

Reference: AF11/877  
Enquiries to: Ms Sarah Philpott

## MEMBERS

NOTICE is hereby given that the Mayor has called a Special Meeting of the Council to be held at the Council Chamber, Civic Centre, 10 Watson Terrace, Mount Gambier on the following date and time:

**Tuesday 25 June 2024 - Council Chamber - Civic Centre (commencing at 6:00 pm)**

For the purpose of:

1. Adoption of 2024/2025 Annual Business Plan, Budget and Rating policies
2. Adoption of Valuations and Rates Declaration year ending 30 June 2025
3. Adoption of Long Term Financial Plan (LTFP) 2025-2034
4. Adoption of Asset Management Plans 2025/2034

Please find Agenda attached.



**Sarah PHILPOTT**  
CHIEF EXECUTIVE OFFICER

6 May 2024



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 Meeting of Council will be held on:**

**Date:** Tuesday, 25 June 2024  
**Time:** 6:00 p.m.  
**Location:** Council Chamber  
Civic Centre  
10 Watson Terrace  
Mount Gambier

# **AGENDA**

## **Special Council Meeting 25 June 2024**

**Sarah Philpott**  
**Chief Executive Officer**  
**21 June 2024**



## Order Of Business

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**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 FIRST NATIONS PEOPLES HAVE WITH THE LAND.**

**2 APOLOGIES**

Nil

**3 LEAVE OF ABSENCE**

Nil



## 4 COUNCIL REPORTS

### 4.1 ADOPTION OF 2024/2025 ANNUAL BUSINESS PLAN, BUDGET AND RATING POLICIES – REPORT NO. AR24/25851

|                                  |   |
|----------------------------------|---|
| <b>Committee:</b>                | <b>Council</b>  |
| <b>Meeting Date:</b>             | <b>25 June 2024</b>   |
| <b>Report No.:</b>               | <b>AR24/25851</b>   |
| <b>CM9 Reference:</b>            | <b>AF23/328</b>   |
| <b>Author:</b>                   | <b>Julie Scoggins, Manager Financial Services</b>   |
| <b>Authoriser:</b>               | <b>Sarah Philpott, Chief Executive Officer</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.<br/>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.<br/>Annual Overview - this document describes Council's proposed services, projects, objectives and KPIs for 2024/2025 and includes the rating strategy and draft rating policies and annual budget.</b> |
| <b>Strategic Plan Reference:</b> | <b>Goal 1: Our People<br/>Goal 2: Our Location<br/>Goal 3: Our Diverse Economy<br/>Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage<br/>Goal 5: Our Commitment</b>  |

#### REPORT RECOMMENDATION

1. That Council Report No. AR24/25851 titled 'Adoption of 2024/2025 Annual Business Plan, Budget and Rating policies' as presented on 25 June 2024 be noted.
2. That Council, having considered the public submissions at the Special Council meeting on 18 June 2024 and the feedback provided at the Audit and Risk Committee on 3 June 2024, adopts the 2024/2025 Annual Business Plan and Budget and Rating Policies as attached to Repot No. AR24/25851.
3. That Council authorises the Chief Executive Officer or Delegate to make any necessary changes to the 2024/2025 Annual Business Plan and Budget document arising from this meeting, together with any editorial amendments and finalisation of the document's formatting and graphic design that do not materially alter the integrity of the document.
4. That Council revoke the R130 Rates General Matters Policy as the contents have been included in the R105 Draft Rating Policy 2024/2025.



## TYPE OF REPORT

Legislative

## BACKGROUND

1. **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.
2. **Public Consultation** - Consultation was undertaken on the draft Annual Business Plan in accordance with Council's public consultation policy and Section 123 (4) of the Act for a minimum of 21 days.
3. **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 at seven workshops held between March and May 2024. The budget was reviewed in detail during the process including "line by line" analysis to ensure that all opportunities for additional revenue and efficient budget allocation were recognised.
4. **Annual Business Plan and Budget Elected Member Engagement** – Further to a parameters session undertaken in February, seven informal briefings were held with Elected Members during March-May 2024 to brief them on the contents of the budget, LTFP, IAMPs and provide an understanding of the priorities for the coming year.
5. **Written Submissions** - The public consultation process generated 11 submissions on the Draft Annual Business Plan, Draft Long Term Financial Plan and Asset Management Plans that were considered at the Special Council meeting on Tuesday 18 June 2024.:
  - **Individuals** - 10 individuals provided submission.
  - **Groups** - 1 group provided a submission.

**Late Submission** - It should be noted that a late submission was received that was also considered by Elected Members.
6. **Verbal Submissions** - Three verbal submissions were presented at the Special Council meeting on Tuesday 18 June 2024 as follows:
  - Graham Walkom;
  - Vivian Hooper On behalf of Shayne Haggis; and
  - The Mount Gambier and District Residents and Ratepayers Association.
7. **Audit and Risk Committee Feedback** - At the Audit and Risk Committee meeting on 3 June 2024, the Committee reviewed the Draft Annual Business Plan and Budget and the below recommendation be presented for Council resolution at the special Council meeting on 18 June 2024.

*That the Audit and Risk Committee feedback on Council's Draft 2024/2025 Draft Annual Business Plan and Budget and/or the associated processes and risks, as follows:*

- *The Audit and Risk Committee acknowledge the significant work Council's administration have undertaken to prepare the Annual Business Plan and Budget 2024/2025.*
- *The Audit and Risk Committee acknowledge the importance of maintaining financial sustainability and recognises the proposed rate increase is required to support financial sustainability.*
- *The Audit and Risk Committee encourage Council to closely monitor the financial performance throughout the year in the context of the financial ratio targets.*



- *The use of the average residential rate and the waste service charge by comparison to other Council's should be considered as a guide only.*

*be incorporated with the public consultation feedback to be presented to the Special Council meeting to be held on the 18 June 2024 for consideration of the adoption of the Draft 2024/2025 Annual Business Plan and Budget.*

8. **Post Consultation Budget Workshop** - Following the Special Council meeting to consider written submissions, receive verbal submissions and questions from members of the public a workshop was held to consider feedback and what if any changes needed to be made to the Annual Business Plan and Budget.

## 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 Plan 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 and some enhancements to the current level of all existing services to the whole community.

3. **Alterations made to the Annual Business Plan and Budget Document Following Public Consultation** - Key changes made to the document are as follows:

Consultation feedback was received on the Draft Annual Business Plan and Budget along with Council's Long Term Financial Plan and Asset Management Plans.

A number of changes were made to this document as a result of public consultation/updated information:

- **Strategic Context** - Was further refined to clarify the status of the current Futures Paper and 2020-2024 strategic plan in the context of the development of the Mount Gambier 2035 community vision and the development of the 2024-2028 strategic plan.
- **Funding and Expenditure Summary** - Further to requests for additional detail to be provided for operating expenditure, a breakdown by function (supported by definitions) has been included in the document (aligned with Council's financial statements).
- **Financial Targets** - Details of the loan agreement with the Local Government Finance Authority (LGFA) were also referenced to provide further details of Council's debt funding of the Wulanda Recreation and Convention Centre.
- **Risks** - Further details of the expected impact of the work currently being undertaken on the Capital Works Costing Principles have been included to ensure that there is greater clarity of what is and what isn't included in the Annual Business Plan.
- **Rating Information** - 2024/2025 general rates and waste service charge information were updated to reflect the latest information provided by the Valuer General and the final numbers for adoption i.e. 10.13% increase to general rates excluding growth and 1.11% growth and 43.9% increase in the waste service charge. Additional data has been incorporated including the cents in the dollar, the number of assessments, average rates and the fixed rate.
- **Minor Amendments** – Typographical and editorial changes have been made throughout the document.



4. **Financial of the Annual Business Plan and Budget** - As shown below the Annual Business Plan and Budget financial highlights are as follows:

| Summary                  | Key Measure                         | Adopted Budget 2024 | Budget 2025 | Adopted LTFP 2025 | Target            |
|--------------------------|-------------------------------------|---------------------|-------------|-------------------|-------------------|
| Revenue Assumptions      | General Rate Increase (excl growth) | 5.53%               | 10.13%      | 5.7%              |                   |
|                          | Assessment Growth                   | 0.67%               | 1.11%       | 0.5%              |                   |
|                          | Waste Service Charge (incl growth)  | 6.2%                | 43.9%       | 6.2%              |                   |
| Key Financial Indicators | Operating Surplus Ratio             | -6.7%               | -3.5%       | -4.3%             | > \$0 by FY 2027  |
|                          | Net Financial Liabilities           | 117%                | 100%        | 108%              | < 100% by FY 2027 |
|                          | Asset Renewal Funding Ratio         | 100%                | 100%        | 100%              | > or = 100%       |
| Operating Revenue        | Operating revenue (\$'m)            | 42.3                | 48.6        | 44.2              |                   |
| Operating Expenditure    | Operating expenditure (\$'m)        | 45.1                | 50.3        | 46.0              |                   |
| Capital Expenditure      | Asset Renewals (\$'m)               | 5.8                 | 8.7         | 6.6               |                   |
|                          | New/Upgrade (\$'m)                  | 3.9                 | 2.7         | 0.7               |                   |

- **General Rate Revenue Increase** – As shown in the table above the general rate increase for the draft 2024/2025 budget is proposed as 10.13% excluding growth, higher than the previously adopted LTFP and last year's ABP due to the factors stated in the overview..
- **Inflation** - CPI has been assumed to be 2.9% based on Deloitte Access Economics forecast for FY 2025 as at December 2023 (broadly in line with the forecast of 2.7% as at March 2024).
- **Operating Deficit** - The operating deficit is lower than the target set by the Long Term Financial Plan for 2024/2025 as adopted by Council in June 2023 of (\$1.9) million. This decrease is mainly driven by significantly higher operating revenue as a result of the increases detailed above.

Increased revenue has been created to support the following:

- **Inflationary pressures** - in materials, contracts and other (materials, services and utilities) and the higher depreciation costs as a result of valuations for the Infrastructure and Buildings and Structures major asset classes; and
- **Additional capacity** - required to support the delivery of priorities such as the delivery of the Strategic Work Plan and future growth (in the form of unlocking project funding (those foundational projects that support the delivery of Council's Strategic Work Program), additional FTEs (1.5 FTEs to support the implementation of the volunteer management and the trails masterplan, and resourcing capacity equivalent to 2 FTEs or consulting/contractor capacity) and an additional budget allocation for the Strategic Work Program. In response to community feedback additional budget has also been allocated for CBD activation.
- **Operating Expenditure** - A total of \$50.3m 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. As stated above, this is an increase on the current adopted LTFP and incorporates capacity required to deliver services for the community in support of Council's LTFP.
- **Renewal Program** - Next year \$8.7m has been allocated to renew assets including Buildings and Structures \$1.2m, Infrastructure \$3.6m and Plant and Equipment \$3.6m. The increase in expenditure compared to the prior year budget and previously adopted LTFP reflects the impact of the condition audits and valuations that have informed the forward capital works program and the Asset Management Plans.



- **New/Upgrade** - Next year \$2.7m has been allocated to New/Upgrade including investment in Waste Management \$0.9m, Railway Lands Playspace (with supporting grant funding) \$0.5m, other buildings and structures \$0.2m, Infrastructure \$0.4m, plant of \$0.5m (including \$250k for a 5.5-6 ton excavator), and IT/Other \$0.2m.
- **Key Financial Indicators** - The key ratios have been compared to the adopted LTFP as shown below:

| Financial Indicator             | Adopted Budget 2024 | Draft Budget 2025 | Adopted LTFP 2025 |
|---------------------------------|---------------------|-------------------|-------------------|
| Operating Surplus Ratio         | -6.7%               | -3.5%             | -4.3%             |
| Net Financial Liabilities Ratio | 117%                | 100%              | 108%              |
| Asset Renewal Funding Ratio     | 100%                | 100%              | 100%              |

- **Operating Deficit Ratio** - The operating deficit ratio is lower than the previously adopted LTFP (favourable variance) mainly due to the increases in operating revenue that more than offset the increased expenditure (with more detail provided above).
- **Net Financial Liabilities Ratio** - This is lower than the LTFP target (favourable) mainly due to the increase in revenue detailed above and reduced borrowings from 2022/2023 and forecast for 2023/2024.
- **Asset Renewal Funding Ratio** - Both the current plan and LTFP target are 100% reflective of the updated Asset Management Plan.

5. **Grant Funding** - Council has also been successful in securing grant funding from Local Roads and Community Infrastructure. Additional grant funding of \$250k has been assumed to support the development of the Railway Lands Playspace. Council have also been advised of a significant increase in revenue for the next five-year program and beyond for Roads to Recovery grant funding (aiming to double the amount of grant revenue allocated per annum by the end of the program and maintain that level into the future). It should be noted that the 2024/2025 increased revenue has been excluded from the ABP at this stage pending details of grant conditions.
6. **Financial Statements** - Includes the following statements:
  - 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.
7. **Annual Net Impact to Financing Activities (surplus (deficit))** - Council's (budget deficit) as shown in the Uniform Presentation of Finances in 2024/2025 is expected to be (\$0.7m). This deficit is lower (unfavourable) than the previously adopted LTFP target mainly due to the improved operating deficit being more than offset by increased investment in asset renewals and new assets (reflecting updated information as a result of the asset condition audits and valuations).
8. **Rating Policy and Rate Rebate Policy** - Aligned with previous years the two policies have been included in the draft Annual Business Plan and Budget document. They identify the framework within which Council must operate and make policy choices. It should be noted that the R130 Rates General Matters Policy has been included in the R105 Draft Rating Policy (with a recommendation to revoke this standalone policy). They have been included for adoption with the Annual Business Plan and Budget.





## **LEGAL IMPLICATIONS**

The Annual Business Plan is aligned with legislation as detailed in the background section of this report.

## **STRATEGIC PLAN**

The Draft Annual Business Plan and Budget 2024/2025 is aligned with the City of Mount Gambier Strategic Plan 2020-2024. It should be noted that Council's Strategic Plan 2024-2028 will be adopted by November 2024 and will support the development of future Annual Business Plan and Budgets.

## **COUNCIL POLICY**

R105 Draft Rating Policy 2024/2025 (included in this agenda item)

[R130 Rates General Matters](#) to be revoked

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

[P195 Community Consultation and Engagement Policy](#)

[T150 Treasury Management Policy](#)

[B300 Budget Framework Policy](#)

[Procurement Policy](#)

[Asset Accounting Policy](#)

[A900 Asset Management Policy](#)

## **ECONOMIC IMPLICATIONS**

The Annual Business Plan and Budget was developed considering the adopted Long Term Financial Plan 2024-2033 and aligned with the development of the Long Term Financial Plan 2025-2034 and Asset Management Plans 2025-2034 also included in the agenda for this meeting.

## **ENVIRONMENTAL IMPLICATIONS**

The Draft Annual Business Plan and Budget 2024/2025 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 Annual Business Plan and Budget 2024/2025 has been managed within existing staff resources.

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

## **VALUE FOR MONEY**

The Draft Annual Business Plan 2024/2025 includes the budget. Procurement of goods and services included in the budget will be aligned with Procurement Policy.





## RISK IMPLICATIONS

The capacity to deliver the 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 Annual Business Plan and Budget

## ENGAGEMENT AND COMMUNICATION STRATEGY

|   |   |
|---|---|
| Method of consultation, informing the community | <p>Copies were 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 was available for the community to ask questions and receive submissions on Council's Have Your Say website during the public consultation period.</p> <p>Drop-In sessions were held at the Library during the public consultation period.</p> <p>A Special Council meeting was held on Tuesday 18 June 2024 at 5:00pm to hear feedback from the community.</p> |
| Feedback to stakeholders/Council                | <p>11 written submissions were provided in the council report presented at the Special Council meeting on 18 June 2024 (including ABP, LTFFP ad AMPs).</p> <p>3 verbal submissions were made at the Special Council meeting held on 18 June 2024.</p> <p>A written response will be provided to all submissions following the Special Council meeting on 25 June 2024.</p>  |
| Timeframe for Consultation                      | 23 May - 13 June 2024.  |

## IMPLEMENTATION STRATEGY

Following the adoption of the Annual Business Plan and Budget 2024/2025 in June 2024 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 Annual Business Plan details Council's intended programs for the 2024/2025 financial year including the annual budget and rating policy.

Following adoption by Council the Annual Business Plan document will be updated and published on Council's website based on the decisions of Council.



## **ATTACHMENTS**

1. Annual Business Plan and Budget 2024/2025 [↓](#)





# 2024/2025 Annual Business Plan and Budget





#### Changes following public consultation

Consultation feedback was received on the Draft Annual Business Plan and Budget along with Council's Long Term Financial Plan and Asset Management Plans.

A number of changes were made to this document as a result of public consultation/updated information as follows:

- **Strategic Context** - Further refined to clarify the status of the current Futures Paper and strategic plan in the context of the development of the Mount Gambier 2035 community vision and the development of the 2024-2028 strategic plan.
- **Funding and Expenditure Summary** - Further to requests for additional detail to be provided for operating expenditure, a breakdown by function (supported by definitions) has been included in the document (aligned with Council's financial statements).
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- **Minor amendments** – Typographical and editorial changes have been made throughout the document.

The City of Mount Gambier acknowledges the Boandik Peoples as the Traditional Custodians of the land and water our city sits upon today.

We respect and recognise the deep feelings of attachment and the spiritual relationship our Aboriginal and Torres Strait Islander Peoples have with the land and water.

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## A message from the Mayor

**On behalf of Elected Members, I present the 2024/2025 City of Mount Gambier Annual Business Plan and Budget.**

This is Council's key operational and financial planning document, outlining the proposed programs and capital projects that we will undertake in the upcoming financial year.

Budget deliberations have been particularly challenging this year, as we grapple to balance priorities with the financial climate, being mindful of cost of living pressures and the provision of service delivery required to meet community expectations and ensure that Council is positioned for long term financial sustainability.

Elected Members have engaged in the most robust budget discussions I have been part of in my six years as Mayor, participating in seven workshops in which we carefully considered numerous scenarios and options over many hours to come to a budget and long term financial plan that continues to best serve our community.

Elected Members and Council staff have identified where savings can be achieved, how to ensure that we maintain our assets and looked line by line into this budget. I can assure you that no stone was unturned to balance Council's short and long term financial obligations, while creating capacity to deliver what the community expects in 2024/2025.

Council delivers a whole range of services to our residents in line with community expectations and in accordance with the Asset Management Plan and the Long Term Financial Plan to maintain our assets and our city. To support that work, we have made the difficult decision to increase rates to 10.13 per cent, excluding growth in the 2024/2025 Annual Business Plan and Budget.

Like everyone within the community, Council is feeling the pressure of cost escalations and has attempted to minimise the impact of increasing costs for our ratepayers for several years. We have absorbed the impact of growth and rated below CPI, and we are now unable to continue to absorb the true additional service and waste costs and must increase rates.



This rating model enables Council to enhance services, meet key financial ratios and allows capacity to support the future growth of the organisation and the implementation of strategic plans such as Mount Gambier 2035 and the Sport, Recreation and Open Space Strategy (SROSS). We not only continue our existing services, but also have priority projects enhancing our unique local spaces, such as Umpherston Sinkhole/Balumbul and the Crater Lakes area. We are also looking forward to working with volunteers, including establishing some new programs which will make our city even more attractive and improve liveability. We are investing in the arts, and in designing the shape of our city.

This is a visionary budget and I have been buoyed by the discussions occurring around Mount Gambier 2035 and know that we have an exciting future. The City of Mount Gambier is proud to provide services, programs and support to our community, and to build on the vision that our community is developing.

I look forward to continuing to work with Elected Members and Council staff as we focus on delivering exciting and progressive projects for both residents and visitors to our city to enjoy.

**Lynette Martin OAM  
MAYOR**

## A message from the CEO

**The preparation of the City of Mount Gambier 2024/2025 Annual Business Plan and Budget has provided us with an opportunity to take an intensive look at Council's finances and service delivery models during what is currently a difficult financial climate for the community and Council.**

Council's proposed 2024/2025 Annual Business Plan and Budget is focused on providing a balance of capacity to maintain and improve assets and services for the community, and long term financial sustainability. Unlocking projects will provide capacity within the organisation, review service levels and seek efficiencies. We will assess our asset management planning approach, business systems and infrastructure and workforce planning framework. Importantly, we will also begin work to explore the growth opportunities associated with Council's strategic plans. As part of the Mount Gambier 2035 Strategic Plan project to create a collective vision for our city, our community told us that they want us to deliver some great things, and we are confident that the budget being presented to you, gives us the financial capacity to work with you on that.

The average residential ratepayer will pay \$1,342\* in 2024/2025 which equates to an overall increase of \$119. The average residential rate is below the South Australian average which was \$1,898 for the metropolitan area and \$1,725 for rural areas in 2023/2024 (City of Mount Gambier was \$1,223).

The Waste Service Charge is proposed to increase to \$311.00 per household in 2024/2025. This charge includes the cost of waste collection, kerbside recycling, green waste and the cost of disposal to Caroline Landfill. This proposed increase will ensure that Council is able to cover the cost of the service. Additionally, with growth comes extra demands on Council including more bin lifts. In fact, we now have reached one million bin lifts per annum.

Council understands the financial pressures our residents are currently facing, and we have historically endeavoured to keep rates as low as possible to ease the burden on local households. In 2020/2021 Council applied a zero rate increase to assist ratepayers during COVID, and in 2022/2023



and 2023/2024 rate increases were below the Consumer Price Index (CPI).

It is also worth noting that councils throughout Australia rely on Federal Government grant funding, and these vital funds have been considerably reduced in recent years.

Council is not immune to the universal surge in costs and can no longer continue to absorb compounding increases, hence the difficult decision has been made to increase rates.

City of Mount Gambier remains dedicated to offering a wide range of services to benefit our residents. We are committed to ensuring ongoing sustainability so that our assets are maintained and provided to a good standard, and where we can provide the foundations for our thriving city into the future.

**Sarah Philpott**  
**CHIEF EXECUTIVE OFFICER**

\* Excluding the Waste Service Charge

## **PURPOSE**

The Annual Business Plan is the key operational and financial document for Council. It sets proposed operational programs and capital projects for 2024/2025 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, Long Term Financial Plan (10 year plan) and the Asset Management Plan (10 year plan). 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.

Council have engaged with the community and Elected Members in the build of the new community vision (Mount Gambier 2035). This will set the direction for the next ten years.

Strategic priorities were reviewed with the Executive Leadership Team, Management Team and Elected Members to inform timing and deliverables for the next three years in the further development of the strategic work plan. The additional capacity required to deliver the supporting projects and corresponding budget allocation for 2024/2025 is detailed in this document.

## **GENERAL RATES**

During the budget process, a review of Council's rating strategy was undertaken, including benchmarking against other South Australian councils on the average rural residential rates for South Australia as at 2023/2024. A significant number of scenarios were developed for rates in 2024/2025 and beyond.

These scenarios were reviewed with the Executive Leadership Team and Elected Members at multiple workshops with a particular focus on the achievement of target financial ratios by 2027.

## **WASTE SERVICE CHARGE**

A review was undertaken of the cost of providing waste services to the community. Due to inflationary pressures that have impacted both operating costs and the capital costs of constructing and capping cells at the Caroline Landfill facility, a scenario was proposed that included a significant increase for 2024/2025.

## **OPERATIONS BUDGET BUILD APPROACH**

The Annual Business Plan 2024/2025 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.

The 'first cut' of the budget was \$2.2m above the previously adopted LTFP target operating deficit (including \$1.1m of depreciation). Council staff reviewed revenue and expenditure and were able to further reduce the operating deficit by \$0.7m.

## **ELECTED MEMBER REVIEW**

Seven workshops were held with Elected Members to develop this budget, discuss priorities, and work through requested rating scenarios to inform the budget and Long Term Financial Plan during March, April and May 2024.





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

## **MARKET CONDITIONS**

Over the last three 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 could 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,
- Education,
- Visitor economy,
- Health services,
- Agribusiness, and
- Transport and logistics.

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 seaport 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.

## **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**

The development of a Limestone Coast Regional Plan continues and it is anticipated that consultation will begin in the first quarter of 2025. The regional plan will identify and guide land use and infrastructure requirements for City of Mount Gambier and provide information and strategic direction towards the development in Mount Gambier and the Limestone Coast.

## **POLITICAL ENVIRONMENT**

State and federal governments will continue to 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.

## **HISTORIC RATING**

In previous years rating did not keep up with inflation and while an increase was proposed smoothed across 3 years last year, rating was below actual CPI for FY 2024. Last year aligned with previous years, City of Mount Gambier average residential rates were significantly below the rural state average.

## **GROWTH**

Over previous years the organisation has not grown/increased budget to reflect community growth (and increase in cost of service).

## **COST PRESSURES**

The budget has incorporated the pressures from high inflation impacting on major valuations, utilities, and significant increases in other goods and services.



## **ASSET MANAGEMENT**

Like many councils in the local government sector, asset valuations have had a significant impact on the budget (this was unknown at the time of last year's Annual Business Plan).

Further to condition audits and valuations undertaken during 2023/2024 for our major asset classes (Infrastructure and Buildings and Structures) and the impact on 2023/2024 budget, there has been a significant increase in both depreciation (\$1.1m above the adopted LTFP for 2024/2025), the capital works budget and the forward works program. This increase is required to maintain our assets to an acceptable standard for our community in accordance with legislation.

