year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the Asset Management Plan.

### 4.2 Monitoring and Review Procedures

This Asset Management Plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a life of 4 years and is due for revision and updating within 2 years of each Council election in accordance with the Local Government Act.

## 5 REFERENCES

The City of Mount Gambier Futures Paper

City of Mount Gambier Strategic Plan 2020-2024

City of Mount Gambier Annual Business Plan and Budget

DVC, 2006, 'Asset Investment Guidelines', 'Glossary', Department for Victorian Communities, Local Government Victoria, Melbourne

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org.au](http://www.ipwea.org.au)



## 6 Appendices

### 6.1 Plant and Machinery Asset Management Plan

Plant & Machinery Asset Management Plan - 2022-2031										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Renewal</b>	1,386,000	2,054,251	1,580,377	984,964	445,707	1,628,588	1,944,328	1,598,618	1,626,884	1,376,407
<b>Upgrade/new</b>	620,940	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
<b>TOTAL</b>	2,006,940	2,094,251	1,620,377	1,024,964	485,707	1,668,588	1,984,328	1,638,618	1,666,884	1,416,407





**5 MEETING CLOSE**