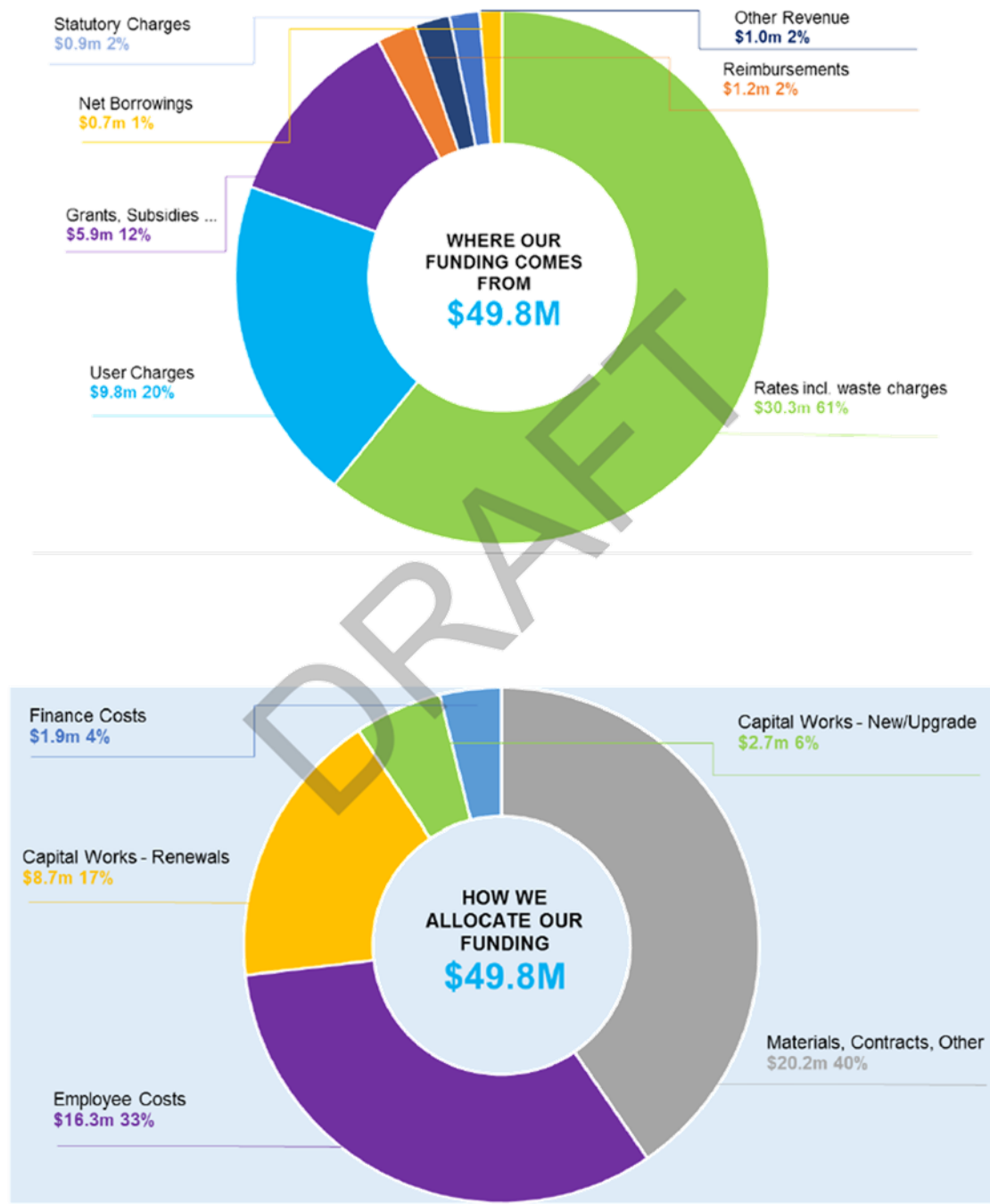
## **CAPACITY CREATION**

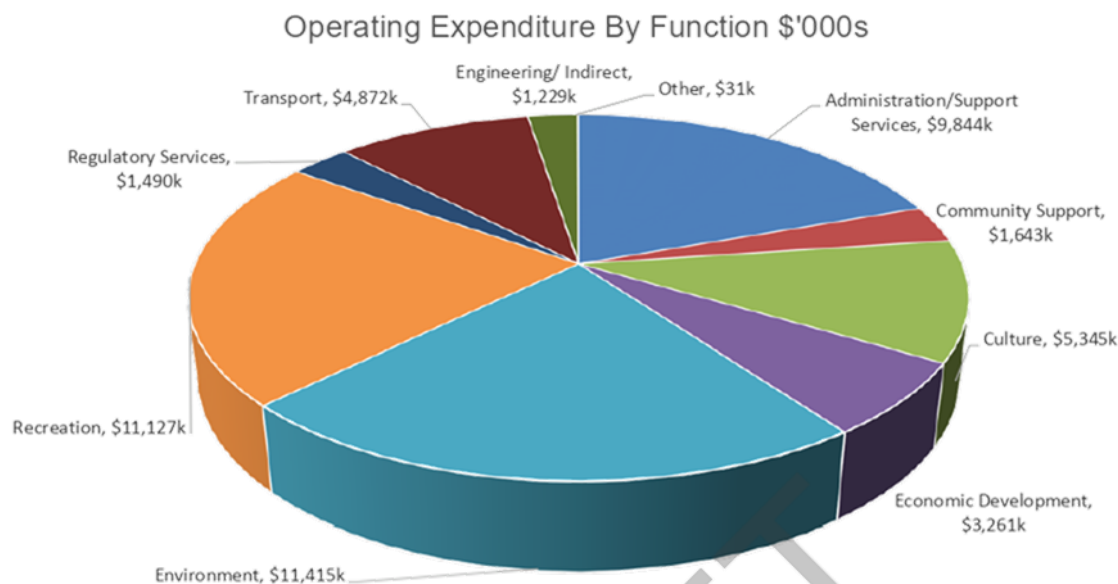
Additional capacity is required to deliver a budget that will achieve financial targets whilst meeting community needs and creating the organisational foundations to support the efficient and effective delivery of services. Further to Elected Member review and subsequent development of further scenarios this budget incorporates the following:

- Unlocking projects (as per the strategic work plan and detailed in the key assumptions section);
- Resource capacity (either in the form of two FTEs or contractors/consultants);
- CBD activation;
- Strategic work plan delivery (beyond those projects already identified).



## Funding and Expenditure Summary





#### DEFINITIONS:

**Administration / Support Services** - Governance, Elected Members, organisational, support services, accounting/finance, payroll, human resources, information technology, communication, rates administration, records, occupancy, customer service, other support services, revenues, separate and special rates.

**Community Support** - Public order and safety, crime prevention, emergency services, other fire protection, other public order and safety, health services, pest control – health, immunisation, preventive health services, other health services, community support, senior citizens facilities, children and youth services, community assistance, other community support, community amenities, bus shelters, cemeteries / crematoria, public conveniences, car parking – non-fee-paying and other community amenities.

**Culture** - Library services, other library services, cultural services, cultural venues, heritage, museums and art galleries and other cultural services.

**Economic development** - Regional development, tourism, visitor information and other economic development.

**Environment** - Animal/plant boards, waste management, domestic waste, green waste, recycling, transfer station, other waste management, other environment, stormwater and drainage, street cleaning, street lighting, street-scaping, Natural Resource Management levy, and other environment.

**Recreation** - Parks and gardens, sports facilities – indoor, sports facilities – outdoor, swimming centres – Outdoor, and other recreation.

**Regulatory services** - Dog and cat control, building control, town planning, clean air/pollution control, litter control, health inspection, parking control, and other regulatory services.

**Transport** - Footpaths and kerbing, roads – sealed, roads – formed, roads – natural formed, roads – unformed, traffic management and other transport.

**Engineering / Indirect** - Depot management, indirect and general plant cost not included in other functions.

## Council Snapshot



### ROADS

SEALED ROADS  
**231.2KM**

UNSEALED ROADS  
**1.3KM**

### AREA



**33.88**  
SQUARE  
KILOMETRES

### ECONOMIC PROFILE



GROSS  
REGIONAL  
PRODUCT  
**\$1,750m**

### STAFF (FTE)



**152**



LARGEST  
SECTOR  
**CONSTRUCTION**

### POPULATION



**27,846**

### GENERAL RATES REVENUE INCREASE

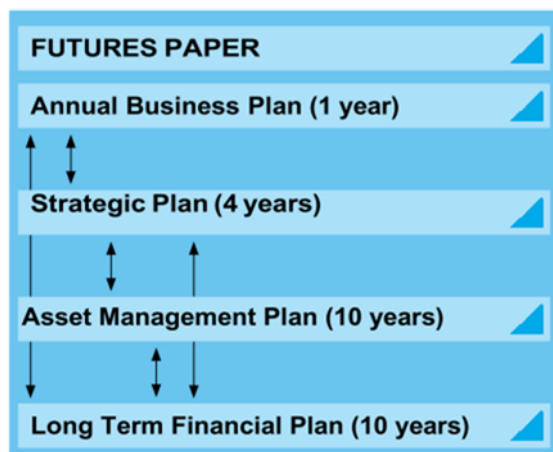


**10.13%**  
(excl. growth)



## Strategic Context

**Hierarchy of Documents** brings together the key planning 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 (to be replaced by Mount Gambier 2035).

**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 be put in place to get there. The current plan is the 2020-2024 Strategic Plan that will be replaced by 2024-2028 Strategic Plan by November 2024.

**Annual Business Plan (1 year)** Each year, Council develops an Annual Business Plan guided by the 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.

**Mount Gambier 2035 (10 Years)** Council has collaborated with the community to develop a community vision for our regional capital - Mount Gambier 2035. This will serve as the guiding document to inform Council's planning and decision making for the next ten years. This version of the Annual Business Plan and Budget has considered the strategic work plan which is informed by Council's current strategic plan as we work towards the development of Mount Gambier 2035. The draft community vision was brought to Council in June 2024 for community consultation. Once adopted the community vision will influence the development of the 2024-2028 strategic plan that will inform future annual business plan and budgets.

## 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**

Continued operation and activation of the Wulanda Recreation and Convention Centre. This 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 GRANT FUNDING**

Council will utilise the funding provided by the Phase 4A program to construct the Frew Park amenities project in 2024/2025 and from the Phase 4B program to design and construct the road reconstruction project for Crouch Street South to Warren Street.

### **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 intend to complete a masterplan for Umpherston Sinkhole/Balumbul and commence a masterplan for Vansittart Park (aligned with a previous Council decision).

### **STRATEGIC WORK PLAN**

This summarises and guides the delivery of Council's priorities over the next three years and has been updated for 2024/2025 onwards through engagement with Council staff, the Executive Leadership Team, Elected Members and the development of Mount Gambier 2035.

### **UNLOCKING PROJECTS**

There are three foundational projects underpinning the Strategic Work Plan that have been identified as priority 'unlocking projects' that will create both capacity and capability in Council to deliver and develop services in an efficient and effective manner. In 2024/2025 the three projects are expected to deliver the following:

#### **1) Asset Management Planning Approach -**

Delivering the following:

- Establishment of new asset classes for FY 2026;
- Asset policy framework and supporting procedures and service levels; and
- Draft asset management plans.

#### **2) Business Systems & Infrastructure Stage 1**

Creating capacity through the following:

- Data management;
- Business process review and alignment; and,
- Moving to a SaaS platform (software as a service).

#### **3) Workforce Planning Framework -**

Developing organisational knowledge and creating efficiencies through the following:

- Service register and benchmarking;
- Establishment of a service review framework, and
- Undertake service reviews and workforce analysis.

### **WASTE MANAGEMENT STRATEGY**

Council have endorsed a holistic strategy and plan that supports the targets and outcomes of South Australia's Waste Strategy 2020-2025, with a key emphasis on initiatives that reduce avoidable waste to landfill to zero by 2030.

### **URBAN AND PLANNING DESIGN**

Council will participate in the regional planning process and develop an urban planning and design framework.

## Highlights

### **CBD ACTIVATION AND EVENTS**

An additional budget allocation of \$100k has been allocated to support CBD activation and additional events.

### **VOLUNTEERS**

Development of volunteer programs with the introduction of a 0.5 FTE volunteer coordinator.

### **CRATER LAKES ACTIVATION**

Delivery of the Crater Lakes Trails Plan supported by additional 1.0 FTE with supporting activation activities.

### **VISITOR SERVICING MODEL**

Implementation of new visitor servicing model for Mount Gambier.

### **AFFORDABLE HOUSING STRATEGY**

- Development of an Affordable Housing Strategy for Mount Gambier to be developed for adoption by Council.
- Implementation of plan.

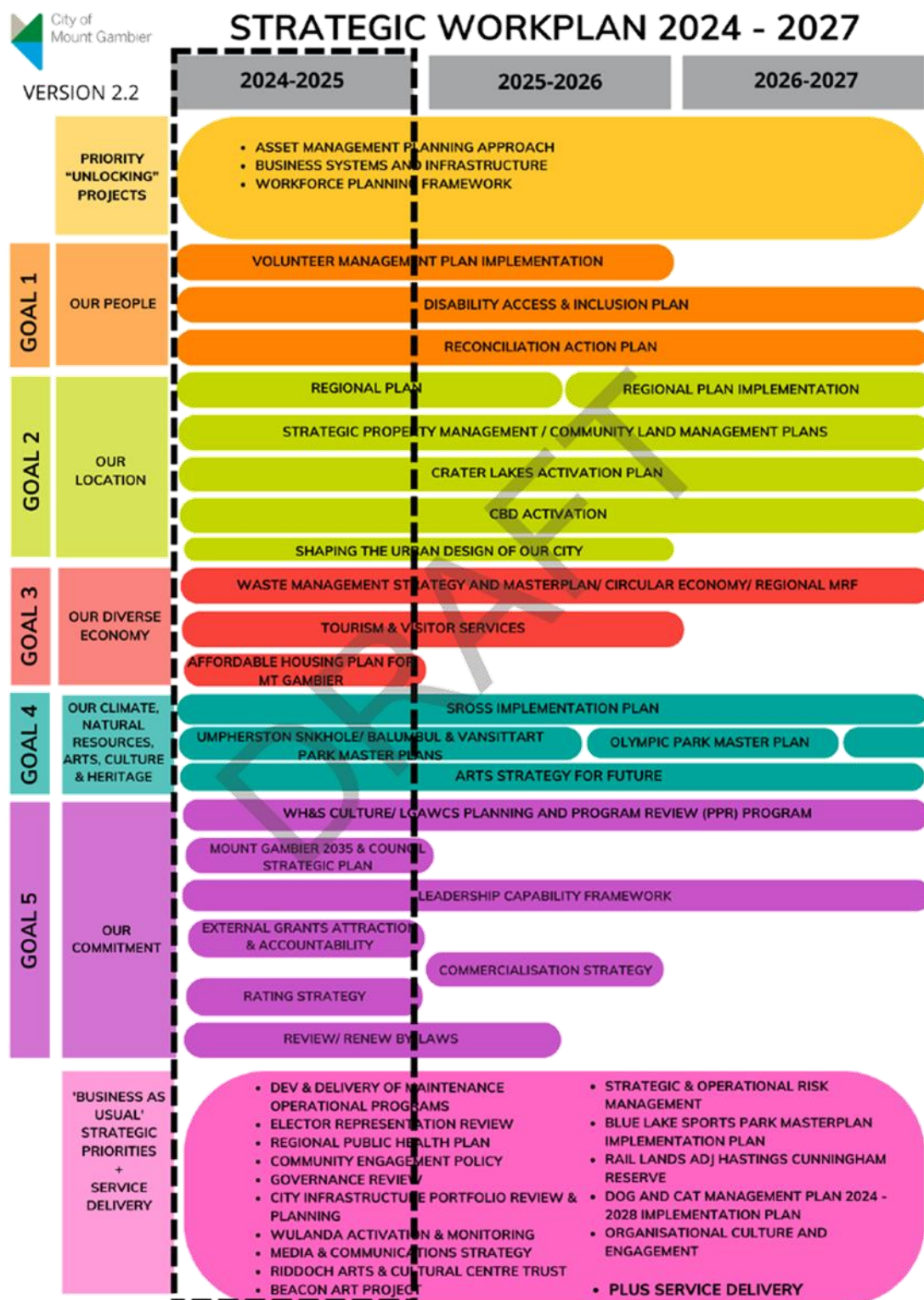
### **BEACON ART AND ART STRATEGY**

- Delivery of a beacon art project with agreed approach for future similar projects.
- Delivery of a City of Mount Gambier Arts Strategy providing strategic direction for the Riddoch Arts and Cultural Centre.





## Strategic Work Plan



## Key Assumptions

### GENERAL RATES

The general rate provides benefits to the whole community and ensures social, economic and environmental sustainability. The number of rateable properties in 2024/2025 is 14,795 with estimated assessment growth of 1.11% and current assessment increase of 10.13% equaling a total increase of 11.24% in general rate revenue.

### WASTE SERVICE CHARGE

Council has not been previously charging the full cost of waste collection, kerbside recycling and green waste including the cost of disposal to the Caroline Landfill.

A proposed increase to the waste service charge of 43.9% will ensure that Council is able to cover the cost of service and also charge at a level that is consistent with other SA councils.

### INFLATION

Inflation has been applied to revenue (with the exception of rates) based on forecast Adelaide CPI as at December 2023 where appropriate as provided by Deloitte Access Economics.

Inflation has also been applied to expenditure based on contractual agreements i.e. contract terms for other expenditure where appropriate.

Actual Adelaide CPI as confirmed by the Australian Bureau of Statistics for the March Quarter 2024 was 4.3%, which is higher than the budget assumption and the Deloitte Access Economics forecast for 2024/2025 used for this budget of 2.9%.

It should be noted that significant increases have been experienced for goods and services purchased by Council, in particular utilities and capital projects.

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 enhanced services as supported by new staff members detailed below).

### STAFFING

Equivalent of 3.5 additional FTEs have been incorporated in the 2024/2025 budget.

**Strategic Work Plan implementation 1.5 FTEs** - To support the implementation of the Volunteer Management Plan and Crater Lakes Trails Plan.

**Organisational capacity** - 2.0 FTEs to support the delivery of the Strategic Work Plan (noting that this will be delivered through either staffing or consultants/contractors).

### DEPRECIATION

Depreciation budgets have been informed by valuations undertaken for major asset classes as at 30 June 2023 and 1 July 2023 (Infrastructure and Buildings and Structures), where asset values and useful lives have been reviewed with the impact included in 2023/2024 and 2024/2025.

### 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.



**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 Plan (e.g. buildings, roads, footpaths), 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 Plan.

| \$'k                     | Renewals     | New/<br>Upgrade | Total         |
|--------------------------|--------------|-----------------|---------------|
| Buildings and Structures | 1,197        | 1,589           | 2,786         |
| Caroline Landfill        | -            | -               | -             |
| Infrastructure           | 3,623        | 411             | 4,034         |
| IT                       | 23           | 140             | 163           |
| Other                    | 240          | 146             | 386           |
| Plant and Equipment      | 3,613        | 456             | 4,069         |
| <b>TOTAL</b>             | <b>8,696</b> | <b>2,743</b>    | <b>11,439</b> |





## BUILDINGS AND STRUCTURES

| Project Name   | Project Description   | Gross Expenditure \$'000s | Grant Contribution \$'000s | Net Expenditure \$'000s |
|--|---|---------------------------|----------------------------|-------------------------|
| Carinya Gardens – crematorium and chapel renewal project | Year 1 (2024/2025) design + scoping; Year 2 (2025/2026) construction  | 75                        | -                          | 75                      |
| Carinya mowing strips                                    | Concrete mowing strips at the Carinya Cemetery.   | 10                        | -                          | 10                      |
| Carinya waterfall Area                                   | Irrigation system for Sheoak Garden.  | 12                        | -                          | 12                      |
| Carinya workshop and machinery shed                      | Construction of retaining wall around the workshed building   | 15                        | -                          | 15                      |
| Carinya workshop and machinery shed                      | Construction of screening to shield children's burials.   | 15                        | -                          | 15                      |
| Carinya burial grounds                                   | New burial area development - detailed design works (design year 2024/2025)   | 8                         | -                          | 8                       |
| Carinya crematorium and chapel                           | Chapel flooring floorboards renewal   | 25                        | -                          | 25                      |
| Frew Park amenities                                      | Construction for the renewal/upgrade of existing Frew Park amenities (toilets, oval ground, seating, pergola areas) funded by LRCI Phase 4(a) Commonwealth grant funding.                           | 450                       | (450)                      | -                       |
| Civic Centre roof replacement                            | Roof replacement Stage 1  | 120                       | -                          | 120                     |
| Civic Centre lift  | Installation of replacement lift at Civic Centre (50% of 2024/2025 costs to reflect Council's contribution aligned with the Council resolution for the project costs split over 2 financial years). | 60                        | -                          | 60                      |
| Varcoe Building cultural civic centre                    | Works to support the project undertaken by Country Arts SA, including bus stop relocation.  | 55                        | -                          | 55                      |
| Energy efficiency program                                | Projects that support Council's decision to deliver projects annually.  | 50                        | -                          | 50                      |
| Old Mount Gambier Gaol                                   | Wall dampness, walls dampcourse removal and redoing.  | 200                       | -                          | 200                     |
| Railway Lands nature play                                | Construction of a nature play area in the Railway Lands (design completed in 2023/2024) and assumed grant funding of \$250k.  | 500                       | (250)                      | 250                     |



**BUILDINGS AND STRUCTURES (CONTINUED)**

| Project Name   | Project Description   | Gross Expenditure \$'000s | Grant Contribution \$'000s | Net Expenditure \$'000s |
|--|---|---------------------------|----------------------------|-------------------------|
| Bus shelter renewals   | Renewal of 2 bus shelters   | 50                        | -                          | 50                      |
| Riddoch Art Gallery floor renewal  | Gallery floor sanding and renewal   | 20                        | -                          | 20                      |
| Public library floor renewal   | Carpet replacement  | 15                        | -                          | 15                      |
| Public library fittings renewal  | Café doors full replacement   | 15                        | -                          | 15                      |
| Wulanda renewals   | Allocation for additional renewals  | 85                        | -                          | 85                      |
| Wulanda construction project   | Project management costs  | 20                        | -                          | 20                      |
| Wulanda CCTV   | Additional CCTV for facility  | 15                        | -                          | 15                      |
| Waste Transfer Station TS concrete slab  | Concrete Slab for metal housing.  | 25                        | -                          | 25                      |
| Caroline facility perimeter litter fencing   | Construction of perimeter litter fencing  | 105                       | -                          | 105                     |
| Caroline cell cover tarping system   | Cell cover tarping system   | 158                       | -                          | 158                     |
| Additional leachate management   | Investigate and design leachate management system   | 526                       | -                          | 526                     |
| Caroline facility windbreak and fencing  | Windbreak and fencing   | 16                        | -                          | 16                      |
| Caroline facility vehicle wash bay   | Vehicle wash bay  | 42                        | -                          | 42                      |
| Extended awning for customer service - ReUse Market                                    | Extended awning for customer service at ReUse Market  | 17                        | -                          | 17                      |
| PA emergency evacuation linked to fire panel – Waste Transfer Station and ReUse Market | PA emergency evacuation linked to fire panel – Waste Transfer Station and ReUse Market to meet building code  | 26                        | -                          | 26                      |
| Roof laser lights panel at Waste Transfer Station                                      | Roof laser lights panel at Waste Transfer Station   | 15                        | -                          | 15                      |
| Works Depot wash bay   | Design works for the relocation of current wash bay and construction of new bay compliant with EPA regulations (assumed construction in 2025/2026). | 30                        | -                          | 30                      |
| Dog pound  | Design works for relocation/upgrade of the existing kennel to the back of the depot.  | 12                        | -                          | 12                      |
| <b>TOTAL</b>   |   | <b>2,786</b>              | <b>(700)</b>               | <b>2,086</b>            |



## INFRASTRUCTURE

| Project Name                                   | Project Description   | Gross Expenditure \$'000s | Grant Contribution \$'000s | Net Expenditure \$'000s |
|--|---|---------------------------|----------------------------|-------------------------|
| Car park renewals                              | TBD   | 53                        | -                          | 53                      |
| New footpaths program (1)                      | New footpaths including: Chute Street, Link Street, Ramsay Avenue, Shelley Crecent, Sinclair Street.  | 177                       | -                          | 177                     |
| New footpaths program (2)                      | CBD - Accessibility audit - parklet etc   | 106                       | -                          | 106                     |
| New footpaths program (3)                      | Project identified through Shared Path Master Plan (design)   | 91                        | -                          | 91                      |
| Kerb and channel renewals                      | Canavan Road and Crouch Street North  | 39                        |                            | 39                      |
| Retaining walls                                | Including: Ski ramp road / car park, Suttontown Road - Coolabah Street to Marara Street.  | 94                        | -                          | 94                      |
| Footpath reseal/renewal                        | Projects TBD  | 79                        | -                          | 79                      |
| Road Reconstruction funded by LRCI Phase 4 (b) | Boandik Terrace (Crouch Street to Warren Street)  | 281                       | (281)                      | -                       |
| Road reconstruction                            | Including: Boandik Terrace, Canavan Road, Chute Street, Ramsay Avenue, Shelley Crecent, Shepherdson Road  | 1,657                     | -                          | 1,657                   |
| Asphalt overlaying                             | Including Marngo Place, Wandaree Court, Wehl Street North, Wireless Road East, Wireless Road West   | 428                       | -                          | 428                     |
| Roads to Recovery                              | Including Anthony Street, Truman Street   | 419                       | (419)                      | -                       |
| Road reseals program                           | Resealing of the sealed roads network   | 461                       | -                          | 461                     |
| Drainage program                               | Including Bay Road (corner with Commercial Street and Frew Park drainage works - construction of new stormwater drainage system at Frew Park. Fully funded by LRCI Phase 4a grant). | 73                        | (37)                       | 36                      |
| Traffic lights renewal                         | Including Wehl Street near Amor Street, Wehl Street, Helen and Edward, and Crouch and Sturt Street.   | 77                        | -                          | 77                      |
| <b>TOTAL</b>                                   |   | <b>4,034</b>              | <b>(737)</b>               | <b>3,297</b>            |



## IT

| Project Name     | Project Description                                   | Gross Expenditure \$'000s | Grant Contribution \$'000s | Net Expenditure \$'000s |
|------------------|---|---------------------------|----------------------------|-------------------------|
| IT purchases     | Purchase of IT infrastructure assets.                 | 60                        | -                          | 60                      |
| AV system        | AV system for Council Chamber                         | 80                        |                            | 80                      |
| Microfilm reader | Purchase of replacement microfilm reader for Library. | 23                        | -                          | 23                      |
| <b>TOTAL</b>     |   | <b>163</b>                |                            | <b>163</b>              |

## OTHER

| Project Name          | Project Description   | Gross Expenditure \$'000s | Grant Contribution \$'000s | Net Expenditure \$'000s |
|-----------------------|---|---------------------------|----------------------------|-------------------------|
| Trees                 | Priority focus is the bushfire rehabilitation and revegetation of the affected Crater Lakes area. | 80                        | -                          | 80                      |
| Christmas decorations | Renewal of Christmas decorations  | 20                        | -                          | 20                      |
| Waste bins            | Purchase of additional MGBs (mobile garbage bins).  | 70                        | -                          | 70                      |
| Beacon art project    | Design and construction of beacon art project.  | 66                        | -                          | 66                      |
| Signage program       | As per updated signage strategy.  | 150                       | -                          | 150                     |
| <b>TOTAL</b>          |   | <b>386</b>                |                            | <b>386</b>              |





## PLANT AND EQUIPMENT

| Project Name                    | Project Description  | Gross Expenditure<br>\$'000s | Grant Contribution<br>\$'000s | Net Expenditure<br>\$'000s |
|---------------------------------|--|------------------------------|-------------------------------|----------------------------|
| Minor plant                     | Purchase of new minor plant items as per Asset Management Plan allocation                | 40                           | -                             | 40                         |
| Tana compactor                  | Replacement of tana compactor (at Caroline Landfill)                                     | 1,050                        | -                             | 1,050                      |
| Tractors                        | Replacement of 2 tractors  | 182                          | -                             | 182                        |
| Quick spray - dual sprayer unit | Replacement of quick spray - dual sprayer unit   | 25                           | -                             | 25                         |
| Vans                            | Replacement of 2 vans (toilet cleaning and general inspector)                            | 112                          | -                             | 112                        |
| 4WD utility vehicle             | Replacement of 1 vehicle   | 61                           | -                             | 61                         |
| Position partner software       | Purchase of position partner software for improved waste compaction at Caroline Landfill | 94                           | -                             | 94                         |
| 2WD utility vehicle             | Replacement of 1 vehicle and purchase of 1 vehicle                                       | 122                          | -                             | 122                        |
| Garbage compactors              | Replacement of two garbage compactors.   | 1,100                        | -                             | 1,100                      |
| Water truck                     | Replacement of water truck   | 230                          | -                             | 230                        |
| Mowers                          | Replacement of 6 mowers  | 239                          | -                             | 239                        |
| Tip trucks                      | Replacement of 3 tip trucks  | 488                          | -                             | 488                        |
| 5.5-6 ton excavator             | Purchase of new 5.5-6 ton excavator  | 250                          | -                             | 250                        |
| Welder/power hacksaw            | Purchase of welder/power hacksaw   | 11                           | -                             | 11                         |
| Mower trailer                   | Replacement of mower trailer   | 17                           | -                             | 17                         |
| Events wagon                    | Replacement of events wagon  | 48                           | -                             | 48                         |
| <b>TOTAL</b>                    |  | <b>4,069</b>                 | <b>-</b>                      | <b>4,069</b>               |





### GENERAL RATE INCREASE

The proposed general rate increase will result in a 10.13% increase (excluding growth) i.e. in general rates revenue.

### WASTE SERVICE CHARGE

The proposed increase will result in a 43.9% increase to approximately \$311 per household to ensure that costs of service are covered.

### OPERATING DEFICIT

**Budget deficit** - Council's estimated operating deficit in 2024/2025 is (\$1.7) million.

**LTFP target comparison** - The operating deficit is lower than the target set by the Long Term Financial Plan for 2024/2025 as adopted by Council in June 2023 of (\$1.9) million.

This decrease is mainly driven by significantly higher operating revenue as a result of the increases detailed above.

Increased revenue has been created to support the following:

- **Inflationary pressures** - in materials, contracts and other (materials, services and utilities) and the higher depreciation costs as a result of valuations for the Infrastructure and Buildings and Structures major asset classes; and
- **Additional capacity** - required to support the delivery of priorities such as the delivery of the Strategic Work Plan and future growth.

### SERVICE PROVISION

A total of \$50.3 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 (expenditure breakdown by function included in the funding and expenditure summary).

- **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.

### RISKS TO THE BUDGET

It should be noted that there are a number of risks that have not been considered in this year's Annual Business Plan and Budget as their impact at this time is unknown:

- **Ongoing inflationary pressures** - Inflation is based on current forecasts. Any further increases will put additional pressure on the budget.
- **Waste management** - The development of a Waste and Resource Recovery Master Plan has been identified by Council as a key strategic project and is well underway. This document, in conjunction with the 'Waste and Resource Recovery Strategy 2023 – 2030', will provide a whole of life map for waste management, including, the Waste Transfer Station, ReUse Market, Caroline Landfill and kerbside collections.

The comprehensive planning and analysis combined within the Master Plan, along with associated financial modelling will enable Council to minimise the risks associated with its waste services, particularly those of owning and operating a landfill. One of the components of the Master Plan is a Risk Plan, which will specifically list waste related risks.

This work is still in progress at the time of preparing this document.

- **Capital works costing principles** - Work is underway to develop costing principles for the allocation of internal cost to capital projects, including project management, total staff costs, disposal of materials (e.g. road surfaces) and plant usage allocations. The implementation of these principles will be staged across a number of years. This version of the ABP and LTFP includes the results of initial work undertaken. Future iterations of the LTFP and supporting AMPs will incorporate refinements as work progresses.



## OPERATING SURPLUS RATIO

### What is the purpose of this ratio?

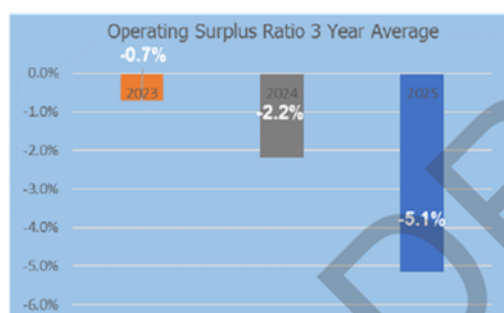
This financial indicator is useful in determining if current ratepayers are paying enough to cover products and services provided in each period.

### 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 (aligned with Council's Treasury Management Policy and the LGFA loan terms to fund the construction of the Wulanda Recreation and Convention Centre).



## NET FINANCIAL LIABILITIES RATIO

### What is the purpose of this ratio?

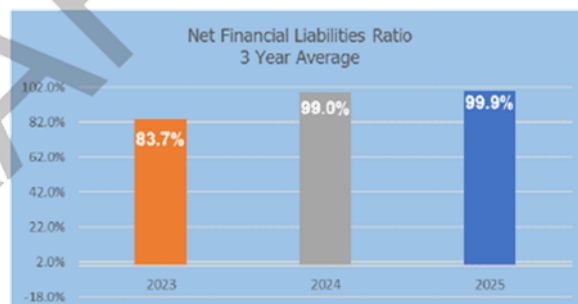
This financial indicator is useful in determining the level of indebtedness that Council has in comparison to its operating revenue.

### 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 (aligned with Council's Treasury Management Policy and the LGFA loan terms to fund the construction of the Wulanda Recreation and Convention Centre).



## 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 Plan (aligned with Council's Treasury Management Policy).



## 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.



### 5. OUR COMMITMENT

The Council has determined the following principles to ensure delivery against the Strategic Plan 2020-2024. These principles underpin all decisions made by the Council. They guide our strategic planning, processes, service delivery and the management of assets.





# Goal one: **Our people**



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

- 18.1 **Community based organisations and networks.** Our community groups and networks develop and grow to achieve their aspirations.
- 18.2 **Community growth.** We foster a sense of community by encouraging and supporting participation in community life.
- 18.3 **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.
- 18.4 **Care for the community.** We will develop our service offering to the community to ensure all members have access to required levels of support.
- 18.5 **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

- Enhance the experience and quality of City of Mount Gambier's volunteer program.
- Ensure equity of access and an inclusive environment for all people living within our community.
- Administer a grants and sponsorship program that supports initiatives and projects, in partnership with our community, that strengthen and respond to Council's Strategic Plan.
- Progress towards the development of a new Reconciliation Action Plan.
- Monitor the activation and management of the Wulanda Recreation and Convention Centre.

#### KEY PERFORMANCE INDICATORS

- Deliver year 1 of the Volunteer Management Plan and report progress towards measures of success.
- Development of the Disability Access and Inclusion Plan 2024-2028 and supporting implementation plan.
- Administer two rounds for the allocation of grant and sponsorship funds in accordance with the Policy and review for economic impact.
- Deliver year one of the Dog and Cat Management Plan 2024 - 2028 and report on progress.

#### 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, and
- Sports and recreation.

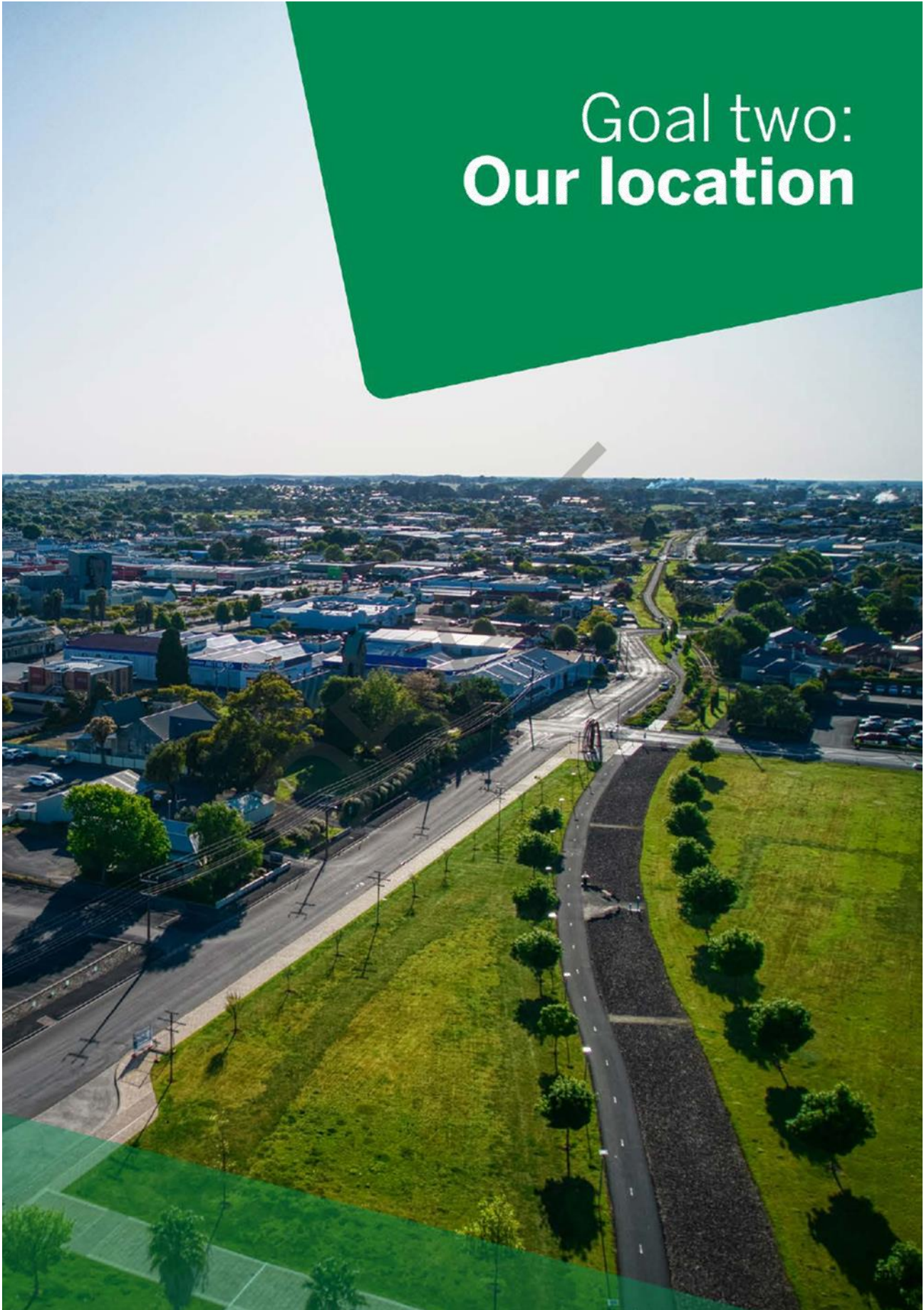


## PROJECTS

| Project Name   | Project Description   | Gross Expenditure \$'000s | Grant Contribution \$'000s | Net Expenditure \$'000s |
|--|---|---------------------------|----------------------------|-------------------------|
| Carinya Gardens – crematorium and chapel renewal project | Year 1 (2024/2025) design + scoping; Year 2 (2025/2026) - construction  | 75                        | -                          | 75                      |
| Carinya mowing strips                                    | Concrete mowing strips at the Carinya Cemetery  | 10                        | -                          | 10                      |
| Carinya waterfall area                                   | Irrigation system for Sheoak Garden.  | 12                        | -                          | 12                      |
| Carinya workshop and machinery shed                      | Construction of retaining wall around the workshop building   | 15                        | -                          | 15                      |
| Carinya workshop and machinery shed                      | Construction of screening to shield children's burials  | 15                        | -                          | 15                      |
| Carinya burial grounds                                   | New burial area development - detailed design works (design year 2024/25)   | 8                         | -                          | 8                       |
| Carinya crematorium and chapel                           | Chapel flooring floorboards renewal   | 25                        | -                          | 25                      |
| Civic Centre roof replacement                            | Roof replacement - Stage 1  | 120                       | -                          | 120                     |
| Civic Centre lift  | Installation of replacement lift at Civic Centre (50% of 2024/2025 costs to reflect Council's contribution aligned with the Council resolution for the project costs split over 2 financial years). | 60                        | -                          | 60                      |
| Varcoe Building cultural civic centre                    | Works to support the project undertaken by Country Arts SA. Including bus stop relocation.  | 55                        | -                          | 55                      |
| Microfilm reader   | Purchase of replacement microfilm reader for Library.   | 23                        | -                          | 23                      |
| Library floor renewal                                    | Carpet replacement  | 15                        | -                          | 15                      |
| Library fittings renewal                                 | Café doors full replacement   | 15                        | -                          | 15                      |
| Dog pound  | Design works for relocation/upgrade of the existing Kennel to the back of the depot.  | 12                        | -                          | 12                      |
| Wulanda renewals   | Allocation for additional renewals  | 85                        | -                          | 85                      |
| Wulanda Construction Project                             | Project management costs  | 20                        | -                          | 20                      |
| Wulanda CCTV   | Additional CCTV for facility  | 15                        | -                          | 15                      |
| Works Depot wash bay                                     | Design works for the relocation of current wash bay and construction of new bay compliant with EPA regulations (assumed construction in 2025/2026).   | 30                        | -                          | 30                      |
| <b>TOTAL</b>   |   | <b>610</b>                |                            | <b>610</b>              |



## Goal two: **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.**

- 26.1 **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.
- 26.2 **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.
- 26.3 **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.
- 26.4 **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.
- 26.5 **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 adopted capital works program.
- Deliver asset management program for 2024/ 2025 and new asset management planning approach for implement in 2025/2026.
- Ensure strategic management of Council property assets and supporting policy framework to guide decision making in relation to Council's property needs and Council owned land.
- Shaping the urban design of our city.
- Enhancement and protection of our unique natural resources.
- Implement initiatives and activities that contribute to the activation of Mount Gambier's CBD.

## KEY PERFORMANCE INDICATORS

- Regular reporting to Council on progress of capital works program.
- Delivery of new asset classes and supporting asset management plans to inform 2025/2026 budget.
- Property management strategy and supporting implementation framework endorsed by Council.
- Participate in the regional planning process and develop an urban planning and design framework.
- Utilise the endorsed vision and guiding principles to progress the Crater Lakes Activation Plan and delivery of supporting implementation plan.
- Develop a CBD Activation Action Plan.

## 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 |
|---------------------------|--|---------------------------|----------------------------|-------------------------|
| Frew Park amenities       | Construction for the renewal/upgrade of existing Frew Park amenities (toilets, oval ground, seating, pergola areas) funded by LRCI Phase 4a Commonwealth grant funding | 450                       | (450)                      | -                       |
| Old Mount Gambier Gaol    | Wall dampness, walls dampcourse removal and redoing  | 200                       | -                          | 200                     |
| Railway Lands nature play | Construction of a nature play area in the Railway Lands (design completed in 2023/2024) and assumed grant funding of \$250k  | 500                       | (250)                      | 250                     |
| Car park renewals         | TBD  | 53                        | -                          | 53                      |
| New footpaths program (1) | New footpaths including: Chute Street, Link Street, Ramsay Avenue, Shelley Crescent, Sinclair Street   | 177                       | -                          | 177                     |
| New footpaths program (2) | CBD - accessibility audit - parklet etc  | 106                       | =                          | 106                     |
| New footpaths program (3) | Project identified through Shared Path Master Plan (design)  | 91                        | -                          | 91                      |
| Footpath reseal/renewal   | Projects TBD   | 79                        | -                          | 79                      |



**PROJECTS (CONTINUED)**

| Project Name                                   | Project Description   | Gross Expenditure \$'000s | Grant Contribution \$'000s | Net Expenditure \$'000s |
|--|---|---------------------------|----------------------------|-------------------------|
| Road reconstruction                            | Including: Boandik Terrace, Canavan Road, Chute Street, Ramsay Avenue, Shelley Crescent, Shepherdson Road | 1,657                     | -                          | 1,657                   |
| Asphalt overlaying                             | Including Marngo Place, Wandaree Court, Wehl Street North, Wireless Road East, Wireless Road West         | 428                       | -                          | 428                     |
| Roads to Recovery                              | Including Anthony Street, Truman Street   | 419                       | (419)                      | -                       |
| Road reseals program                           | The resealing of the sealed roads network   | 461                       | -                          | 461                     |
| Traffic lights renewal                         | Including Wehl Street near Amor Street, Wehl Street Helen and Edward, and Crouch and Sturt Street         | 77                        | -                          | 77                      |
| Minor plant                                    | Purchase of new minor plant items as per Asset Management Plan allocation                                 | 40                        | -                          | 40                      |
| Road Reconstruction funded by LRCI Phase 4 (b) | Boandik Terrace   | 281                       | (281)                      | -                       |
| Kerb and channel renewals                      | Canavan Street and Crouch Street North  | 39                        | -                          | 39                      |
| Retaining walls                                | Including: Ski ramp road / car park, Suttontown Road - Coolabah Street to Marara Street                   | 94                        | -                          | 94                      |
| Water truck                                    | Replacement of water truck.   | 230                       | -                          | 230                     |
| Mowers   | Replacement of 6 mowers   | 239                       | -                          | 239                     |
| 2WD utility vehicle                            | Replacement of 1 vehicle and purchase of 1 vehicle  | 122                       | -                          | 122                     |
| Tip trucks                                     | Replacement of 3 tip trucks   | 488                       | -                          | 488                     |
| 4WD utility vehicle                            | Replacement of 1 vehicle  | 61                        | -                          | 61                      |
| Tractors                                       | Purchase of 2 tractors  | 182                       | -                          | 182                     |
| Bus shelter renewals                           | Renewal of 2 bus shelters   | 50                        | -                          | 50                      |
| Quick spray - dual sprayer unit                | Replacement of quick spray - dual sprayer unit  | 25                        | -                          | 25                      |
| Mower trailer (Plant 79)                       | Replacement of mower trailer  | 17                        | -                          | 17                      |
| 5.5-6 ton excavator                            | Purchase of new 5.5-6 ton excavator   | 250                       | -                          | 250                     |
| Welder/power hacksaw                           | Purchase of welder/power hacksaw  | 11                        | -                          | 11                      |
| Vans   | Replacement of 2 vans (toilet cleaning and general inspector)   | 112                       | -                          | 112                     |
| Events wagon                                   | Replacement of events wagon   | 48                        | -                          | 48                      |
| <b>TOTAL</b>                                   |   | <b>6,987</b>              | <b>(1,400)</b>             | <b>5,587</b>            |





## Goal three: **Our diverse economy**



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**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

- Continue to strengthen partnerships and advocate for community opportunities and challenges in accordance with the City of Mount Gambier Partnership Priorities and Advocacy 2024 - 2025.
- Improve housing affordability and accessibility in Mount Gambier.
- Enhance the visitor experience for tourists coming to Mount Gambier.
- Deliver Waste Management Strategy and master planning.

#### KEY PERFORMANCE INDICATORS

- Affordable housing strategy for Mount Gambier adopted by Council and monitor its implementation.
- Implementation of new visitor servicing model for Mount Gambier.
- Prioritise and progress implementation of a waste management master plan.

#### 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 Wi-Fi,
- Development policy planning,
- Development services, and
- Land use and urban planning.



## GOAL 3: Our Diverse Economy

### PROJECTS

| Project Name   | Project Description  | Gross Expenditure \$'000s | Grant Contribution \$'000s | Net Expenditure \$'000s |
|--|--|---------------------------|----------------------------|-------------------------|
| CBD activation   | Budget allocation for progression of CBD activation  | 100                       | -                          | 100                     |
| Waste Transfer Station concrete slab   | Concrete slab for metal housing  | 25                        | -                          | 25                      |
| Caroline facility perimeter litter fencing   | Construction of perimeter litter fencing   | 105                       | -                          | 105                     |
| Caroline cell cover tarping system   | Cell cover tarping system  | 158                       | -                          | 158                     |
| Additional leachate management – Caroline Landfill facility                            | Additional leachate pond/tanks and/or wood lot   | 526                       | -                          | 526                     |
| Caroline facility windbreak and fencing  | Windbreak and fencing  | 16                        | -                          | 16                      |
| Caroline facility vehicle wash bay   | Vehicle wash bay   | 42                        | -                          | 42                      |
| Extended awning for customer service - ReUse Market                                    | Extended awning for customer service at ReUse Market   | 17                        | -                          | 17                      |
| PA emergency evacuation linked to fire panel – Waste Transfer Station and ReUse Market | PA emergency evacuation linked to fire panel – Waste Transfer Station and ReUse Market to meet building code | 26                        | -                          | 26                      |
| Roof laser lights panel at Waste Transfer Station                                      | Roof laser lights panel at Waste Transfer Station  | 15                        | -                          | 15                      |
| Waste bins   | Purchase of waste bins   | 70                        | -                          | 70                      |
| Garbage compactors   | Purchase of two replacement garbage compactors   | 1,100                     | -                          | 1,100                   |
| Christmas decorations  | Renewal of Christmas decorations   | 20                        | -                          | 20                      |
| Position partner software  | Purchase of position partner software for improved waste compaction at Caroline Landfill                     | 94                        | -                          | 94                      |
| Tana compactor   | Purchase of tana compactor – Caroline Landfill facility  | 1,050                     | -                          | 1,050                   |
| <b>TOTAL</b>   |  | <b>3,364</b>              | <b>-</b>                   | <b>3,364</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

- Undertake masterplans for Council's Open Space assets and seek opportunities for grant funding or other options to progress the masterplan outcomes.
- Enhance vibrancy, promote cultural identity and provide a unique attraction in Mount Gambier through an iconic work of art.
- Shape an arts and culture strategy for Mount Gambier.

### KEY PERFORMANCE INDICATORS

- Complete a masterplan for Umpherston Sinkhole/ Balumbul and commence masterplan for Vansittart Park. Seek opportunities for grant funding or other options to progress the Blue Lake Sports Park Masterplan.
- Deliver a beacon art project and agree the approach for future similar projects.
- Deliver a City of Mount Gambier Arts Strategy providing strategic direction for the Riddoch Arts and Cultural Centre.

### 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.





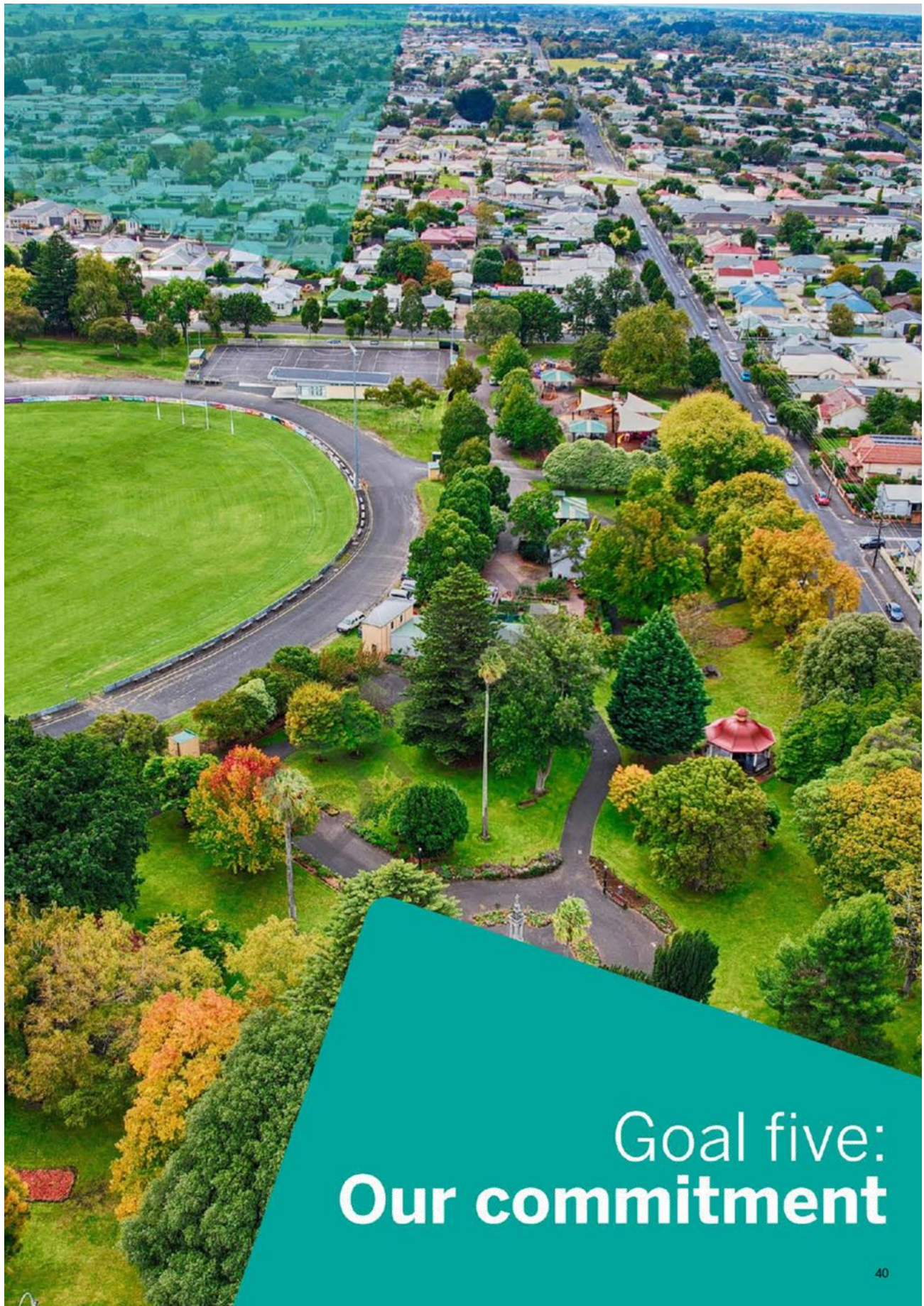
## GOAL 4: Our Climate, Natural Resources, Arts, Culture and Heritage

### PROJECTS

| Project Name   | Project Description  | Gross Expenditure<br>\$'000s | Grant Contribution<br>\$'000s | Net Expenditure<br>\$'000s |
|--|--|------------------------------|-------------------------------|----------------------------|
| Sport, Recreation and Open Space Strategy Masterplan | Commence the development of a masterplan in support of the SROSS strategy.   | 50                           |                               | 50                         |
| Energy efficiency program                            | Projects that support the Council decision to deliver projects annually.   | 50                           | -                             | 50                         |
| Drainage program                                     | Including Bay Road (Corner with Commercial Street and Frew Park drainage works (construction of new stormwater drainage system at Frew Park. Fully funded by LRCI Phase 4a grant). | 73                           | (37)                          | 36                         |
| Beacon art project                                   | Design and construction.   | 66                           | -                             | 66                         |
| Trees  | Priority focus is the bushfire rehabilitation and revegetation of the affected Crater Lakes area   | 80                           | -                             | 80                         |
| Signage program                                      | As per the adopted signage strategy.   | 150                          | -                             | 150                        |
| Riddoch Art Gallery floor renewal                    | Gallery floor sanding and renewal.   | 20                           | -                             | 20                         |
| <b>TOTAL</b>   |  | <b>489</b>                   | <b>(37)</b>                   | <b>452</b>                 |







Goal five:  
**Our commitment**

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## GOAL 5: Our Commitment

### Our commitment – the City of Mount Gambier will be:

- Sustainable
- Transparent
- Responsive
- Involving
- Values based
- Effective

### ANNUAL OBJECTIVES

- Enhance Council's business systems and infrastructure to support service delivery and performance.
- Develop and deliver a workforce planning framework to ensure effective resourcing to support service delivery.
- Shape a community vision to 2035 and a strategic plan that outlines Council's contribution to achieving this vision.
- Maximise Council's financial sustainability through the development and delivery of a rating strategy review.

### KEY PERFORMANCE INDICATORS

- Undertake business process review and alignment and data management strategy.
- Develop a service register, service review framework and commence workforce analysis.
- Mount Gambier 2035 and City of Mount Gambier Strategic Plan adopted by Council.
- Develop a rating strategy that can be used to inform the 2025/2026 budget and 2026-2035 Long Term Financial Plan.

### SERVICES

- Public relations, media and communications,
- Community Engagement,
- Information and communication technology,
- Business systems and process improvement,
- Human resource management,
- Organisational development,
- Financial transaction, analysis and reporting,
- Rates collection,
- Auditing,
- Procurement and contract management,
- Records and information management,
- Service reviews,
- Property services,
- Risk and governance,
- Work, health and safety,
- Injury management and
- Internal audit.



## GOAL 5: Our Commitment

### PROJECTS

| Project Name                 | Project Description   | Gross Expenditure \$'000s | Grant Contribution \$'000s | Net Expenditure \$'000s |
|------------------------------|---|---------------------------|----------------------------|-------------------------|
| Strategic work plan delivery | Capacity to deliver the Strategic Work Plan activities for 2024/2025 (other than those separately identified) | 400                       | -                          | 400                     |
| Business systems review      | Enhance Council's business systems and infrastructure to support service delivery and performance             | 115                       | -                          | 115                     |
| Work force plan              | Consultancy to support the delivery of a work force plan  | 50                        | -                          | 50                      |
| Rating strategy development  | Consultancy to support the delivery of a rating strategy for Council  | 20                        | -                          | 20                      |
| IT purchases                 | Purchase of IT infrastructure assets  | 60                        | -                          | 60                      |
| AV system                    | AV system for Council Chamber   | 80                        | -                          | 80                      |
| <b>TOTAL</b>                 |   | <b>725</b>                | <b>-</b>                   | <b>725</b>              |





**In 2024/2025 approximately 62% of Council's operating revenue will come from overall rates revenue. As a result, Council's rating policies and strategies are key components of financial planning.**

The 2024/2025 Annual Business Plan and Budget includes a 10.13% general rate (excluding growth) and 43.9% waste service charge revenue increase for this year with consistent increases forecast for the following two years as Council smooths the impact of the required increase.

Council plans to raise \$24.660m 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).

### Benchmarking

In previous years rating did not keep up with inflation, and whilst the previously adopted LTTP and last year's ABP included an increase that was smoothed across 3 years, rating was below actual CPI for FY 2024. Last year aligned with previous years, COMG average residential rates were significantly below the rural state average.



## 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; 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 less than one half of total rate revenue (before rebates and remissions) required for the 2024/2025 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;
- **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.



|  | 2023/2024<br>(as adopted)            | 2024/2025    | Notes | Change |
|--|--------------------------------------|--------------|-------|--------|
| <b>GENERAL RATES REVENUE</b>               |                                      |              |       |        |
| General rates (existing properties)        | \$22,168,610                         | \$24,386,723 | (a)   |        |
| General rates (new properties)             | 0                                    | \$273,732    | (b)   |        |
| General rates (GROSS)                      | \$22,168,610                         | \$24,660,455 | (c)   | 11.24% |
| Less: Mandatory rebates                    | (\$275,000)                          | (\$305,000)  | (d)   |        |
| General rates (NET)                        | \$21,893,610                         | \$24,355,455 | (e)   | 11.24% |
|  | (e)=(c)+(d)                          |              |       |        |
| <b>OTHER RATES (incl. service charges)</b> |                                      |              |       |        |
| Regional Landscape Levy                    | \$1,351,252                          | \$1,406,869  | (f)   | 4.12%  |
| Waste collection                           | \$3,097,000                          | \$4,456,941  | (g)   |        |
|  | \$26,341,862                         | \$28,812,396 |       |        |
| Less: Discretionary rebates                | (\$14,000)                           | (\$17,000)   | (l)   |        |
| Expected total rates revenue               | \$24,976,610                         | \$28,795,396 | (m)   | 15.3%  |
|  | (m)= (e)+(g)+(h)+(i)+(j)<br>+(k)+(l) |              |       |        |

#### Notes

- (a) **General rates (existing properties)** - In 2024/2025 this will reflect the revenue from properties that existed in 2023/2024. Please note that 2023/2024 has been restated so that year on year numbers are comparable.
- (b) **General rates (new properties)** - In 2024/2025 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.

- (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 of \$311.00 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

|                               | 2023/2024<br>(as adopted) | 2024/2025 | Notes | Change |
|-------------------------------|---------------------------|-----------|-------|--------|
| Number of rateable properties | 14,632<br><i>Actual</i>   | 14,795    | (n)   | 1.11%  |

#### 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.

- (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.





## 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.

|                               | 2023/2024<br>(as adopted) | 2024/2025 | Notes | Change |
|-------------------------------|---------------------------|-----------|-------|--------|
| Average per rateable property | \$1,515                   | \$1,667   | (o)   | 13.98% |
|                               | (o)=(c)/(n)               |           |       |        |

\*\* Does not include WSC



|                                  | Total expected revenue |              |        | No. of rateable properties |         | Average per rateable property |         |     |        | Cents in the \$ |
|----------------------------------|------------------------|--------------|--------|----------------------------|---------|-------------------------------|---------|-----|--------|-----------------|
|                                  | 2023/24                | 2024/25      | Change | 2023/24                    | 2024/25 | 2023/24                       | 2024/25 |     | Change | 2024/25         |
| Land Use (General Rates - GROSS) |                        |              |        |                            |         |                               |         |     |        |                 |
| Residential                      | \$15,745,715           | \$17,388,460 | 10.4%  | 12,872                     | 12,953  | \$1,223                       | \$1,342 | (p) | \$119  | 0.187051        |
| Commercial - Shop                | \$2,011,938            | \$2,196,963  | 9.2%   | 466                        | 473     | \$4,317                       | \$4,644 | (p) | \$327  | 0.505038        |
| Commercial - Office              | \$387,021              | \$458,782    | 18.5%  | 146                        | 157     | \$2,650                       | \$2,922 | (p) | \$272  | 0.505038        |
| Commercial - Other               | \$1,927,859            | \$2,114,701  | 9.7%   | 457                        | 456     | \$4,218                       | \$4,637 | (p) | \$419  | 0.505038        |
| Industry - Light                 | \$350,750              | \$521,095    | 48.6%  | 137                        | 147     | \$2,560                       | \$3,544 | (p) | \$984  | 0.505038        |
| Industry - Other                 | \$829,836              | \$905,235    | 9.1%   | 98                         | 99      | \$8,467                       | \$9,143 | (p) | \$676  | 0.505038        |
| Primary Production               | \$68,515               | \$65,715     | -4.1%  | 33                         | 30      | \$2,076                       | \$2,190 | (p) | \$114  | .0187051        |
| Vacant Land                      | \$616,213              | \$755,846    | 22.7%  | 361                        | 419     | \$1,707                       | \$1,803 | (p) | \$96   | 0.505038        |
| Other                            | \$230,763              | \$253,658    | 9.9%   | 62                         | 61      | \$3,722                       | \$4,158 | (p) | \$436  | 0.187051        |
| Total Land Use                   | \$22,168,610           | \$24,660,455 | 11.2%  | 14,632                     | 14,795  | \$1,515                       | \$1,667 | (p) | \$152  |                 |



## 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.

## 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 2024/2025 Council proposes to raise 38% of its general rate revenue by way of a fixed charge.

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

|              | Total expected revenue |             |        | Charge    |           |     |        |
|--------------|------------------------|-------------|--------|-----------|-----------|-----|--------|
|              | 2023/2024              | 2024/2025   | Change | 2023/2024 | 2024/2025 |     | Change |
| Fixed charge | \$8,272,360            | \$9,370,607 | 13%    | \$567     | \$635     | (q) | \$68   |

### 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.



**City of Mount Gambier - Uniform Presentation of Finances Budget 2024/2025**

| 2023 Actuals                                  | \$'000s  | Adopted Budget 2024 | BR3 2024       | Budget 2025    |
|---|--|---------------------|----------------|----------------|
| <b>Income</b>                                 |  |                     |                |                |
| 24,893  | Rates  | 26,416              | 26,455         | 30,314         |
| 731   | Statutory Charges  | 734                 | 847            | 896            |
| 6,947   | User Charges   | 9,193               | 9,055          | 9,812          |
| 1,071   | Grants, Subsidies and Contributions - Capital  | 341                 | 1,053          | 388            |
| 6,402   | Grants, Subsidies and Contributions - Operating  | 4,707               | 4,738          | 5,250          |
| 49  | Investment Income  | 40                  | 53             | 57             |
| 755   | Reimbursements   | 538                 | 1,351          | 1,192          |
| 1,263   | Other Income   | 311                 | 509            | 665            |
| <b>42,111</b>                                 | <b>Total Income</b>  | <b>42,280</b>       | <b>44,060</b>  | <b>48,574</b>  |
| <b>Expenses</b>                               |  |                     |                |                |
| 14,365  | Employee Costs   | 15,087              | 15,492         | 16,324         |
| 17,460  | Materials, Contracts & Other Expenses  | 17,288              | 19,921         | 20,148         |
| 10,176  | Depreciation, Amortisation & Impairment  | 10,467              | 11,019         | 11,857         |
| 1,094   | Finance Costs  | 2,275               | 1,876          | 1,928          |
| <b>43,095</b>                                 | <b>Total Expenses</b>  | <b>45,117</b>       | <b>48,308</b>  | <b>50,257</b>  |
| <b>(984)</b>                                  | <b>Operating Surplus / (Deficit)</b>   | <b>(2,837)</b>      | <b>(4,248)</b> | <b>(1,683)</b> |
| 17  | Timing Adjustment for grant revenue  |                     | (36)           | 0              |
| <b>(967)</b>                                  | <b>Adjusted Operating Surplus (Deficit)</b>  | <b>(2,837)</b>      | <b>(4,285)</b> | <b>(1,683)</b> |
| <b>Net outlays on existing assets</b>         |  |                     |                |                |
| (5,370)                                       | Capital expenditure on renewal and replacement of existing assets  | (5,762)             | (6,395)        | (8,696)        |
| 10,176  | Depreciation, amortisation and impairment  | 10,467              | 11,019         | 11,857         |
| 40  | Proceeds from sale of replaced assets  | 277                 | 242            | 332            |
| <b>4,846</b>                                  | <b>Net outlays on existing assets</b>  | <b>4,982</b>        | <b>4,866</b>   | <b>3,493</b>   |
| <b>Net outlays on new and upgraded assets</b> |  |                     |                |                |
| (18,216)                                      | Capital expenditure on new and upgraded assets<br>(including investments property & real estate developments)                                  | (3,903)             | (6,501)        | (2,743)        |
| 5,142   | Amounts received specifically for new and upgraded assets  |                     | 500            | 250            |
| 20  | Proceeds from sale of surplus assets<br>(including investment property and real estate developments<br>and non-current assets held for resale) |                     |                |                |
| <b>(13,054)</b>                               | <b>Net outlays on new and upgraded assets</b>  | <b>(3,903)</b>      | <b>(6,002)</b> | <b>(2,493)</b> |
| <b>(9,175)</b>                                | <b>Annual Net Impact to Financing Activities (surplus (deficit))</b>   | <b>(1,759)</b>      | <b>(5,421)</b> | <b>(683)</b>   |



**City of Mount Gambier - Statement of Comprehensive Income Budget 2024/2025**

| 2023<br>Actuals  | \$'000s  | 2024<br>Adopted<br>Budget | BR3<br>2024    | Budget<br>2025 |
|--|--|---------------------------|----------------|----------------|
| <b>Income</b>  |  |                           |                |                |
| 24,893   | Rates  | 26,416                    | 26,455         | 30,314         |
| 731  | Statutory Charges  | 734                       | 847            | 896            |
| 6,947  | User Charges   | 9,193                     | 9,055          | 9,812          |
| 1,071  | Grants, Subsidies and Contributions - Capital                          | 341                       | 1,053          | 388            |
| 6,402  | Grants, Subsidies and Contributions - Operating                        | 4,707                     | 4,738          | 5,250          |
| 49   | Investment Income  | 40                        | 53             | 57             |
| 755  | Reimbursements   | 538                       | 1,351          | 1,192          |
| 1,263  | Other Income   | 311                       | 509            | 665            |
| <b>42,111</b>  | <b>Total Income</b>  | <b>42,280</b>             | <b>44,060</b>  | <b>48,574</b>  |
| <b>Expenses</b>  |  |                           |                |                |
| 14,365   | Employee Costs   | 15,087                    | 15,492         | 16,324         |
| 17,460   | Materials, Contracts & Other Expenses                                  | 17,288                    | 19,921         | 20,148         |
| 10,176   | Depreciation, Amortisation & Impairment                                | 10,467                    | 11,019         | 11,857         |
| 1,094  | Finance Costs  | 2,275                     | 1,876          | 1,928          |
| <b>43,095</b>  | <b>Total Expenses</b>  | <b>45,117</b>             | <b>48,308</b>  | <b>50,257</b>  |
| <b>(984)</b>   | <b>Operating Surplus / (Deficit)</b>                                   | <b>(2,837)</b>            | <b>(4,248)</b> | <b>(1,683)</b> |
| 1,054  | Physical Resources Received Free of Charge                             | 1,000                     | 1,000          | 1,000          |
| (364)  | Asset Disposal & Fair Value Adjustments                                | 0                         | (0)            | 0              |
| 5,808  | Amounts Received Specifically for New or Upgraded Assets               | 0                         | 211            | 250            |
| <b>5,514</b>   | <b>Net Surplus / (Deficit)</b>   | <b>(1,837)</b>            | <b>(3,038)</b> | <b>(433)</b>   |
| <b>Other Comprehensive Income</b>  |  |                           |                |                |
| <b>Amounts which will not be reclassified subsequently to operating result</b> |  |                           |                |                |
| 90,897   | Changes in Revaluation Surplus - I,PP&E                                | 9,662                     | 42,695         | 0              |
| (575)  | Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve | 0                         | 0              | 0              |
| <b>90,322</b>  | <b>Total Other Comprehensive Income</b>                                | <b>9,662</b>              | <b>42,695</b>  | <b>0</b>       |
| <b>95,836</b>  | <b>Total Comprehensive Income</b>                                      | <b>7,824</b>              | <b>39,657</b>  | <b>(433)</b>   |

| City of Mount Gambier - Statement of Financial Position Budget 2024/2025 |   |                           |                |                |
|--|---|---------------------------|----------------|----------------|
| 2023<br>Actuals  | \$'000s                                     | Adopted<br>Budget<br>2024 | BR3<br>2024    | Budget<br>2025 |
| <b>ASSETS</b>  |   |                           |                |                |
| <b>Current Assets</b>  |   |                           |                |                |
| 76   | Cash & Cash Equivalents                     | 553                       | 500            | 507            |
| 4,155  | Trade & Other Receivables                   | 1,803                     | 1,813          | 2,056          |
| 67   | Inventories                                 | 61                        | 69             | 71             |
| <b>4,298</b>   | <b>Total Current Assets</b>                 | <b>2,416</b>              | <b>2,381</b>   | <b>2,634</b>   |
| <b>Non-Current Assets</b>  |   |                           |                |                |
| 399,756  | Infrastructure, Property, Plant & Equipment | 327,405                   | 448,270        | 448,700        |
| <b>399,756</b>   | <b>Total Non-Current Assets</b>             | <b>327,405</b>            | <b>448,270</b> | <b>448,700</b> |
| <b>404,054</b>   | <b>TOTAL ASSETS</b>                         | <b>329,821</b>            | <b>450,651</b> | <b>451,334</b> |
| <b>LIABILITIES</b>   |   |                           |                |                |
| <b>Current Liabilities</b>   |   |                           |                |                |
| 4,801  | Trade & Other Payables                      | 5,162                     | 5,714          | 5,705          |
| 3,088  | Borrowings                                  | 1,269                     | 1,269          | 1,337          |
| 3,011  | Provisions                                  | 2,848                     | 3,086          | 3,176          |
| <b>10,900</b>  | <b>Total Current Liabilities</b>            | <b>9,279</b>              | <b>10,070</b>  | <b>10,218</b>  |
| <b>Non-Current Liabilities</b>   |   |                           |                |                |
| 28,519   | Borrowings                                  | 38,801                    | 33,202         | 35,266         |
| 3,495  | Provisions                                  | 3,890                     | 6,582          | 5,486          |
| <b>32,014</b>  | <b>Total Non-Current Liabilities</b>        | <b>42,691</b>             | <b>39,784</b>  | <b>40,753</b>  |
| <b>42,914</b>  | <b>TOTAL LIABILITIES</b>                    | <b>51,970</b>             | <b>49,855</b>  | <b>50,971</b>  |
| <b>361,140</b>   | <b>Net Assets</b>                           | <b>277,852</b>            | <b>400,797</b> | <b>400,364</b> |
| <b>EQUITY</b>  |   |                           |                |                |
| 87,644   | Accumulated Surplus                         | 86,991                    | 84,606         | 84,173         |
| 271,174  | Asset Revaluation Reserves                  | 189,489                   | 313,869        | 313,869        |
| 2,322  | Other Reserves                              | 1,372                     | 2,322          | 2,322          |
| <b>361,140</b>   | <b>Total Equity</b>                         | <b>277,852</b>            | <b>400,797</b> | <b>400,364</b> |

**City of Mount Gambier - Statement of Cashflows Budget 2024/2025**

| 2023<br>Actuals                             | \$'000s   | Adopted<br>Budget<br>2024 | BR3<br>2024     | Budget<br>2025  |
|---|---|---------------------------|-----------------|-----------------|
| <b>Cash Flows from Operating Activities</b> |   |                           |                 |                 |
| <b>Receipts:</b>                            |   |                           |                 |                 |
| 24,803                                      | Rates Receipts  | 26,237                    | 26,455          | 30,314          |
| 731   | Statutory Charges   | 734                       | 847             | 896             |
| 6,947                                       | User Charges  | 9,193                     | 9,055           | 9,812           |
| 6,419                                       | Grants, Subsidies and Contributions                           | 4,707                     | 4,702           | 5,250           |
| 49  | Investment Receipts   | 40                        | 53              | 57              |
| 755   | Reimbursements  | 538                       | 1,351           | 1,192           |
| 50  | Other Receipts  | 311                       | 2,851           | 422             |
| <b>Payments:</b>                            |   |                           |                 |                 |
| (14,081)                                    | Payments to Employees   | (15,087)                  | (15,492)        | (16,324)        |
| (15,666)                                    | Payments for Materials, Contracts & Other Expenses            | (17,189)                  | (19,099)        | (21,166)        |
| (720)                                       | Finance Payments  | (2,275)                   | (1,876)         | (1,928)         |
| <b>9,287</b>                                | <b>Net Cash provided (or used in) Operating Activities</b>    | <b>7,209</b>              | <b>8,845</b>    | <b>8,526</b>    |
| <b>Cash Flows from Investing Activities</b> |   |                           |                 |                 |
| <b>Receipts:</b>                            |   |                           |                 |                 |
| 1,071                                       | Grants Utilised For Capital Purposes                          | 341                       | 1,053           | 388             |
| 5,142                                       | Amounts Received Specifically for New/Upgraded Assets         | 0                         | 500             | 250             |
| 40  | Sale of Replaced Assets                                       | 277                       | 242             | 332             |
| 20  | Sale of Surplus Assets  | 0                         | 0               | 0               |
| <b>Payments:</b>                            |   |                           |                 |                 |
| (5,370)                                     | Expenditure on Renewal/Replacement of Assets                  | (5,762)                   | (6,395)         | (8,696)         |
| (18,216)                                    | Expenditure on New/Upgraded Assets                            | (3,903)                   | (6,501)         | (2,743)         |
| <b>(17,313)</b>                             | <b>Net Cash provided (or used in) Investing Activities</b>    | <b>(9,048)</b>            | <b>(11,102)</b> | <b>(10,469)</b> |
| <b>Cash Flows from Financing Activities</b> |   |                           |                 |                 |
| <b>Receipts:</b>                            |   |                           |                 |                 |
| 10,000                                      | Proceeds from Loans   | 5,002                     | 5,791           | 3,402           |
| 22  | Proceeds from Bonds and Deposits                              |                           |                 |                 |
| <b>Payments:</b>                            |   |                           |                 |                 |
| (1,905)                                     | Repayments of Loans   | (2,930)                   | (2,930)         | (1,269)         |
| (265)                                       | Repayment of Lease Liabilities                                | (181)                     | (181)           | (181)           |
| 0   | Repayment of Bonds & Deposits                                 | 0                         | 0               | 0               |
| <b>7,852</b>                                | <b>Net Cash Flow provided (used in) Financing Activities</b>  | <b>1,892</b>              | <b>2,680</b>    | <b>1,951</b>    |
| <b>(174)</b>                                | <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b> | <b>53</b>                 | <b>424</b>      | <b>8</b>        |
| <b>250</b>                                  | <b>plus: Cash &amp; Cash Equivalents - beginning of year</b>  | <b>499</b>                | <b>76</b>       | <b>500</b>      |
| <b>76</b>                                   | <b>Cash &amp; Cash Equivalents - end of the year</b>          | <b>553</b>                | <b>500</b>      | <b>507</b>      |

**City of Mount Gambier - Statement of Equity Budget 2024/2025**

| 2023<br>Actuals                   | \$'000s  | Adopted<br>Budget<br>2024 | BR3<br>2024 | Budget<br>2025 |
|-----------------------------------|--|---------------------------|-------------|----------------|
| 265,304                           | Opening Balance  | 270,027                   | 361,140     | 400,797        |
| 5,514                             | Net Surplus / (Deficit) for Year   | (1,837)                   | (3,038)     | (433)          |
| <b>Other Comprehensive Income</b> |  |                           |             |                |
| 90,897                            | - Gain (Loss) on Revaluation of I,PP&E                                   | 9,662                     | 42,695      | 0              |
| (575)                             | - Impairment (loss) reversal relating to I,PP&E                          |                           |             |                |
|                                   | - Impairment (expense) / recoupments offset to asset revaluation reserve |                           |             |                |
|                                   | - Share of OCI - Equity Accounted Council Businesses                     |                           |             |                |
|                                   | - Other Equity Adjustments - Equity Accounted Council Businesses         |                           |             |                |
|                                   | - Other Movements  |                           |             |                |
| 90,322                            | Other Comprehensive Income   | 9,662                     | 42,695      | 0              |
| 95,836                            | Total Comprehensive Income   | 7,824                     | 39,657      | (433)          |
| 361,140                           | Equity - Balance at end of the reporting period                          | 277,852                   | 400,797     | 400,364        |





**City of Mount Gambier -Key Financial Ratios Draft 2024/2025**

| 2023<br>Actuals | \$'000s  | Adopted<br>Budget<br>2024 | BR3<br>2024 | Budget<br>2025 |
|-----------------|--|---------------------------|-------------|----------------|
| -2.3%           | <b>Operating surplus ratio</b>   | -6.7%                     | -9.6%       | -3.5%          |
|                 | <u>Operating surplus</u><br>Total operating revenue  |                           |             |                |
| 92%             | <b>Net financial liabilities ratio</b>   | 117%                      | 108%        | 100%           |
|                 | <u>Net financial liabilities</u><br>Total operating revenue  |                           |             |                |
| 88%             | <b>Asset renewal funding ratio</b>   | 100%                      | 111%        | 100%           |
|                 | <u>Expenditure on renewal/replacement of assets</u><br>Optimal level of such expenditure as per IAMP |                           |             |                |



## 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.



## 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 valuation referred to in the rate notice by writing served personally or by post on the Valuer-General within 60 days after the date of service of the notice, provided they have not:

- previously received a notice or notices under the *Local Government Act 1999* referring to the valuation and informing them of a 60-day objection period, the objection period is 60 days after service of the first such notice; or
- Previously had an objection to the valuation considered by the Valuer-General.

The Valuer-General may extend the 60-day objection period where it be shown there is reasonable cause to do so by a person entitled to make an objection to a valuation.

Objections can be submitted to the Office of the Valuer-General via:

**Online:** [www.valuergeneral.sa.gov.au](http://www.valuergeneral.sa.gov.au)

**Email:** [OVGO objections@sa.gov.au](mailto:OVGO objections@sa.gov.au)

**Post:** GPO Box 1354, Adelaide 5001

**Fax:** 08 8115 5709

**In Person:** Land Services SA, Level 9, 101 Grenfell Street, Adelaide



#### 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 full and detailed grounds for objection, including any supporting information, 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:

**Online:** [www.valuergeneral.sa.gov.au](http://www.valuergeneral.sa.gov.au)

**Email:** [OVGO objections@sa.gov.au](mailto:OVGO objections@sa.gov.au)

**Post:** GPO Box 1354, Adelaide 5001

**Fax:** 08 8115 5709

**In Person:** Land Services SA, Level 9, 101 Grenfell Street, Adelaide

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:

**Online:** [www.valuergeneral.sa.gov.au](http://www.valuergeneral.sa.gov.au)

**Email:** [OVGO objections@sa.gov.au](mailto:OVGO objections@sa.gov.au)

**Post:** GPO Box 1354, Adelaide 5001

**Fax:** 08 8115 5709

**In Person:** Land Services SA, Level 9, 101 Grenfell Street, Adelaide

#### 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.





- 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.



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, Council will declare differential general rates in the dollar according to the use of the land. 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 and is provided by the Office of the Valuer-General. If a ratepayer is of the opinion believes that a property particular land use has been wrongly classified attributed as to its land use to the ratepayer's land by the council for the purpose of levying differential rates, the ratepayer may object to the attribution of that land use. then an objection in writing may be made within 60 days of being notified of the land use classification.

Council is responsible for accepting objections to land use. Your objection must be lodged in writing and directed to Council within 60 days of being notified of the land use.

The Office of the Valuer General provides "Objection to Land Use" fact sheets in an aim to provide assistance in understanding the process to undertake if you are dissatisfied with the land use. Details are available from the Office of the Valuer General online via [FactSheet-LandUseCodes.PDF \(valuergeneral.sa.gov.au\)](https://www.valuergeneral.sa.gov.au/FactSheet-LandUseCodes.PDF) or by contacting the Office of the Valuer General directly:

**Online:** [www.valuergeneral.sa.gov.au](https://www.valuergeneral.sa.gov.au)

**Email:** [OVGO objections@sa.gov.au](mailto:OVGO objections@sa.gov.au)

**Post:** GPO Box 1354, Adelaide 5001

**Fax:** 08 8115 5709

**In Person:** Land Services SA, Level 9, 101 Grenfell Street, Adelaide

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.

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.

#### 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.
- **Flexipay**

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.





#### **4.17 Fines on Unpaid Rates**

If an instalment of rates is not paid on or before the date on which it falls due—

- (a) the instalment will be regarded as being in arrears; and
- (b) a fine of 2 per cent of the amount of the instalment is payable; and
- (c) on the expiration of each full month from that date, interest at the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month) accrues.

In respect of unpaid Council rates no fines and/or interest charges will arise where the arrears amount is less than \$40.

#### **4.18 Outstanding Rates**

Council will apply prudent debt collection practices in the recovery of outstanding rates in compliance with the Local Government Act 1999 and follow an ongoing assessment of arrears and systematic approach to debt recovery.

In accordance with the provisions of the Local Government Act, where an instalment of Rates is not paid on or before the date on which it falls due, Council will:

- (a) Send a reminder notice to the principal ratepayer with outstanding rate balances advising that payment is overdue;
- (b) Proceedings for collection of outstanding rate balances after that time may be collected by legal process.

The Chief Executive Officer is empowered to exempt this Policy in necessitous circumstances, in accordance with the delegated powers issued pursuant to the provisions of the Local Government Act.

The Chief Executive Officer is empowered to take the necessary action to instigate collection by legal process where principal ratepayers have made no genuine attempt to respond to the requests for payment.

The Chief Executive Officer be authorised to write off outstanding and/or bad debts provided:

- (a) The debt is considered by the Chief Executive Officer to be unrecoverable;
- (b) The outstanding debt is less than \$100.

#### **4.19 Appeals Against Assessments**

Pursuant to the provisions of the Local Government Act 1999, Council shall refund any rate amount overpaid as a result of an objection, review or appeal in respect of a valuation.

Council shall not apply or credit any such amount overpaid against future liabilities for rates on the land subject to the rates, unless requested to do so by the ratepayer.



#### 4.20 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).

#### 4.21 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.

#### 4.22 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.

#### 4.23 Rate Relief Options

- 4.23.1 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).



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.

#### **4.23.2 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.

#### **4.23.3 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.



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

#### **4.24 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.

#### **4.25 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.

#### **4.26 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.

#### **4.27 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.

#### **4.28 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>R105 RATING POLICY</b> | Version No:  | 15.00     |
|   |                           | Issued:      | June 2024 |
|   |                           | Next Review: | May 2025  |

**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



|  |   |
|--|---|
| File Reference:                            | AF18/48   |
| Applicable Legislation:                    | Local Government Act, 1999 - Chapter 10   |
| Reference:<br>Strategic Plan – Beyond 2015 | Goal 5, Strategic Objective 5.  |
| Related Policies:                          | R105 Rating Policy/Statement ( <del>now includes R105</del> )<br>R155 Rates - Rebate Policy Statement and Application Process<br>R130 Rates - General Policy ( <del>amalgamated with R105</del> ) |
| Related Procedures:                        | Nil   |
| Related Documents:                         | Nil   |

#### DOCUMENT DETAILS

|   |   |
|---|---|
| Responsibility:   | General Manager Corporate and Regulatory Services |
| Version:  | 15.0  |
| Last revised date:  | 28 June 2022                                      |
| Effective date:   | 28 June 2022                                      |
| Minute reference:   | 28 June 2022 – Item No. 4.1 – Resolution 2022/80  |
| Next review date:   | May, 2025   |
| <u>Document History</u><br>First Adopted By Council:<br>Reviewed/Amended: | 18 <sup>th</sup> October, 2011<br>Annually        |



## 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. DEFINITIONS

**Act** the *Local Government Act 1999* (SA)

**Council** the elected Council Body

**Discretionary Rebate** rebates where Council may apply a rebate in accordance with criteria specified in the Act

**Mandatory Rebate** rebates where Council must grant in accordance with the Act

**Rating** the overall process of raising revenue by way of levying rates and charges

**Rebate/s** an amount that a rate or charge may be reduced in accordance with sections 159-166 of the Act

## 4. PURPOSE

- 4.1 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.
- 4.2 The Act provides for a mandatory rebate of rates in specified cases and the amount of that mandatory rebate (see Clause 3 below).
- 4.3 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.



- 4.4 The Act provides, at Section 166 for the Council to provide a discretionary rebate of rates in the cases set out in that Section.

**5. MANDATORY REBATES**

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

- 5.2 Rates on the following land will be rebated at **100%**:

**5.2.1 Health Services**

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

**5.2.2 Religious Purposes**

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

**5.2.3 Public Cemeteries**

Land being used for the purposes of a public cemetery.

**5.2.4 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.

- 5.3 Rates on the following land will be rebated at **75%**:

**5.3.1 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 –

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





**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:

- 5.3.1.4 Emergency accommodation;
- 5.3.1.5 Food or clothing for disadvantaged persons;
- 5.3.1.6 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;*
- 5.3.1.7 Essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
- 5.3.1.8 Legal services for disadvantaged persons;
- 5.3.1.9 Drug or alcohol rehabilitation services; or
- 5.3.1.10 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.
- 5.3.1.11 Disadvantaged person are persons who are disadvantaged by reason of poverty, illness, frailty or mental, intellectual or physical disability.

#### **5.3.2 Educational Purposes**

- 5.3.2.1 Land occupied by a government school under a lease or licence and being used for educational purposes; or
- 5.3.2.2 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
- 5.3.2.3 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.



- 5.4 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.
- 5.5 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.
- 5.6 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.
- 5.7 Council has delegated the determination of entitlement to Mandatory Rebates to the Chief Executive Officer.

## 6. DISCRETIONARY REBATES

- 6.1 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: -
- 6.1.1 *where it is desirable for the purpose of securing the proper development of the area (or a part of the area);*
  - 6.1.2 *where it is desirable for the purpose of assisting or supporting a business in its area;*
  - 6.1.3 *where it will be conducive to the preservation of buildings or places of historic significance;*
  - 6.1.4 *where the land is being used for educational purposes;*
  - 6.1.5 *where the land is being used for agricultural, horticultural or floricultural exhibitions;*
  - 6.1.6 *where the land is being used for a hospital or health centre;*
  - 6.1.7 *where the land is being used to provide facilities or services for children or young persons;*
  - 6.1.8 *where the land is being used to provide accommodation for the aged or disabled;*
  - 6.1.9 *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;*
  - 6.1.10 *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;*
  - 6.1.11 *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;*



- 6.1.12 *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.*
- 6.1.13 *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;*
- 6.1.14 *where the rebate is to give effect to a review of a decision of the Council under Chapter 13 Part 2; and*
- 6.1.15 *where the rebate is contemplated under another provision of this Act.*
- 6.2 *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;*



- (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.
- 6.3 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.*
- 6.4 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).
- 6.5 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.

## 7. RECREATIONS GROUNDS RATES AND TAXES EXEMPTION ACT 1981

*The Recreations Grounds Rates and Taxes Exemption Act 1981 exempts certain land used for sport or recreation in South Australia from rates and taxes. Such land is, therefore, not rateable pursuant to section 147(d) of the Recreation Grounds Rates and Taxes Exemption Act 1981.*

To be eligible, certain criteria **must** be met.

- 7.1 the land must be vested in a council; or under the care, control or management of a Council, and the public is entitled to access to the land for the purpose of sport or recreation; **and**
- 7.2 The land vested in trustees or in an association and the public is entitled, in Pursuance of rights granted in perpetuity, to access the land for the purpose of sport or recreation; **and**
- 7.3 The land Occupied under a lease, licence or permit granted by a council and used by the occupier for the purposes of sport or recreation; **and**
- 7.4 The whole of the income derived from the land used for the maintenance, repair or improvement of the land.

Enquiries and application for Recreation Grounds Rates and Taxes Exemption should be





directed to Council.

#### 8. 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.

#### 9. 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.

#### 10. APPLICATIONS

- 10.1 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.
- 10.2 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).
- 10.3 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.
- 10.4 The Act provides that the Council may grant a rebate of rates or charges on such conditions as the Council considers fit.



- 10.5 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.

- 10.6 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.

- 10.7 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.

- 10.8 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.*

- 10.9 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.

## 11. DELEGATION

- 11.1 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.

- 11.2 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.

- 11.3 **The Council has delegated its power, pursuant to Section 44 of the Act, to determine applications for discretionary rebates.**

~~All discretionary rebates shall be determined by the Council.~~



## 12. RATE RELIEF OPTIONS

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

### 12.1 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%.

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.

12.2 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).

12.3 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)**

12.4 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.

**13. 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.





**14. 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.

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**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 .....

**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.



**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 ■



*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 (Cwth); 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.*





■ **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;*



- *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.

.....

.....

.....

.....

.....



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.







|  |  |
|--|--|
| File Reference:                            | AF18/48  |
| Applicable Legislation:                    | Local Government Act, 1999<br>Chapter 10, Division 5 (Sections 159 to 166)<br><b>Recreation Grounds Rates and Taxes Exemption Act 1981</b> |
| Reference:<br>Strategic Plan – Beyond 2015 | Goal 5, Strategic Objective 5  |
| Related Policies:                          | R105 Rating Policy/Statement-<br>R130 Rates - General Matters (amalgamated with<br><b>R105 Rating Policy</b> )                             |
| Related Procedures:                        | Nil  |
| Related Documents:                         | Nil  |

#### DOCUMENT DETAILS

|   |   |
|---|---|
| Responsibility:   | General Manager Corporate and Regulatory Services           |
| Version:  | 12.0  |
| Last revised date:  | <del>28 June 2022</del>                                     |
| Effective date:   | <del>28 June 2022</del>                                     |
| Minute reference:   | <del>28 June 2022 - Item No. 4.1 - Resolution 2022/80</del> |
| Next review date:   | May, 2025   |
| <u>Document History</u><br>First Adopted By Council:<br>Reviewed/Amended: | May 2002<br>Annually  |



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City of  
Mount Gambier

10 Watson Terrace (PO Box 56)  
Mount Gambier SA 5290  
Phone 08 8721 2555  
[city@mountgambier.sa.gov.au](mailto:city@mountgambier.sa.gov.au)  
[www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au)

**4.2 ADOPTION OF VALUATIONS AND RATES DECLARATION YEAR ENDING 30 JUNE 2025 – REPORT NO. AR24/34801**

|                                  |   |
|----------------------------------|---|
| <b>Committee:</b>                | <b>Council</b>  |
| <b>Meeting Date:</b>             | <b>25 June 2024</b>   |
| <b>Report No.:</b>               | <b>AR24/34801</b>   |
| <b>CM9 Reference:</b>            | <b>AF23/328</b>   |
| <b>Author:</b>                   | <b>Jo Scheidl, Team Leader Revenue</b>  |
| <b>Authoriser:</b>               | <b>Sarah Philpott, Chief Executive Officer</b>  |
| <b>Summary:</b>                  | <b>To provide Council with the legally required recommendations for 2024/2025 financial year for the:<br/>Adoption of the capital valuation of land for the purpose of rating;<br/>Declaration of the attribution of land uses and codes;<br/>Declaration of differential general rates;<br/>Declaration of fixed charge;<br/>Declaration of Waste Service Charge;<br/>Declaration of differential separate rate in accordance with the Landscape South Australia Act 2019 ('the Act');<br/>Declaration of residential rate cap, and;<br/>Payment of Council rates.</b> |
| <b>Strategic Plan Reference:</b> | <b>Goal 1: Our People<br/>Goal 2: Our Location<br/>Goal 3: Our Diverse Economy<br/>Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage<br/>Goal 5: Our Commitment</b>  |

**REPORT RECOMMENDATION**

1. That Council Report No. AR24/34801 titled 'Adoption of Valuations and Rates Declaration year ending 30 June 2025' as presented on 25 June 2024 be noted.
2. That, pursuant to Section 167(1) and (2) of the Local Government Act 1999 Council adopts, for rating purposes for the 2024/2025 financial year, the Valuer General's most recent valuations of the capital values applicable to land within the area of the Council, totalling \$6,633,882,400 and that the date of adoption of the valuations is 25<sup>th</sup> June, 2024.
3. That in exercise of the powers contained in Chapter 10 of the Local Government Act 1999, the attribution of the land uses in the Assessment Record for the 2024/2025 financial year will be in accordance with the categories of land use prescribed by Regulation 14 of the Local Government (General) Regulations 2013.
4. That pursuant to Sections 152 (1)(c), 153 (1)(b) and 156 (1)(a) of the Local Government Act 1999 and in order to raise rates in the amount of \$24,660,455 the Council hereby declares that differential general rates will apply and will vary according to the use of the land and declares the differential general rates for rateable land within the Council area for the 2024/2025 financial year will be as follows:
  - (a) 0.187051 of a cent per dollar of assessed capital value on rateable land of land use category (a) 'Residential', category (g) 'Primary Production' and category (i) 'Other'; and



- (b) 0.5050380 of a cent per dollar of assessed capital value on rateable land of land use category (b) 'Commercial-Shop', category (c) 'Commercial Office', category (d) 'Commercial-Other', category (e) 'Industry-Light', category (f) 'Industry Other' and category (h) 'Vacant Land' use.
5. That pursuant to Section 152 (1)(c)(ii) of the Local Government Act 1999, the Council declares in respect of the 2024/2025 financial year a fixed charge on rateable land within the Council area in the sum of \$634.65
  6. That pursuant to Section 155(2)(a) of the Local Government Act 1999 the Council imposes a Waste Service Charge of \$311.00 for the 2024/2025 financial year on all land to which it provides or makes available the prescribed service in order to raise the amount of \$4,456,941.
  7. That in exercise of the powers contained in Section 69 of the Landscape South Australia Act 2019 and Section 154 of the Local Government Act 1999, in order to reimburse to the Council the amount contributed to the Limestone Coast Landscape Board, being \$1,406,869 differential separate rates based on a fixed charge of an amount that depends upon the use of the land on all rateable land in the Council's area and in the area of the said Board for the 2024/2025 financial year as follows:
    - 1) \$90.55 per assessment on rateable land of category (a) 'Residential', category (h) 'Vacant Land' and category (i) 'Other';
    - 2) \$136.10 per assessment on rateable land of category (b) 'Commercial-Shop', category (c) 'Commercial-Office' and category (d) 'Commercial-Other';
    - 3) \$217.00 per assessment on rateable land of category (e) 'Industry-Light' and category (f) 'Industry-Other';
    - 4) \$398.00 per assessment on rateable land of category (g) 'Primary Production'.
  8. That pursuant to section 153 (3) of the Local Government Act 1999 and for the financial year ending 30 June 2025 but subject to the criteria set out in the Annual Business Plan 2024/2025 being met, the Council fixes a maximum increase to the general rate of 15% over the amount of the general rate liability for the 2023/2024 financial year in respect of any rateable land that constitutes the principal place of residence of a principal ratepayer and determines that any amount in excess of the 15% be remitted.
  9. That pursuant to Section 181(2) of the Local Government Act 1999 the Council declares that quarterly payment of rates and charges in respect of the 2024/2025 financial year be payable on or before:
    - Friday, 6 September 2024
    - Friday, 6 December 2024
    - Friday, 7 March 2025
    - Friday, 6 June 2025





## TYPE OF REPORT

Legislative

## BACKGROUND

1. Councils are required to raise revenue for governance, administration and the delivery of goods and services to the community.
2. 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.
3. Council should give consideration to the impact of rates and service charges on all ratepayers and ensuring consistency and equity across Council areas in the imposition of rates on various sectors of the residential, business and wider community.
4. The basis of rating is set out in Chapter 10 – Rates and Charges of the *Local Government Act 1999* ("the Act"). The Act prescribes Council's powers to raise rates and provides the framework within which the Council must operate, but also leaves room for the Council to make a range of Policy choices.
5. 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.
6. Legislative changes to LGA (Financial Management) Regulations 2011 required detailed rating data to be included in The Draft Annual Business Plan and Budget from the 2022/2023 financial year onwards.
7. The subsequent Council report titled "Draft 2024/2025 Annual Business Plan & Budget for Public Consultation" was endorsed by Council for public consultation at the Council meeting on 21 May 2024. The report included the draft rating estimates as set out in the regulations section 6 as well as the Rate and Rate Rebate policies.
8. Public consultation took place between 23 May and 13 June 2024.

## PROPOSAL

1. Council is required to declare a general rate after it has adopted its Annual Business Plan and Budget for the financial year to which the rate relates and no later than 15 August in that financial year.
2. Council must not declare a rate for a particular financial year without first adopting the valuations that apply to land within its area for rating purposes for that year. The valuations have been prepared based on Capital Value as provided by the Office of the Valuer-General.
3. Council continues to be 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 is charged on the basis of the service being available at the property.
4. This report provides Council with the legal requirements as set out in Local Government Act 1999 to finalise the annual budget process regarding adoption of rates and charges by way of a series of separate resolutions.
5. This report should be read in conjunction with Council 'Report No AR24/25851– Adoption of 2024/2025 Annual Business Plan, Budget and Rating Policies' which provides details of supporting documents, information and explanation.



## LEGAL IMPLICATIONS

Council must act in accordance with the *Local Government Act 1999* requirements.

- Under Section 123 of the Act Council is required to adopt a draft Annual Business Plan (ABP). This draft plan, once adopted, is required to be circulated for the purposes of public consultation;
- Under Section 146 of the Act a Council may impose general rates, separate rates, service rates and service charges on land in its area;
- Generally, all land within a council area is rateable unless it is specifically exempted by Section 147 of the Act. Such exemptions include Crown Land, land used for public educational purposes and council occupied land, amongst others;
- Rates must be based on the value of the land or a combination of a fixed charge and the value of the land (Sections 151 and 152 of the Act). A fixed charge can only be imposed against the whole of an allotment and only one fixed charge can be imposed against two or more pieces of contiguous (adjoining) land owned by the same owner and occupied by the same occupier, or a single farm enterprise (Sections 148 and 152 of the Act).

## STRATEGIC PLAN

Financial sustainability in local government, ensuring consideration is given to the financial effects on future generations.

## COUNCIL POLICY

[R105 - Rating Policy](#)

[R130 - Rates - General Matters \(revoked May 2024\)](#)

[R155 - Rate Rebate Policy](#)

## ECONOMIC IMPLICATIONS

The Annual Business Plan and Budget provides the funding for the Council to undertake its social, economic, infrastructure and environmental initiatives outlined in the Councils Long Term Financial and Asset Management Plans.

## ENVIRONMENTAL IMPLICATIONS

The Waste Service Charge is an environmental decision to make waste management costs visible and clear to ratepayers by highlighting the waste fee for each property on the rates notice.

## SOCIAL IMPLICATIONS

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.

## CULTURAL IMPLICATIONS

N/A

## RESOURCE IMPLICATIONS

N/A

## VALUE FOR MONEY

Rates constitutes a system of taxation for Local Government.

## RISK IMPLICATIONS

N/A



## **EQUALITIES AND DIVERSITY IMPLICATIONS**

N/A

## **ENGAGEMENT AND COMMUNICATION STRATEGY**

Has been undertaken in accordance with the *Local Government Act 1999* requirements for community consultation.

## **IMPLEMENTATION STRATEGY**

N/A

## **CONCLUSION AND RECOMMENDATION**

Preparation, communication and awareness-raising of Council's 2024/2025 rates determination and alignment with Council's Long Term Financial Plan has been undertaken in accordance with the *Local Government Act 1999* requirements for community consultation.

Council may now consider the adoption of the valuation and declaration of rates for the year ending 30 June 2025 and a series of independent resolutions/declarations to finalise the annual budget process.

## **ATTACHMENTS**

Nil



**4.3 ADOPTION OF LONG TERM FINANCIAL PLAN (LTFP) 2025-2034 – REPORT NO. AR24/25865**

|                                  |  |
|----------------------------------|--|
| <b>Committee:</b>                | <b>Council</b>   |
| <b>Meeting Date:</b>             | <b>25 June 2024</b>  |
| <b>Report No.:</b>               | <b>AR24/25865</b>  |
| <b>CM9 Reference:</b>            | <b>AF23/328</b>  |
| <b>Author:</b>                   | <b>Julie Scoggins, Manager Financial Services</b>  |
| <b>Authoriser:</b>               | <b>Sarah Philpott, Chief Executive Officer</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.<br/>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<br/>Goal 2: Our Location<br/>Goal 3: Our Diverse Economy<br/>Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage<br/>Goal 5: Our Commitment</b>   |

**REPORT RECOMMENDATION**

1. That Council Report No. AR24/25865 titled 'Adoption of Long Term Financial Plan (LTFP) 2025-2034' as presented on 25 June 2024 be noted.
2. That Council note the Audit and Risk Committee feedback included in this report, and verbal and written submissions received from members of the public considered at the Special Council meeting held on 18 June 2024.
3. That Council adopt the Long Term Financial Plan 2025-2034 as attached to Report No. AR24/25865.
4. That Council authorises the Chief Executive Officer or Delegate to make any necessary changes to the Long Term Financial Plan 2025-2034 document arising from this meeting, together with any editorial amendments and finalisation of the document's formatting and graphic design that do not materially alter the integrity of the document.





## TYPE OF REPORT

Legislative

## BACKGROUND

1. **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.
2. **Previously Adopted LTFP** - the LTFP was previously adopted by Council in June 2023.
3. **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.
4. **Annual Business Plan and Budget/LTFP Elected Member Engagement** – Further to a parameters session undertaken in February, seven informal briefings were held with Elected Members during March-May 2024 to brief them on the contents of the budget, LTFP, IAMPs and provide an understanding of the priorities for the coming year.
5. **Written Submissions** - The public consultation process generated 11 submissions (on the Draft Annual Business Plan, Draft Long Term Financial Plan and Asset Management Plans) that were considered at the Special Council meeting on 18 June 2024:

- **Individuals** - 10 individuals provided submission.
- **Groups** - 1 group provided a submission.

**Late Submission** - It should be noted that a late submission was received that was also considered by Elected Members.

6. **Verbal Submissions** - Three verbal submissions were also presented and considered at the Special Council meeting on 18 June 2024 including feedback on all three documents (i.e. ABP, LTFP and AMPs).
7. **Audit and Risk Committee Feedback** - At the Audit and Risk Committee meeting on 3 June 2024, the Committee reviewed the Draft Annual Business Plan and Budget and the below recommendation be presented for Council resolution at the special Council meeting 25 June 2024 for consideration of the adoption of the Draft Long Term Financial Plan 2025-2034..

*That the Audit and Risk Committee feedback on Council's Draft Long Term Financial Plan 2025-2034 and/or the associated processes and risks, as follows:*

- *The Audit and Risk Committee recommends that Council considers the future impact of new and upgraded assets on the financial sustainability.*
  - *The level of financial and operational risk that is posed by waste and the Audit and Risk Committee seeks a further update on waste financial modelling.*
  - *The Audit and Risk Committee notes that the Long Term Financial Plan financial sustainability ratios are trending in the right direction of the plan.*
  - *The Audit and Risk Committee notes the importance of the rating review in informing the future rating forecasts in the Long Term Financial Plan.*
  - *That the outer years of the Long Term Financial Plan be considered in the next version of the Long Term Financial Plan in terms of the application of the 2% sustainability index.*
8. **Post Consultation Budget Workshop** - A workshop was held to further consider submissions, feedback and additional information that had arisen during the consultation



period, and what if any changes were required to the Long Term Financial Plan on Tuesday 18 June 2024.

## 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. **Changes made following community consultation** - A number of changes were made to this document as a result of revised information (i.e. general rates and the waste service charge) and also due to community feedback submitted during the public consultation period.
  - **Hierarchy Of Documents** - Was further refined to clarify the status of the current Futures Paper and 2020-2024 strategic plan in the context of the development of the Mount Gambier 2035 community vision and the development of the 2024-2028 strategic plan
  - **Funding Of This Plan** - Details of the loan agreement with the Local Government Finance Authority (LGFA) and debt structure were also included to provide further details of Council's debt funding of the Wulanda Recreation and Convention Centre.
  - **Exclusions** - Further details of the expected impact of the increase in the Roads to Recovery Program and the work currently being undertaken on the Waste Masterplan and the Capital Works Costing Principles have been included to ensure that there is greater clarity of what is and what isn't included in this iteration of the Long Term Financial Plan.
  - **Rating Information** - 2024/2025 general rates and waste service charge increases were updated to reflect the final numbers for adoption i.e. 10.13% increase to general rates excluding growth and 1.11% growth and 43.9% increase in the waste service charge.
  - **Minor Amendments** - Typographical and editorial changes have been made throughout the document.
5. **LTFP Proposed For Adoption** - The draft Long Term Financial Plan numbers are as presented on 21 May 2024 as shown below .

| Operating Surplus Ratio |               |                |                    |                               | Net Financial Liabilities Ratio |                |              |             |                               |
|-------------------------|---------------|----------------|--------------------|-------------------------------|---------------------------------|----------------|--------------|-------------|-------------------------------|
| %                       | Average Ratio | Minimum Target | Yr Target Achieved | Number of Years Above Minimum | Average Ratio                   | Maximum Target | Peak Ratio   | Peak Year   | Number of Years Below Maximum |
| Adopted LTFP            | 2.1%          | 0.0%           | 2027               | 7                             | 61.5%                           | 100.0%         | 117.2%       | 2024        | 8                             |
| <b>Draft LTFP</b>       | <b>2.8%</b>   | <b>0.0%</b>    | <b>2027</b>        | <b>8</b>                      | <b>54.3%</b>                    | <b>100.0%</b>  | <b>99.7%</b> | <b>2025</b> | <b>10</b>                     |

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 Treasury Management Policy (on average over the LTFP) and by the target date of FY 2027 (and also as agreed with the Local Government Finance Authority in the terms for the loan to finance the construction of Wulanda):



- **Operating Surplus Ratio** - The average operating surplus ratio over the ten years is 2.8% (target of positive ratio by FY 2027) and is higher than the average included in the previously adopted LTFP.
  - **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** - Over the 10 years of the LTFP the renewal capital expenditure is aligned with the Asset Management Plans and as such the ratio is 100%.
6. **Local Government Reform** - The LTFP is 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. This review is currently scheduled to be undertaken in 2024/2025.
7. **The draft LTFP (Attached)** - Is presented as a set of financial statements and includes the following statements for years FY 2023 to FY 2034:
- 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 (and will be aligned with the Mount Gambier 2035 Community vision and the Strategic Plan 2024-2028 to be adopted by November 2024). It is also aligned with the Asset Management Plans (included in this agenda).

## COUNCIL POLICY

[A900 Asset Management Policy](#)

[B300 Budget Framework Policy](#)

[T150 Treasury Management Policy](#)

R105 Rating Policy 2024/2025 (included in this agenda item)

[R130 Rates General Matters to be revoked.](#)

[R155 Rate Rebate Policy](#)

[P195 Community Consultation and Engagement Policy](#)

[Procurement Policy](#)

## ECONOMIC IMPLICATIONS

The LTFP models Council to be financially sustainable over the medium to 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 medium to 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 (with the exception of total rates revenue that has been increased as above). The forecast inflation rates have been applied as at 31 December 2023. 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.
- **Other Items** - Other items of note have been included in the attached document.

## EQUALITIES AND DIVERSITY IMPLICATIONS

Nil

## ENGAGEMENT AND COMMUNICATION STRATEGY

|   |  |
|---|--|
| Method of consultation, informing community | <p>Copies of the draft LTFP was 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 was made available for the community to ask questions and receive submissions on Council's website during the consultation period.</p> <p>Two Drop In sessions were held at the Library during the consultation period.</p> |
| Feedback to stakeholders/Council            | <p>A written response will be made to all submissions once the Long Term Financial Plan 2025-2034 has been adopted.</p>  |





|                            |  |
|----------------------------|--|
| Timeframe for consultation | Commenced on 23 May and concluded on 13 June 2024. |
| Community input            | Commentary on the Draft LTFP                       |

### **IMPLEMENTATION STRATEGY**

Targets from the LTFP will be communicated to Council staff to inform the 2025/2026 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 current 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. Attachment 1 - Long Term Financial Plan 2025-2034 [↓](#)





# Long Term Financial Plan 2025 - 2034



## Long Term Financial Plan 2025-2034

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### Appendix:

Assumptions

Financial Statements

### Changes Following Public Consultation:

Consultation feedback was received on the Draft LTFP along with Council's Annual Business Plan and Budget and Asset Management Plans.

A number of changes were made to this document as a result of public consultation/updated information:

- **Hierarchy Of Documents** - Was further refined to clarify the status of the current Futures Paper and 2020-2024 strategic plan in the context of the development of the Mount Gambier 2035 community vision and the development of the 2024-2028 strategic plan
- **Funding Of This Plan** - Details of the loan agreement with the Local Government Finance Authority (LGFA) and debt structure were also included to provide further details of Council's debt funding of the Wulanda Recreation and Convention Centre.
- **Exclusions** - Further details of the expected impact of the increase in the Roads to Recovery Program and the work currently being undertaken on the Waste Masterplan and the Capital Works Costing Principles have been included to ensure that there is greater clarity of what is and what isn't included in this iteration of the Long Term Financial Plan.
- **Rating Information** - 2024/2025 general rates and waste service charge increases were updated to reflect the final numbers for adoption i.e. 10.13% increase to general rates excluding growth and 1.11% growth and 43.9% increase in the waste service charge.
- **Minor Amendments** - Typographical and editorial changes have been made throughout the document.





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).





## Long Term Financial Plan 2025-2034

### 2. Overview

**What Is This Document?** - This is the Long Term Financial Plan (LTFP) for the City of Mount Gambier Council for the period 2025 - 2034. While the Long Term Plan covers 10 years ahead, we review it every year. This is because the opportunities and challenges facing our community and city, and the context we work in, are always evolving.

**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.

**Hierarchy Of Documents** - 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, December 2021, June 2022 and June 2023.

**Roadmap** - The LTFP is developed in the context of the Strategic Plan 2020-2024 and sets a road map to implement the community's priorities for the coming decade. As such the LTFP provides a target for future Annual Business Plans and Budgets. It also 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. It should be noted that the next version of the community vision - Mount Gambier 2035 is currently being developed. This, with the supporting Strategic Work Plan has been used to inform this version of the LTFP.

**Financial Position** - Over the life of this Plan, Council is scheduled 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.

**Development of This Version of the LTFP** - This version of LTFP was developed in consultation with Council's Executive Leadership Team and Elected Members. Between Elected Members and Council Administration a number of rating scenarios were developed. A number of workshops were held that carefully considered/explored a number of options that balanced the need to achieve financial targets, resources to deliver the Strategic Work Plan and meet community expectations and cover the true cost of waste services. Asset Management Plans have



## Long Term Financial Plan 2025-2034

been informed by recently conducted condition audits for major asset classes and resulting valuations.

**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 (Balance Sheet)** - 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.



## Long Term Financial Plan 2025-2034

### 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.

**Hierarchy Of Documents** - The Plan complements and is complemented by other important Council plans and strategies:

- Futures Paper (to be replaced by Mount Gambier 2035);
- 2020-2024 Strategic Plan (to be replaced by 2024-2028 Strategic Plan);
- Asset Management Plan; and
- Annual Business Plan.

**Mount Gambier 2035** - Council has collaborated with the community to develop a community vision for our regional capital - Mount Gambier 2035. This will serve as the guiding document to inform Council's planning and decision making for the next ten years. This version of the LTFP has considered the Strategic Work Plan which is informed by Council's current 2020-2024 Strategic Plan as we work towards the development of Mount Gambier 2035. The draft community vision will be brought to Council in June 2024 for community consultation. Once adopted this will inform Council's 2024-2028 strategic plan and future LTFPs and Annual Business Plan and Budgets.

**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 facility provides substantial year-round indoor facilities, addressing many community needs both now and for future generations to come. The Wulanda Recreation and Convention Centre has already shown that it is able to 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 Essential Services Commission of South Australia (ESCOSA) during the 2024 - 2025 year under the Local Government Advice Scheme established through the Local Government Act 1999. The aim of the Scheme is to provide independent, risk-based advice to assist councils when making long-term financial and investment decisions for the benefit of ratepayers.

**Total Rate Revenue** - Council's major source of income is rates (general rates and waste service charge), which accounts for approximately 66% of operating revenue over the ten years of the plan and is an important part of the planned long-term strategy. It contributes towards the funding of Council's services to meet the expectations of the Community, by maintaining services, roads, waste management, footpaths, buildings, etc. and the Asset Management Plan (both the renewals and new/upgrade) and funding. A further review has been undertaken of rating strategy, prior to a more comprehensive review to be undertaken in 2024 - 2025, to ensure that Council balances the requirement for rate increases to fund recurring cost increases with the



## Long Term Financial Plan 2025-2034

### Significant Influences and Challenges (Continued)

need to keep rate increases across the ratepayer base at an acceptable level.

**Inflation** - This LTFP has incorporated the Consumer Price Index (CPI) based on Adelaide forecast CPI as predicted by Deloitte Access Economics. This assumption has been updated as at the end of December 2023. It should be noted that Council chose to continue to

apply these assumptions further to updated forecasts in March 2024, as the changes were not deemed to be material.

**Asset Management Plan** - The Asset Management Plans and Summary have been updated and 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 (please note that the estimates in this document have been indexed, however, in the Asset Management Summary they have not).

#### What has changed since the last LTFP?

**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 2024 and the Budget for FY 2025.

- **Interest Rates** - Interest rates have been updated to reflect actual interest/forecast rates for credit foncier loans and variable LGFA rates have been updated using Deloitte Access Economics as at 31 December 2023 ((as detailed in the Appendix).
- **Indexation** - Forecast CPI assumptions have been updated based on Deloitte Access Economics (DAE) forecasts (as detailed in the Appendix).
- **General Rates** – Council's rating strategy has been reviewed, where Council Staff and Elected Members worked together to develop and review a number of options that would provide a balance between community expectations, the achievement of financial targets and the capacity required to deliver this LTFP (refer to rating section).
- **Waste Management** - Further to a review of the cost of service a proposed increase was presented that ensured that the revenue collected view the Waste Service charge covered the costs incurred by Council to deliver this service to the community (refer to rating section).
- **Strategic Work Plan** - The Strategic Work Plan (i.e. delivery of Council's priorities over the next three years) has been updated further to engagement with Council staff and the development of Mount Gambier 2035 (refer to pages 13 and 14).





## Long Term Financial Plan 2025-2034

### Significant Influences and Challenges (Continued)

- **Unlocking Projects** - Underpinning the Strategic Work Plan the following foundational projects will be delivered to “unlock” capacity within the organisation looking for efficiencies and reviewing service levels:
  - **Asset Management Planning Approach** - Allocations have been included for condition audits of \$50k p.a. for all years of the LTFP and Buildings and Structures valuations in FY 2027 and 2031 of c\$200k and Infrastructure valuations in FY 2027 and 2031 of c\$230k (unindexed).
  - **Business Systems and Infrastructure** - \$365k investment in FY 2025 - FY 2026.
  - **Workforce Planning Framework** - This has incorporated \$50k in FY 2025.
  - **Strategic Work Plan Delivery** – An allocation of c\$400k in 2024/2025 and \$435k p.a. (unindexed) has been included to fund the delivery of the Strategic Work Plan.
- **Capacity Creation** – Capacity has been created in a number of different ways: to deliver the communities
  - **FTEs** - An additional 1.5 FTEs have been included in the FY 2025 budget to support volunteer management and the delivery of the trails activation plan.
  - **Resource** - The capacity of 2 FTEs p.a. (20 FTEs over the life of the LTFP has been included) which is expected to either be Council staff or consultants/contractors.
  - **Sports Recreation and Open Space Strategy (SROSS)** - Implementation from FY 2028 (details on next page).
  - **Strategic Work Plan** - Individual projects such as the Business Systems review have been scheduled, with an ongoing allocation over the life of the LTFP (as shown in the Strategic Work Plan Delivery) in recognition of the need to resource for future priorities and growth.
  - **CBD Activation** - An ongoing allocation has been included of c\$100k p.a. (unindexed) in this version of the LTFP as requested by Elected Members.
- **Asset Management** - Further to condition audits and valuations undertaken during this financial year for our major asset classes there has been a significant increase in both depreciation (\$1.1m above the adopted LTFP equivalent to an increase of 4.83% in rates for 2024/2025), the capital works budget and the forward works program. We have seen the cost of construction increase and the condition audits have informed the works that need to be undertaken.
- **Valuations** - The last version of the LTFP stated that the impact of the valuations for the Infrastructure and Buildings and Structures asset classes had been excluded. The previous version of the LTFP assumed that valuations would be undertaken periodically rather than indexing annually. Market conditions have meant that from FY 2026 CPI has been applied to asset classes annually to consider increases in value.



## Long Term Financial Plan 2025-2034

### Significant Influences and Challenges (Continued)

- **Capital Works Program** - This program, aligned with the Asset Management Summary and supporting plans, have been updated to reflect data resulting from the condition audits and valuations for the Buildings and Structures and Infrastructure asset categories, carry forwards identified as at Budget Review 3, and capital for new/upgrade expenditure following engagement with relevant Council staff and Elected Members.
- **Sport, Recreation & Open Space Strategy (SROSS)** – The previous version of the LTFP included a \$50k p.a. allocation for master plans. This version of the LTFP includes this allocation and the costs of three projects to support the implementation of this strategy (with design in year 1 and construction in year 2), excluding inflation for total cost for each project is assumed to be \$5m with 50% grant funding).
- **Waste Management** – The development of a Waste and Resource Recovery Master Plan has been identified by Council as a key strategic project and is well underway. This document, in conjunction with the 'Waste and Resource Recovery Strategy 2023 - 2030, will provide a whole of life map for waste management, including, the Waste Transfer Station, ReUse Market, Caroline Landfill and kerbside collections.

The comprehensive planning and analysis combined within the Master Plan, along with associated financial modelling will enable Council to minimise the risks associated with its waste services,

particularly those of owning and operating a landfill. One of the components of the Master Plan is a Risk Plan, which will specifically list waste related risks.

This work is still in progress at the time of preparing this document.

#### Key Financial Indicators:

The following targets have been set in line with the adopted T150 Treasury Management Policy and Council's loan conditions with the LGFA:

- **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.

- **Indexation** - Escalation of expenditure and revenue.
- **Interest Rates** - Interest rates have been forecast based on data available on 31 December 2023 from Deloitte Access Economics and LGFA rates. Council's debt structure has been established to ensure alignment with Council's Treasury Management Policy, with an appropriate mix of loan terms and fixed and variable debt.



## Long Term Financial Plan 2025-2034

### Significant Influences and Challenges (Continued)

- **Service Levels** - Adjusting service levels may result in increased cost of renewal/upgrade, maintenance and depreciation.

**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/Federal Government** - Local Government reforms and funding/cost shifting (e.g. Financial Assistance Grants timing and amount of advance payments).
- **Climate Change Impact** - The future impact on the way in which Council operates will need to be considered. Council has a strategic target to achieve a 65% reduction on kerbside waste to landfill by 2030.
- **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 resulted in less availability of contractors which will also impact on the capacity to deliver.
- **Wulanda** - Impact on the organisation to support activation and operations.

**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').
- **Growth** - Higher than projected growth in assessments (above the 1.11% included for FY 2025 and 0.5% p.a. for future years of the LTFP).
- **Timing** - A review of strategic priorities has been undertaken by the Executive Leadership Team further to consultation across the organisation in the development of the Strategic Work Program. The organisation's capacity to deliver has been considered.
- **Commercial Partnerships/Grant Funding** - Seek greater contributions from others to fund current activities/additional projects.
- **Borrowings** - In line with our Treasury Management Policy the intent is 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.
- **Grant Revenue** - Attracting further grant revenue will improve ratios if used to fund works already in LTFP. It should be noted that from FY 2028 onwards the implementation of the Sport, Recreation & Open Space Strategy (SROSS) is assumed to be supported by matching grant funding. Refer to the Exclusions section on the next page for assumptions for Roads to Recovery funding.



## Long Term Financial Plan 2025-2034

**Exclusions** - The following potential significant investment/items are excluded from this version of the LTFP:

- **Caroline Landfill Masterplan** - Further work is currently underway aligned with the development of the draft masterplan. This is expected to further define the cost of future cell construction, capping, other capital investment and operational requirements, and the post closure provision and unwinding of net present values.
- **Capital Works Costing Principles** - Work is underway to develop costing principles for the allocation of internal cost to capital projects, including project management, total staff costs, disposal of materials (e.g. road surfaces) and plant usage allocations. The implementation of these principles will be staged across a number of years. This version of the ABP and LTFP includes the results of initial work undertaken. Future iterations of the LTFP and supporting AMPs will incorporate refinements as work progresses.
- **Asset Management** - Further review to be undertaken in preparation for the development of the next iteration of the Asset Management Plan / LTFP in December 2024.
- **PLEC** - Further investment in PLEC beyond Stage 1 delivered in FY 2023. It should be noted that a cost benefit analysis was undertaken and presented to Elected Members in FY 2024. On the basis of the work undertaken no further investment is included in this version of the LTFP.
- **LED Lighting** - Further investment in LED lighting beyond Stage 1 is excluded. A cost benefit analysis was presented to Elected Members in FY 2024. On the basis of the work undertaken no further investment is included in this version of the LTFP.

- **Roads To Recovery Grant Program (RTR)** - Council has been advised of a significant increase to revenue in the next five year program (starting from 2024/2025) and beyond (aiming to double the amount of grant revenue allocated per annum by the end of the program and maintaining that level into the future). It should be noted that the increased revenue has been excluded from the ABP and this iteration of the LTFP pending the details of the grant conditions.



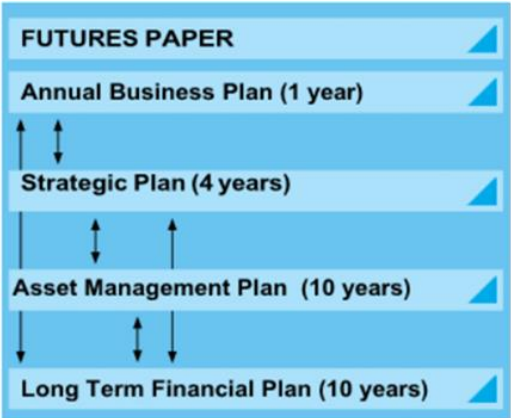


Long Term Financial Plan 2025-2034

4. Hierarchy Of Documents

**Hierarchy of Documents** - Brings together the key planning 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 (to be replaced by Mount Gambier 2035).

- **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 (Asset Management Summary) (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. The current plan is that the 2020-2024 Strategic Plan that will be replaced by 2024-2028 Strategic Plan by November 2024.
- **Mount Gambier 2035 (10 Years)** - Council has collaborated with the community to develop a community vision for our regional capital - Mount Gambier 2035. This will serve as the guiding document to inform Council's planning and decision making for the next ten years. This version of the Long Term Financial Plan has considered the Strategic Work Plan (Pages 13 and 14) which is informed by Council's current Strategic Plan as we work towards the development of Mount Gambier 2035. The draft community vision has been brought to Council in June 2024 for community consultation. Once adopted this will influence the 2024-2028 strategic plan that will inform future ABPs and LTFPs.



## Long Term Financial Plan 2025-2034

- **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.



## Long Term Financial Plan 2025-2034

### 5. Strategic Plan - Our Roles 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.

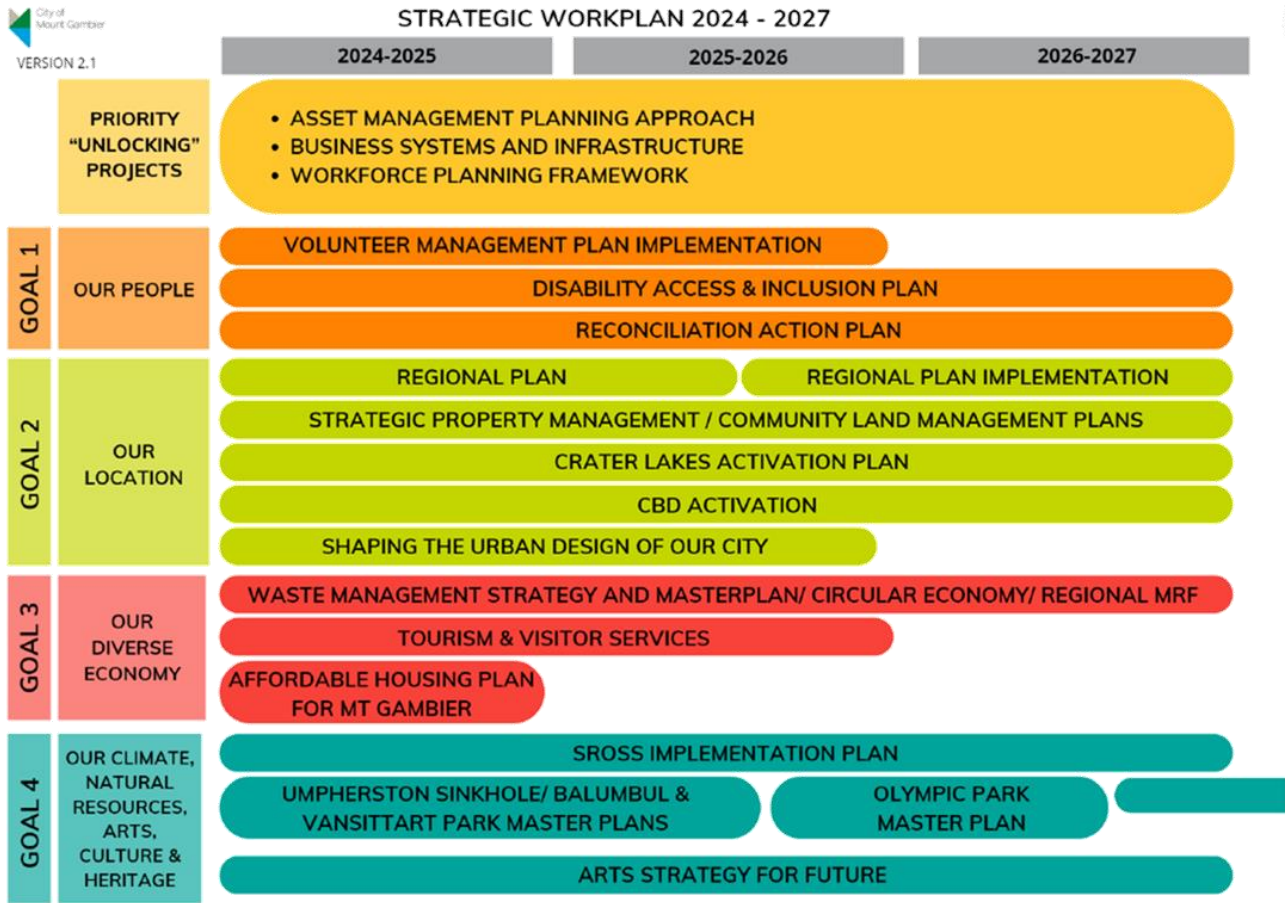


#### 5. OUR COMMITMENT

The Council has determined the following principles to ensure delivery against the Strategic Plan 2020-2024. These principles underpin all decisions made by the Council. They guide our strategic planning, processes, service delivery and the management of assets.

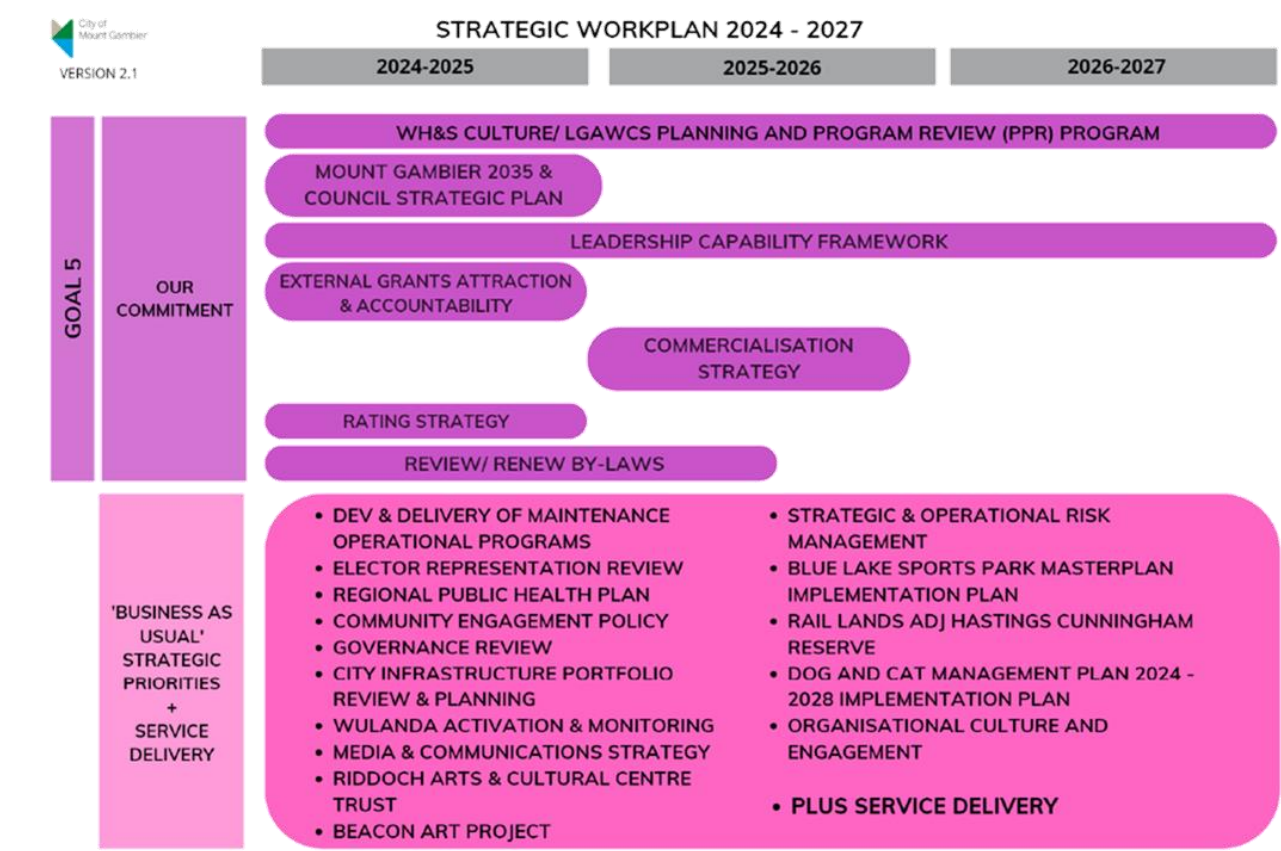


Long Term Financial Plan 2025-2034





Long Term Financial Plan 2025-2034



## Long Term Financial Plan 2025-2034

### 6. CEO's Statement of Financial Sustainability

**Key Objective** - The key objective of preparing a comprehensive and informed LTFP is to enable Council to maintain financial sustainability in the medium to long term whilst achieving the objectives and standards detailed in Council's suite of strategic management plans.

**Service Levels** - This means Council will be able to manage and maintain current and predicted services and service levels, and infrastructure requirements to adequately provide for needs of the city.

#### Our LTFP:

- **Guide** - Serves as guiding tool for decision making.
- **ABP** - Informs Annual Business Plan and Budget (ABP) processes by taking a multi-year perspective on spending positions;
- **Financial Sustainability** - Determines organisational financial capacity and sustainability; and
- **Legislation** - Complies with statutory requirements (per the Local Government Act and the Essential Services Commission of South Australia – ESCOSA).

#### Funding:

To fund our major intergenerational project for the construction of the Wulanda Recreation and Convention Centre, the LTFP has applied debt as a means to achieve intergenerational equity. This ensures that the cost of construction of this project is shared across the current and future

ratepayers, consistent with those that will benefit from the use of this new facility.

#### Our Financial Sustainability:

Council has three Key Financial Indicators (KFIs) per Council's Treasury Management Policy that measure financial sustainability. It should be noted that all three KFIs achieve the targets set by Council's Treasury Management Policy (T150) as shown below:

- **Operating Surplus Ratio** - The ratio is positive over the 10 year period with an average ratio of 2.8%, achieving a positive ratio from FY 2027 onwards.
- **Net Financial Liabilities Ratio** - The average ratio over the 10 years is 55.2%, achieving a ratio of less than 100% in 2025.
- **Asset Renewal Ratio** - The Asset Renewal Ratio is 100% over the 10 years of the LTFP, aligned with the forward works program and Asset Management Plan.

These indicators are evaluated in more detail within this document and together, show that Council will achieve its financial sustainability in the medium to long term.



## Long Term Financial Plan 2025-2034

### 7. Rate Setting (General Rates and Waste Service Charge)

**Historic Rating** - In previous years rating did not keep up with inflation and whilst the previously adopted LTFP included an increase that was smoothed across 3 years, rating was below actual CPI for FY 2024. Last year aligned with previous years, COMG average residential rates were significantly below the rural state average.

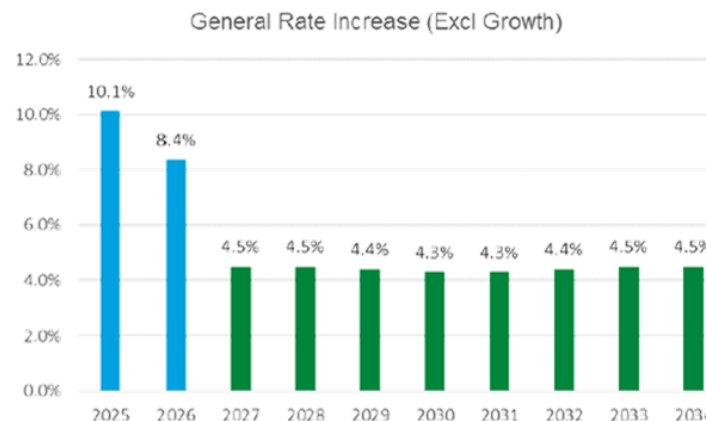
**Growth** - Over previous years the organisation has not grown/increased budget to reflect community growth (and increase in cost of service).

**Balanced Approach** - Council needs to find the balance between resident expectations and what is appropriate and affordable for Council to provide with the revenue available.

**General Rate Increase** - Rating for this financial year and beyond considers a number of factors including the following:

- **Average Rates** - City Of Mount Gambier's average residential rates have been significantly below the average rural SA average, being \$1,223 in FY 2024 compared to \$1,725 for the SA rural average.
- **Depreciation** - Further to the revaluations undertaken in the last 12 months for the Infrastructure and Buildings and Structures asset classes there has been a significant increase to the value of these asset classes and subsequently to depreciation (\$1.1m or 4.83% of the rate increase in FY 2025) and the forward capital works program.
- **Sustainability** - The updated modelled rate for FY 2027 and beyond is based upon CPI plus 2% to ensure that Council achieves and

maintains its operating surplus to fund future service provision and pay down debt.



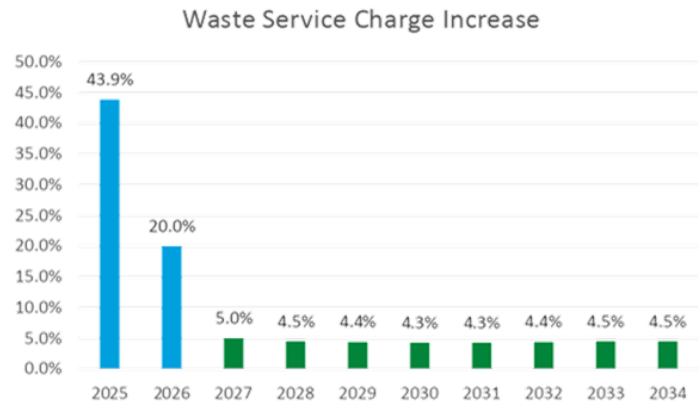
**Assessment Growth** - Assessment growth has been considered in the LTFP and has been assumed to be 1.11% in FY 2025 and 0.5% p.a. in the future years of the LTFP. Council has taken a prudent approach considering average growth of 0.70% for all assessments over the last 6 years (noting that this growth has been impacted by COVID).

**Impact on Individual Ratepayers** - It should be noted that the average rate increase per annum is based on the total of all rateable properties. The impact on individual ratepayers may be different based on the change in valuation of their property relative to the overall valuation changes across the council area.



Long Term Financial Plan 2025-2034

**Waste Service Charge** - A significant increase has been proposed over the next two years to ensure that revenue covers the cost of service and is charging an amount that is more consistent with the charges from other SA Councils (as shown in the graph below).





## Long Term Financial Plan 2025-2034

### 8. Funding Of This Plan

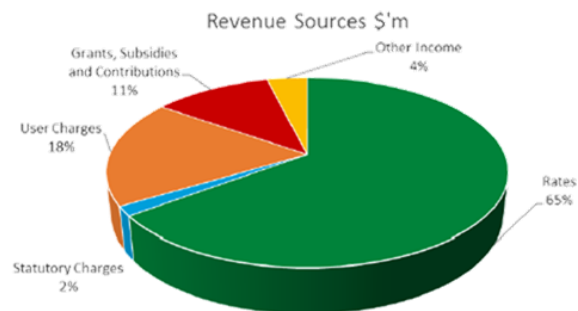
#### OVERVIEW:

Council generates revenue and funds this plan from a number of sources to provide services, infrastructure and benefits to the community and ensure the economic, social and environmental sustainability of the region.

Funding is generated from revenue and borrowings aligned with relevant policies, plans and objectives to ensure a balanced approach in generating public value to the community. A summary of the funding that supports this LTFP is shown in the Uniform Presentation of Finances included in the Appendix.

#### REVENUE:

**Revenue** - Council's main sources of revenue are as follows:



- **Rates** - Council generates 65% of total revenue (operating and capital) across the life of the LTFP from rates. This revenue is in the form of:
  - General rates; and
  - Waste service charge.
- **Statutory Charges** - Are legislated charges that support environmental, development and public health including:
  - Planning and development fees;
  - Public health and support services; and
  - Animal management (including dog registration).
- **User Charges** - Are fees and charges associated with the provision of specific services to the community/businesses including:
  - **Waste management fees** - Gate fee, Waste Transfer Charges and the reuse market;
  - **Wulanda** - Fees and charges in relation to the use of the facility;
  - Cemetery fees;
  - Council facility rental, and;
  - Retail facilities.
- **Grants, Subsidies and Contributions** - Are external funds obtained from other levels of government or other bodies that contribute to either Council's cost of operations or support capital projects over the life of the LTFP.
- **Other Income** - Includes reimbursements and sundry income (such as Open Space fees) and sale of surplus assets.



## Long Term Financial Plan 2025-2034

### BORROWINGS:

**Council's Debt** - A key source of funding for this version of the LTFP is borrowings. The borrowings structure is made up of the following:

- **Credit Foncier Loans** - These are fixed term loans with varying terms that have been used to support the construction of the Wulanda Recreation and Convention Centre facility. It should be noted that particular care has been taken in establishing the terms of the individual loans to ensure that at the end of the LTFP the required flexibility is available.
- **CADs** - These are flexible loans where funds are drawn down and paid back as required.
- **Debt Structure** - The mix between fixed and variable debt has been considered throughout this version of the LTFP to ensure that required flexibility and capacity is available to Council.
- **Total Borrowings** - The level of total borrowings for each year has been included in the Key Financial Ratios section of this document (it should be noted that the borrowings are funded by loans/debt capacity specifically allocated to the construction of the Wulanda Recreation and Convention Centre and other debt capacity for other Council operations).

**LGFA Loan Agreement To Fund the Wulanda Recreation and Convention Centre (WRCC):**

The targets were aligned with the terms of the special conditions of the loan with the LGFA (Local Government Finance Authority) accepted by Council at the Special Council meeting on 23 March 2021 (as follows):

### REPORT RECOMMENDATION

1. *That Council Report No. AR21/17395 titled 'Wulanda Recreation and Convention Centre Funding' as presented on 23 March 2021 be noted.*
2. *That Council accept the special conditions of the loan approval for the Wulanda Recreation and Convention Centre imposed by the Local Government Finance Authority and will, as forecast in the current adopted Long-Term Financial Plan, not later than the end of the financial year ending 30 June 2027 have achieved:*
  - *A positive Operating Surplus Ratio*
  - *Net Financial Liabilities Ratio less than 100%;*
  - *Asset Renewal Ratios which align with forecasts set out in the Long-Term Financial Plan*
  - *That Council not undertake any capital projects or increase the costs of operations through new or enhanced services other than as set out in the Long-Term Financial Plan.*

### Debt Structure/Strategy:

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).

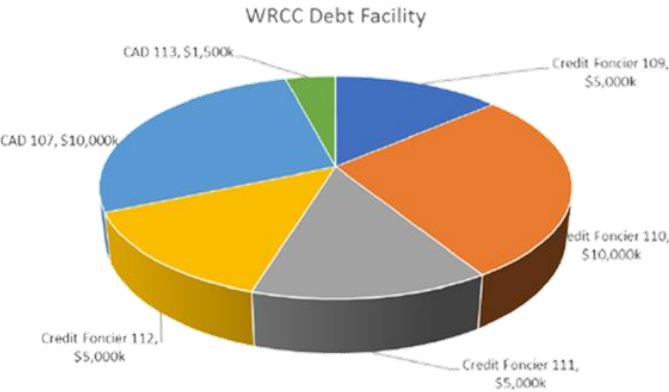
- **WRCC Borrowings/Debt Capacity** - The original funding of Wulanda assumed \$35m of debt for Wulanda (i.e. cash c\$5m, Federal Government grant funding of \$15m and State



Long Term Financial Plan 2025-2034

Government grant funding of \$10m, plus \$35m debt funding). Subsequently, an additional CAD facility of \$1.5m was approved.

The graph below shows the debt facility by individual loan with the original loan amount/capacity of \$36.5m.



**Individual Loans** - Details of the individual loans/debt capacity in terms of the expiry date and interest rate are as follows (aligned with annual Audit and Risk Committee reporting):

| Facility                    | Expiry Date | Interest Rate |
|-----------------------------|-------------|---------------|
| Credit Foncier 109 (WRCC)   | 16/05/2032  | 4.75%         |
| Credit Foncier 110 (WRCC)   | 16/05/2037  | 4.85%         |
| Credit Foncier 111 (WRCC) * | 15/03/2025  | 5.07%         |
| Credit Foncier 112 (WRCC) * | 15/05/2026  | 4.95%         |
| CAD 107 (WRCC)              | 16/08/2026  | 6.15%         |
| CAD 113 (WRCC)              | 15/06/2025  | 6.15%         |

\* It should be noted that these loans have balloon facilities that allow the loan to be either repaid or refinanced (either as another credit foncier loan or a CAD). The LTFP assumes that the loans will be refinanced as credit fonciers upon expiry until 2031 when they are repaid and converted into flexible CADs.

It should also be noted that the CAD rates included in the table are as at 19/06/24.



## Long Term Financial Plan 2025-2034

### 9. Key Assumptions

#### OPERATING REVENUE:

- **General Rates** - Revenue has been indexed by 10.13% and 8.35% (excluding growth) over the first two years of the LTFP and CPI plus 2% to ensure financial sustainability (excluding growth) for the remaining years of the LTFP.
- **Waste Service Charges** - Aligned with general rates revenue has been indexed by 43.9% (including growth) in FY 2025 and 20% in FY 2026 to ensure that revenue covers the cost of service, 5% in FY 2027 and CPI + sustainability for the remaining years of the LTFP.
- **Council Operations User Charges** - CPI increases have been applied over the remaining 10 years aligned with the user pays principle for the majority of user charges.
- **Grant Funding (Recurrent)** - Such as the Financial Assistance Grants, Roads to Recovery (RTR) and Local Roads and Community Infrastructure (LRCI) have been assumed to be received within the year they are paid.

In particular for Financial Assistance Grants it has been assumed that 100% of the year's allocation will be paid in the current year (from FY 2025 onwards) and that the Special Local Roads Fund payment will continue.

It should be noted that at this stage no advice has to date been provided for the advance payments for FY 2026 and payments in future years and as such no adjustment has been made to the LTFP.

The Federal Government has announced a significant increase in the Roads to Recovery program (to double the amount allocated per annum by the end of the five year program and continue at that level into the future), however, no specific guidelines have been provided at this stage and as such a prudent approach has been taken including the average grant payment from the last five year grant program at this stage.

Indexation where appropriate has been applied to other grant revenue based on CPI. It should be noted that there are some significant grants where no indexation has been applied historically and this has been assumed to continue.

- **Grant Funding (One-off)** - Tied grant funding is applied in the same year that corresponding expenditure is planned. LRCI Phase 4(a) and Phase 4 (b) has been phased across the years as follows: initial grant payment of 60% has been included in FY 2024 with 30% in FY 2025 and 10% in FY 2026.
- **Development Related Revenue** - Development Approval and Planning fees have been escalated by 1.9% p.a. (aligned with the previous LTFP) and Open Space fees have been escalated by CPI across the life of the LTFP.

#### OPERATING EXPENDITURE:

- **Materials, Contracts & Other Expenditure** - Has been indexed in line with forecast CPI increases over the period of the plan. Historically, LGPI (Local Government Price Index) has been applied as the relevant indicator of movement in local government costs (reflecting historically higher costs for the "basket of goods and services" procured by Council), However, as the LGPI is reported on





## Long Term Financial Plan 2025-2034

an annual/historic basis, considering the current economic conditions it has been determined that CPI should be applied as the most reliable and relevant index.

- **Employee Costs** - Standard increases are aligned with Council's enterprise agreement for the initial years of the LTFP, with anticipated increases thereafter. Superannuation costs have been assumed to increase in line with legislation i.e. to reach 12% (+1%) by 2025/26.
- **Strategic Work Plan Delivery** - Additional funding has been allocated to support the delivery of identified initiatives and a further capacity of c\$400k in FY 2025 and c\$435k p.a.(unindexed from FY 2026 onwards)
- **FTEs** - The number of FTEs employed by Council over the life of the LTFP is assumed to increase by 2 FTEs p.a. (above the additional 1.5 FTEs included in FY 2025).
- **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 rates provided by the LGFA for credit foncier loans and indicative rates 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 revised Asset Management Plan. Renewal, maintenance and depreciation of new and upgraded

assets have been included in the plan to ensure these are funded. The forward works program for the Infrastructure and Buildings and Structures classes are based upon the condition audits and valuations undertaken as at 30 June 2023 and 1 July 2023 respectively. Indexation applied is in line with forecast CPI increases over the period of the plan (noting that the forecast in the Asset Management Summary is unindexed).

- **New Capital/Upgrade** - Has been included in the plan and are based on Council's Asset Management Plan. At this stage prior to the completion of the Caroline Landfill Masterplan the only significant investment for new capital will be for cell construction. Indexation applied is in line with forecast CPI increases over the period of the plan (noting that the forecast in the Asset Management Summary is unindexed).
- **Future Development** - It should be noted that the next iteration of the Asset Management Plan will be prepared for inclusion in the LTFP to be developed in the first half of FY 2025.

### CAPITAL REVENUE

- **Grants** - At this stage future grants have been assumed for the following projects (it should also be noted that should grant applications be unsuccessful the projects will be reviewed to establish whether a lesser project scope should be delivered):
  - **Railway Lands Nature Play** - Funding of \$250k has been incorporated with matching funding provided by Council;
  - **Sports Recreation and Open Space Strategy (SROSS)** - From 2028 onwards the program is expected to deliver three projects with design in year 1 and construction in year 2 supported by



## Long Term Financial Plan 2025-2034

matching grant funding (c\$5m per project excluding inflation with \$2.5m grant funding).

- **Physical Resources Received Free of Charge** - Considering prior year performance an allocation of \$1m per annum has been included in this version of the LTFP.

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### STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

- **Assets** such as trade and 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. It should be noted that from FY 2026 onwards CPI has been applied to assets that are revalued annually.
- **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) was developed in consultation with Elected Members and the Audit and Risk Committee.



## Long Term Financial Plan 2025-2034

### 10. 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" as shown below:

#### "6.3 Key Financial Indicators (KFI)s

- Council ensures long term financial sustainability using key financial indicators in its LTFP. Council has the following targets:
  - **Operating Surplus Ratio** – To achieve a positive operating surplus ratio by FY 2027.
  - **Net Financial Liabilities Ratio** – Achieve a target of less than 100% of total operating revenue by FY 2027; and
  - **Asset Renewal Funding Ratio** - Maintain asset renewal funding ratio of greater than or equal to 100% of the Asset Management Plan."

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



Long Term Financial Plan 2025-2034

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 (aligned with Council’s Treasury Management Policy and the LGFA loan terms to fund the construction of the Wulanda Recreation and Convention Centre).



Result:

Council expects to return to a surplus ratio in FY 2027, aligned with the target, delivering a positive ratio for 8 years of the LTFP. The average ratio over the life of the LTFP is 2.8%.

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





Long Term Financial Plan 2025-2034

NET FINANCIAL LIABILITIES RATIO

What is the purpose of this ratio?

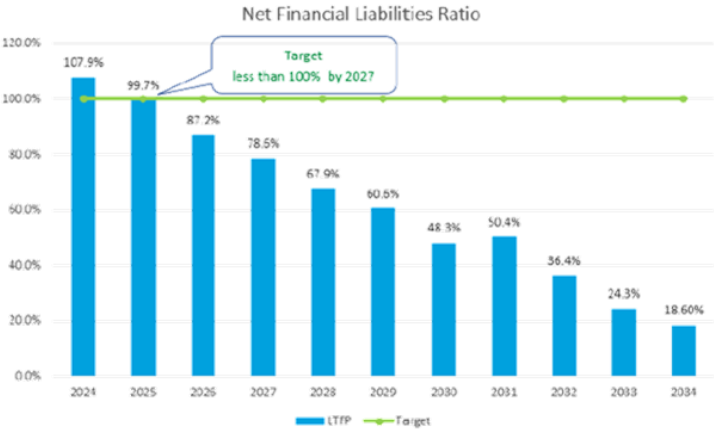
This financial indicator is useful in determining the level of indebtedness that Council has in comparison to its operating revenue.

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” (aligned with Council’s Treasury Management Policy and the LGFA loan terms to fund the construction of the Wulanda Recreation and Convention Centre)..



Result:

Council achieves its target of less than 100% Net Financial Liabilities Ratio by FY 2025 (99.7%), with a ratio of below the target for 10 out of the 10 years, an average ratio of 55.2% over the forward 10 years and a peak ratio of 99.7% in FY 2025.



Long Term Financial Plan 2025-2034

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.

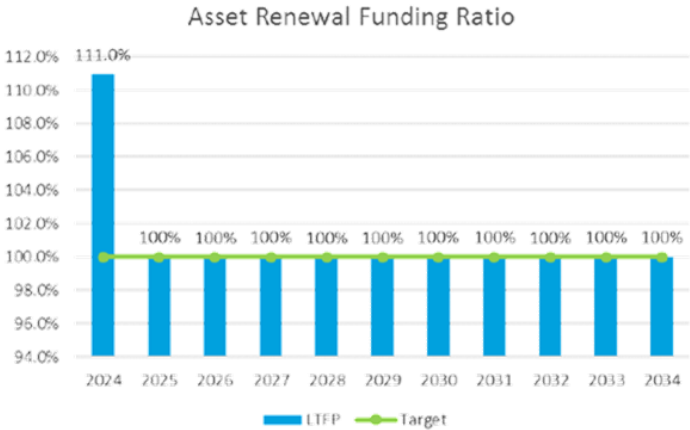
This is best demonstrated by comparing total Capital Renewal expenditure planned against Strategic Asset Management Plan requirements.

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 Plan”.



Result:

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

Renewal expenditure for the future 10 years is expected to be aligned with the Asset Management Plan i.e. a ratio of 100%.



Long Term Financial Plan 2025-2034

BORROWING TO INCOME RATIO

What is the purpose of this ratio?

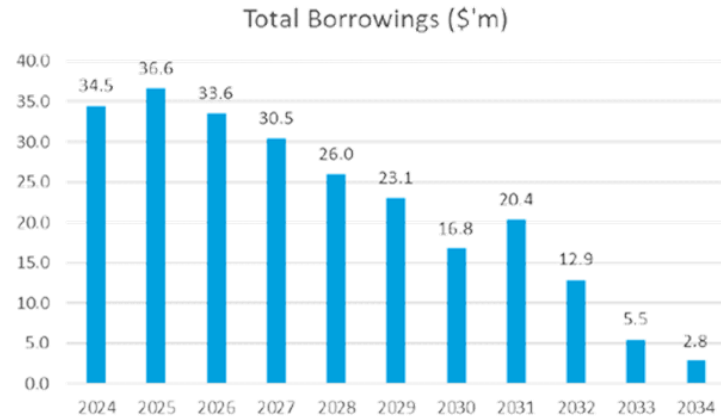
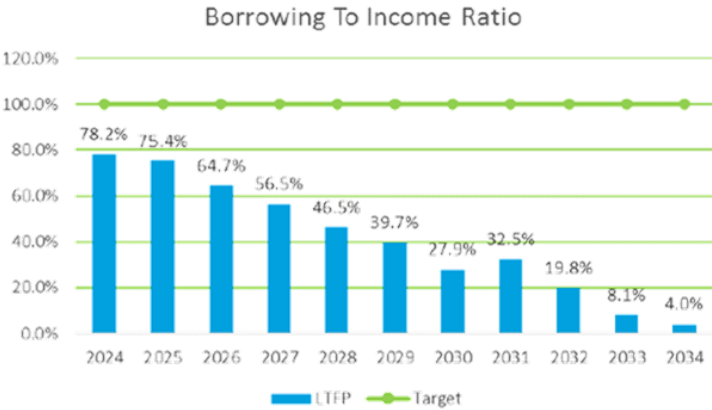
This is a way to measure Council's ability to make loan repayments comfortably without putting the organisation in financial hardship.

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:

As debt is repaid through rates revenue, it is important that we are mindful of how much we borrow and how quickly we can repay our debt. That is why we have a long term view of debt and have focused on Council's debt structure and significantly reducing debt from the peak of \$36.6m in FY 2025 to \$2.8m in FY 2034.

For all 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).



## Long Term Financial Plan 2025-2034

### Assumptions

| Key Assumptions                              | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General Rates Revenue Increase (excl Growth) | 10.13%  | 8.35%   | 4.50%   | 4.50%   | 4.40%   | 4.30%   | 4.30%   | 4.40%   | 4.50%   | 4.50%   |
| Assessment Growth                            | 1.11%   | 0.50%   | 0.50%   | 0.50%   | 0.50%   | 0.50%   | 0.50%   | 0.50%   | 0.50%   | 0.50%   |
| Waste Service Charge Increase                | 43.89%  | 20.00%  | 5.00%   | 4.50%   | 4.40%   | 4.30%   | 4.30%   | 4.40%   | 4.50%   | 4.50%   |
| Consumer Price Index (South Australian CPI)  | 2.90%   | 2.60%   | 2.50%   | 2.50%   | 2.40%   | 2.30%   | 2.30%   | 2.40%   | 2.50%   | 2.50%   |
| Std Bank Variable Interest Rate (Dec 23)     | 8.09%   | 7.24%   | 6.84%   | 6.65%   | 6.44%   | 6.19%   | 6.08%   | 6.06%   | 6.06%   | 6.06%   |
| CAD Interest Rate (estimate)                 | 5.78%   | 5.18%   | 4.89%   | 4.76%   | 4.61%   | 4.43%   | 4.35%   | 4.34%   | 4.34%   | 4.34%   |

### Significant Expenditure:

| Item   | Operating/<br>Capital | Assumption   |
|--|-----------------------|--|
| DC Grant Sale Yards Contribution               | Operating             | \$38.5k p.a. for FY 2025 and FY 2026   |
| ESCOSA Local Government Rates Oversight Scheme | Operating             | FY 2025 \$40k, FY 2029 \$40k, FY 2033 \$40k (unindexed).   |
| Workforce Plan                                 | Operating             | \$50k in FY 2025.  |
| Asset Condition Audits                         | Operating             | \$50k p.a. (unindexed).  |
| SROSS Masterplans                              | Operating             | \$50k p.a. (unindexed).  |
| CBD Activation                                 | Operating             | C\$100k p.a. (unindexed).  |
| Business Systems Review                        | Operating             | \$115k in FY 2025 and \$250k in FY 2026.   |
| Council Election costs                         | Operating             | FY2027 \$140k, and FY2031 \$150k.  |
| Infrastructure Valuations                      | Operating             | c\$230k (unindexed in FY 2027 and FY 2031)   |
| Buildings Valuations                           | Operating             | c\$200k (unindexed in FY 2027 and FY 2031).  |
| Strategic Work Plan Allocation                 | Operating             | c\$400k in FY 2025 and \$435k from 2026 onwards (unindexed).   |
| SROSS Implementation                           | Capital               | Year 1 Design \$500k, Year 2 Construct \$4,500k (gross capital expenditure unindexed), supported by 50% grant funding (unindexed). |





## Long Term Financial Plan 2025-2034

### Financial Statements - Uniform Presentation of Finances

| 2023<br>Actual                                | \$'000s  | 2024 BR3       | 2025<br>ABP    | 2026<br>LTFP   | 2027<br>LTFP   | 2028<br>LTFP   | 2029<br>LTFP   | 2030<br>LTFP   | 2031<br>LTFP   | 2032<br>LTFP   | 2033<br>LTFP   | 2034<br>LTFP   |
|---|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Income</b>                                 |  |                |                |                |                |                |                |                |                |                |                |                |
| 24,893  | Rates  | 26,455         | 30,314         | 33,398         | 35,029         | 36,713         | 38,442         | 40,215         | 42,072         | 44,057         | 46,181         | 48,409         |
| 731   | Statutory Charges  | 847            | 896            | 913            | 931            | 948            | 966            | 985            | 1,003          | 1,022          | 1,042          | 1,062          |
| 6,947   | User Charges   | 9,055          | 9,812          | 10,188         | 10,442         | 10,703         | 10,960         | 11,212         | 11,470         | 11,745         | 12,039         | 12,340         |
| 1,071   | Grants, Subsidies and Contributions - Capital  | 1,053          | 388            | 138            | 63             | 65             | 66             | 68             | 69             | 71             | 73             | 75             |
| 6,402   | Grants, Subsidies and Contributions - Operating  | 4,738          | 5,250          | 5,341          | 5,475          | 5,607          | 5,717          | 5,835          | 5,955          | 6,094          | 6,221          | 6,362          |
| 49  | Investment Income  | 53             | 57             | 60             | 55             | 50             | 43             | 38             | 27             | 33             | 0              | 0              |
| 755   | Reimbursements   | 1,351          | 1,192          | 1,195          | 1,225          | 1,256          | 1,286          | 1,316          | 1,346          | 1,378          | 1,413          | 1,448          |
| 1,263   | Other Income   | 509            | 665            | 679            | 696            | 713            | 730            | 747            | 764            | 783            | 802            | 822            |
| <b>42,111</b>                                 | <b>Total Income</b>  | <b>44,060</b>  | <b>48,574</b>  | <b>51,913</b>  | <b>53,916</b>  | <b>56,055</b>  | <b>58,211</b>  | <b>60,415</b>  | <b>62,707</b>  | <b>65,183</b>  | <b>67,770</b>  | <b>70,516</b>  |
| <b>Expenses</b>                               |  |                |                |                |                |                |                |                |                |                |                |                |
| 14,365  | Employee Costs   | 15,492         | 16,324         | 17,302         | 18,127         | 18,985         | 19,858         | 20,745         | 21,665         | 22,642         | 23,679         | 24,758         |
| 17,460  | Materials, Contracts & Other Expenses  | 19,921         | 20,148         | 20,766         | 21,509         | 21,419         | 21,966         | 22,437         | 23,588         | 23,504         | 24,128         | 24,694         |
| 10,176  | Depreciation, Amortisation & Impairment  | 11,019         | 11,857         | 12,142         | 12,637         | 13,043         | 13,590         | 14,135         | 14,244         | 15,605         | 15,831         | 15,938         |
| 1,094   | Finance Costs  | 1,876          | 1,928          | 1,817          | 1,587          | 1,394          | 1,208          | 987            | 1,073          | 821            | 485            | 263            |
| <b>43,095</b>                                 | <b>Total Expenses</b>  | <b>48,308</b>  | <b>50,257</b>  | <b>52,027</b>  | <b>53,860</b>  | <b>54,841</b>  | <b>56,622</b>  | <b>58,305</b>  | <b>60,571</b>  | <b>62,573</b>  | <b>64,124</b>  | <b>65,653</b>  |
| <b>(984)</b>                                  | <b>Operating surplus / (deficit)</b>   | <b>(4,248)</b> | <b>(1,683)</b> | <b>(115)</b>   | <b>57</b>      | <b>1,214</b>   | <b>1,588</b>   | <b>2,110</b>   | <b>2,136</b>   | <b>2,610</b>   | <b>3,646</b>   | <b>4,863</b>   |
| 17  | Timing Adjustment for grant revenue  | (36)           |                |                |                |                |                |                |                |                |                |                |
| <b>(967)</b>                                  | <b>Adjusted Operating Surplus (Deficit)</b>  | <b>(4,285)</b> | <b>(1,683)</b> | <b>(115)</b>   | <b>57</b>      | <b>1,214</b>   | <b>1,588</b>   | <b>2,110</b>   | <b>2,136</b>   | <b>2,610</b>   | <b>3,646</b>   | <b>4,863</b>   |
| <b>Net outlays on existing assets</b>         |  |                |                |                |                |                |                |                |                |                |                |                |
| (5,370)                                       | Capital expenditure on renewal and replacement of existing assets  | (6,395)        | (8,696)        | (7,893)        | (8,254)        | (8,326)        | (8,292)        | (9,048)        | (10,480)       | (9,144)        | (8,590)        | (10,003)       |
| 10,176  | Depreciation, amortisation and impairment  | 11,019         | 11,857         | 12,142         | 12,637         | 13,043         | 13,590         | 14,135         | 14,244         | 15,605         | 15,831         | 15,938         |
| 40  | Proceeds from sale of replaced assets  | 242            | 332            | 228            | 213            | 198            | 219            | 257            | 312            | 231            | 166            | 249            |
| <b>4,846</b>                                  | <b>Net outlays on existing assets</b>  | <b>4,866</b>   | <b>3,493</b>   | <b>4,477</b>   | <b>4,595</b>   | <b>4,915</b>   | <b>5,516</b>   | <b>5,345</b>   | <b>4,076</b>   | <b>6,693</b>   | <b>7,407</b>   | <b>6,184</b>   |
| <b>Net outlays on new and upgraded assets</b> |  |                |                |                |                |                |                |                |                |                |                |                |
| (18,216)                                      | Capital expenditure on new and upgraded assets<br>(including investments property & real estate developments)                                  | (6,501)        | (2,743)        | (1,061)        | (1,555)        | (1,874)        | (6,644)        | (1,433)        | (9,936)        | (1,501)        | (6,388)        | (6,499)        |
| 5,142   | Amounts received specifically for new and upgraded assets  | 500            | 250            | 0              | 0              | 269            | 2,484          | 282            | 2,599          | 296            | 2,728          | 311            |
| 20  | Proceeds from sale of surplus assets<br>(including investment property and real estate developments and<br>non-current assets held for resale) |                |                |                |                |                |                |                |                |                |                |                |
| <b>(13,054)</b>                               | <b>Net outlays on new and upgraded assets</b>  | <b>(6,002)</b> | <b>(2,493)</b> | <b>(1,061)</b> | <b>(1,555)</b> | <b>(1,605)</b> | <b>(4,160)</b> | <b>(1,150)</b> | <b>(7,337)</b> | <b>(1,205)</b> | <b>(3,660)</b> | <b>(6,188)</b> |
| <b>(9,175)</b>                                | <b>Annual net impact to financing activities (surplus (deficit))</b>   | <b>(5,421)</b> | <b>(683)</b>   | <b>3,302</b>   | <b>3,097</b>   | <b>4,524</b>   | <b>2,945</b>   | <b>6,305</b>   | <b>(1,125)</b> | <b>8,098</b>   | <b>7,393</b>   | <b>4,859</b>   |



## Long Term Financial Plan 2025-2034

### Financial Statements - Statement of Comprehensive Income

| 2023<br>Actual   | 2024<br>BR3    | 2025<br>ABP    | 2026<br>LTFF  | 2027<br>LTFF  | 2028<br>LTFF  | 2029<br>LTFF  | 2030<br>LTFF  | 2031<br>LTFF  | 2032<br>LTFF  | 2033<br>LTFF  | 2034<br>LTFF  |
|--|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Income</b>  |                |                |               |               |               |               |               |               |               |               |               |
| 24,893 Rates   | 26,455         | 30,314         | 33,398        | 35,029        | 36,713        | 38,442        | 40,215        | 42,072        | 44,057        | 46,181        | 48,409        |
| 731 Statutory Charges  | 847            | 896            | 913           | 931           | 948           | 966           | 985           | 1,003         | 1,022         | 1,042         | 1,062         |
| 6,947 User Charges   | 9,055          | 9,812          | 10,188        | 10,442        | 10,703        | 10,960        | 11,212        | 11,470        | 11,745        | 12,039        | 12,340        |
| 1,071 Grants, Subsidies and Contributions - Capital                            | 1,053          | 388            | 138           | 63            | 65            | 66            | 68            | 69            | 71            | 73            | 75            |
| 6,402 Grants, Subsidies and Contributions - Operating                          | 4,738          | 5,250          | 5,341         | 5,475         | 5,607         | 5,717         | 5,835         | 5,955         | 6,094         | 6,221         | 6,362         |
| 49 Investment Income   | 53             | 57             | 60            | 55            | 50            | 43            | 38            | 27            | 33            | 0             | 0             |
| 755 Reimbursements   | 1,351          | 1,192          | 1,195         | 1,225         | 1,256         | 1,286         | 1,316         | 1,346         | 1,378         | 1,413         | 1,448         |
| 1,263 Other Income   | 509            | 665            | 679           | 696           | 713           | 730           | 747           | 764           | 783           | 802           | 822           |
| <b>42,111 Total Income</b>   | <b>44,060</b>  | <b>48,574</b>  | <b>51,913</b> | <b>53,916</b> | <b>56,055</b> | <b>58,211</b> | <b>60,415</b> | <b>62,707</b> | <b>65,183</b> | <b>67,770</b> | <b>70,516</b> |
| <b>Expenses</b>  |                |                |               |               |               |               |               |               |               |               |               |
| 14,365 Employee Costs  | 15,492         | 16,324         | 17,302        | 18,127        | 18,985        | 19,858        | 20,745        | 21,665        | 22,642        | 23,679        | 24,758        |
| 17,460 Materials, Contracts & Other Expenses                                   | 19,921         | 20,148         | 20,766        | 21,509        | 21,419        | 21,966        | 22,437        | 23,588        | 23,504        | 24,128        | 24,694        |
| 10,176 Depreciation, Amortisation & Impairment                                 | 11,019         | 11,857         | 12,142        | 12,637        | 13,043        | 13,590        | 14,135        | 14,244        | 15,605        | 15,831        | 15,938        |
| 1,094 Finance Costs  | 1,876          | 1,928          | 1,817         | 1,587         | 1,394         | 1,208         | 987           | 1,073         | 821           | 485           | 263           |
| <b>43,095 Total Expenses</b>   | <b>48,308</b>  | <b>50,257</b>  | <b>52,027</b> | <b>53,860</b> | <b>54,841</b> | <b>56,622</b> | <b>58,305</b> | <b>60,571</b> | <b>62,573</b> | <b>64,124</b> | <b>65,653</b> |
| <b>(984) Operating Surplus / (Deficit)</b>                                     | <b>(4,248)</b> | <b>(1,683)</b> | <b>(115)</b>  | <b>57</b>     | <b>1,214</b>  | <b>1,588</b>  | <b>2,110</b>  | <b>2,136</b>  | <b>2,610</b>  | <b>3,646</b>  | <b>4,863</b>  |
| 1,054 Physical Resources Received Free of Charge                               | 1,000          | 1,000          | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         |
| 5,808 Amounts Received Specifically for New or Upgraded Assets                 | 211            | 250            | 0             | 0             | 269           | 2,484         | 282           | 2,599         | 296           | 2,728         | 311           |
| (364) Asset Disposal & Fair Value Adjustments                                  | (0)            | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>5,514 Net Surplus / (Deficit)</b>   | <b>(3,038)</b> | <b>(433)</b>   | <b>885</b>    | <b>1,057</b>  | <b>2,483</b>  | <b>5,072</b>  | <b>3,392</b>  | <b>5,735</b>  | <b>3,906</b>  | <b>7,374</b>  | <b>6,174</b>  |
| <b>Other Comprehensive Income</b>  |                |                |               |               |               |               |               |               |               |               |               |
| <b>Amounts which will not be reclassified subsequently to operating result</b> |                |                |               |               |               |               |               |               |               |               |               |
| 90,897 Changes in Revaluation Surplus - LPP&E                                  | 42,695         | 0              | 11,316        | 11,101        | 11,325        | 11,093        | 10,930        | 11,112        | 12,045        | 12,742        | 13,055        |
| (575) Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve   | 0              | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>90,322 Total Other Comprehensive Income</b>                                 | <b>42,695</b>  | <b>0</b>       | <b>11,316</b> | <b>11,101</b> | <b>11,325</b> | <b>11,093</b> | <b>10,930</b> | <b>11,112</b> | <b>12,045</b> | <b>12,742</b> | <b>13,055</b> |
| <b>95,836 Total Comprehensive Income</b>                                       | <b>39,657</b>  | <b>(433)</b>   | <b>12,202</b> | <b>12,158</b> | <b>13,809</b> | <b>16,165</b> | <b>14,322</b> | <b>16,848</b> | <b>15,951</b> | <b>20,116</b> | <b>19,229</b> |



## Long Term Financial Plan 2025-2034

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

| 2023<br>Actual                 | \$'000s                                     | 2024<br>BR3 | 2025<br>ABP | 2026<br>LTFP | 2027<br>LTFP | 2028<br>LTFP | 2029<br>LTFP | 2030<br>LTFP | 2031<br>LTFP | 2032<br>LTFP | 2033<br>LTFP | 2034<br>LTFP |
|--------------------------------|---|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>ASSETS</b>                  |   |             |             |              |              |              |              |              |              |              |              |              |
| <b>Current Assets</b>          |   |             |             |              |              |              |              |              |              |              |              |              |
| 76                             | Cash & Cash Equivalents                     | 500         | 507         | 506          | 502          | 498          | 497          | 493          | 497          | 499          | 494          | 1,662        |
| 4,155                          | Trade & Other Receivables                   | 1,813       | 2,056       | 2,228        | 2,323        | 2,414        | 2,520        | 2,622        | 2,728        | 2,833        | 2,962        | 3,089        |
| 67                             | Inventories                                 | 69          | 71          | 73           | 74           | 76           | 78           | 80           | 82           | 84           | 86           | 88           |
| 4,298                          | <b>Total Current Assets</b>                 | 2,381       | 2,634       | 2,806        | 2,899        | 2,988        | 3,095        | 3,195        | 3,306        | 3,415        | 3,542        | 4,839        |
| <b>Non-Current Assets</b>      |   |             |             |              |              |              |              |              |              |              |              |              |
| 399,756                        | Infrastructure, Property, Plant & Equipment | 448,270     | 448,700     | 457,784      | 467,026      | 476,493      | 489,894      | 498,092      | 517,399      | 525,434      | 538,337      | 554,190      |
| 0                              | Other Non-Current Assets                    | 0           | 0           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| 399,756                        | <b>Total Non-Current Assets</b>             | 448,270     | 448,700     | 457,784      | 467,026      | 476,493      | 489,894      | 498,092      | 517,399      | 525,434      | 538,337      | 554,190      |
| 404,054                        | <b>TOTAL ASSETS</b>                         | 450,651     | 451,334     | 460,590      | 469,926      | 479,480      | 492,988      | 501,286      | 520,706      | 528,849      | 541,879      | 559,029      |
| <b>LIABILITIES</b>             |   |             |             |              |              |              |              |              |              |              |              |              |
| <b>Current Liabilities</b>     |   |             |             |              |              |              |              |              |              |              |              |              |
| 4,801                          | Trade & Other Payables                      | 5,714       | 5,705       | 5,613        | 5,735        | 5,711        | 5,811        | 5,888        | 6,570        | 6,052        | 6,165        | 6,457        |
| 3,088                          | Borrowings                                  | 1,269       | 1,337       | 1,417        | 1,484        | 1,555        | 1,629        | 8,744        | 1,330        | 753          | 780          | 0            |
| 3,011                          | Provisions                                  | 3,086       | 3,176       | 3,258        | 3,340        | 3,423        | 3,505        | 3,586        | 3,669        | 3,757        | 3,851        | 3,947        |
| 10,900                         | <b>Total Current Liabilities</b>            | 10,070      | 10,218      | 10,288       | 10,559       | 10,689       | 10,945       | 18,218       | 11,569       | 10,562       | 10,796       | 10,404       |
| <b>Non-Current Liabilities</b> |   |             |             |              |              |              |              |              |              |              |              |              |
| 28,519                         | Borrowings                                  | 33,202      | 35,266      | 32,155       | 28,967       | 24,486       | 21,478       | 8,087        | 19,057       | 12,154       | 4,725        | 2,835        |
| 3,495                          | Provisions                                  | 6,582       | 5,486       | 5,582        | 5,677        | 5,774        | 5,869        | 5,963        | 4,213        | 4,316        | 4,425        | 4,629        |
| 32,014                         | <b>Total Non-Current Liabilities</b>        | 39,784      | 40,753      | 37,737       | 34,643       | 30,259       | 27,346       | 14,049       | 23,271       | 16,469       | 9,149        | 7,464        |
| 42,914                         | <b>TOTAL LIABILITIES</b>                    | 49,855      | 50,971      | 48,025       | 45,202       | 40,948       | 38,292       | 32,268       | 34,839       | 27,032       | 19,946       | 17,868       |
| 361,140                        | <b>Net Assets</b>                           | 400,797     | 400,364     | 412,565      | 424,723      | 438,532      | 454,697      | 469,019      | 485,866      | 501,817      | 521,933      | 541,162      |
| <b>EQUITY</b>                  |   |             |             |              |              |              |              |              |              |              |              |              |
| 87,644                         | Accumulated Surplus                         | 84,606      | 84,173      | 85,058       | 86,115       | 88,598       | 93,670       | 97,062       | 102,798      | 106,704      | 114,078      | 120,252      |
| 271,174                        | Asset Revaluation Reserves                  | 313,869     | 313,869     | 325,185      | 336,286      | 347,612      | 358,705      | 369,634      | 380,747      | 392,792      | 405,533      | 418,588      |
| 2,322                          | Other Reserves                              | 2,322       | 2,322       | 2,322        | 2,322        | 2,322        | 2,322        | 2,322        | 2,322        | 2,322        | 2,322        | 2,322        |
| 361,140                        | <b>Total Equity</b>                         | 400,797     | 400,364     | 412,565      | 424,723      | 438,532      | 454,697      | 469,019      | 485,866      | 501,817      | 521,933      | 541,162      |



## Long Term Financial Plan 2025-2034

### Financial Statements - Cashflow Statement

| 2023<br>Actual |   | 2024<br>BR3 | 2025<br>ABP | 2026<br>LTFP | 2027<br>LTFP | 2028<br>LTFP | 2029<br>LTFP | 2030<br>LTFP | 2031<br>LTFP | 2032<br>LTFP | 2033<br>LTFP | 2034<br>LTFP |
|----------------|---|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                | Cash Flows from Operating Activities                    |             |             |              |              |              |              |              |              |              |              |              |
|                | Receipts:   |             |             |              |              |              |              |              |              |              |              |              |
| 24,803         | Rates Receipts  | 26,455      | 30,314      | 33,226       | 34,935       | 36,622       | 38,336       | 40,114       | 41,966       | 43,951       | 46,052       | 48,282       |
| 731            | Statutory Charges                                       | 847         | 896         | 913          | 931          | 948          | 966          | 985          | 1,003        | 1,022        | 1,042        | 1,062        |
| 6,947          | User Charges  | 9,055       | 9,812       | 10,188       | 10,442       | 10,703       | 10,960       | 11,212       | 11,470       | 11,745       | 12,039       | 12,340       |
| 6,419          | Grants, Subsidies and Contributions (operating purpose) | 4,702       | 5,250       | 5,341        | 5,475        | 5,607        | 5,717        | 5,835        | 5,955        | 6,094        | 6,221        | 6,362        |
| 49             | Investment Receipts                                     | 53          | 57          | 60           | 55           | 50           | 43           | 38           | 27           | 33           | 0            | 0            |
| 755            | Reimbursements  | 1,351       | 1,192       | 1,195        | 1,225        | 1,256        | 1,286        | 1,316        | 1,346        | 1,378        | 1,413        | 1,448        |
| 50             | Other Revenue   | 2,851       | 422         | 679          | 696          | 713          | 730          | 747          | 764          | 783          | 802          | 822          |
|                | Payments:   |             |             |              |              |              |              |              |              |              |              |              |
| (14,081)       | Payments to Employees                                   | (15,492)    | (16,324)    | (17,302)     | (18,127)     | (18,985)     | (19,858)     | (20,745)     | (21,665)     | (22,642)     | (23,679)     | (24,758)     |
| (15,666)       | Payments for Materials, Contracts & Other Expenses      | (19,099)    | (21,166)    | (20,685)     | (21,213)     | (21,265)     | (21,691)     | (22,187)     | (25,730)     | (23,834)     | (23,814)     | (25,408)     |
| (720)          | Finance Payments  | (1,876)     | (1,928)     | (1,817)      | (1,587)      | (1,394)      | (1,208)      | (987)        | (1,073)      | (821)        | (485)        | (263)        |
| 9,287          | Net Cash provided (or used in) Operating Activities     | 8,845       | 8,526       | 11,798       | 12,832       | 14,255       | 15,281       | 16,326       | 14,064       | 17,710       | 19,590       | 19,887       |
|                | Cash Flows from Investing Activities                    |             |             |              |              |              |              |              |              |              |              |              |
|                | Receipts:   |             |             |              |              |              |              |              |              |              |              |              |
| 1,071          | Grants Utilised For Capital Purposes                    | 1,053       | 388         | 138          | 63           | 65           | 66           | 68           | 69           | 71           | 73           | 75           |
| 5,142          | Amounts Received Specifically for New/Upgraded Assets   | 500         | 250         | 0            | 0            | 269          | 2,484        | 282          | 2,599        | 296          | 2,728        | 311          |
| 40             | Sale of Replaced Assets                                 | 242         | 332         | 228          | 213          | 198          | 219          | 257          | 312          | 231          | 166          | 249          |
| 20             | Sale of Surplus Assets                                  | 0           | 0           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
|                | Payments:   |             |             |              |              |              |              |              |              |              |              |              |
| (5,370)        | Expenditure on Renewal/Replacement of Assets            | (6,395)     | (8,696)     | (7,893)      | (8,254)      | (8,326)      | (8,292)      | (9,048)      | (10,480)     | (9,144)      | (8,590)      | (10,003)     |
| (18,216)       | Expenditure on New/Upgraded Assets                      | (6,501)     | (2,743)     | (1,061)      | (1,555)      | (1,874)      | (6,292)      | (1,433)      | (9,936)      | (1,501)      | (6,388)      | (6,499)      |
| (17,313)       | Net Cash provided (or used in) Investing Activities     | (11,102)    | (10,469)    | (8,587)      | (9,534)      | (9,669)      | (12,167)     | (9,873)      | (17,436)     | (10,047)     | (12,012)     | (15,867)     |
|                | Cash Flows from Financing Activities                    |             |             |              |              |              |              |              |              |              |              |              |
|                | Receipts:   |             |             |              |              |              |              |              |              |              |              |              |
| 10,000         | Proceeds from Loans                                     | 5,791       | 3,402       | 0            | 0            | 0            | 0            | 0            | 12,301       | 0            | 0            | 0            |
| 22             | Proceeds from Bonds and Deposits                        |             |             |              |              |              |              |              |              |              |              |              |
|                | Payments:   |             |             |              |              |              |              |              |              |              |              |              |
|                | Payments:   |             |             |              |              |              |              |              |              |              |              |              |
| (1,905)        | Repayments of Loans                                     | (2,930)     | (1,269)     | (3,032)      | (3,121)      | (4,410)      | (2,934)      | (6,275)      | (8,744)      | (7,480)      | (7,402)      | (2,670)      |
| (265)          | Repayment of Lease Liabilities                          | (181)       | (181)       | (181)        | (181)        | (181)        | (181)        | (181)        | (181)        | (181)        | (181)        | (181)        |
| 0              | Repayment of Bonds and Deposits                         |             |             |              |              |              |              |              |              |              |              |              |
| 7,852          | Net Cash Flow provided (used in) Financing Activities   | 2,680       | 1,951       | (3,212)      | (3,302)      | (4,591)      | (3,115)      | (6,456)      | 3,376        | (7,661)      | (7,583)      | (2,851)      |
| (174)          | Net Increase/(Decrease) in Cash & Cash Equivalents      | 424         | 8           | (2)          | (3)          | (4)          | (1)          | (3)          | 4            | 2            | (5)          | 1,168        |
| 250            | plus: Cash & Cash Equivalents - beginning of year       | 76          | 500         | 507          | 506          | 502          | 498          | 497          | 493          | 497          | 499          | 494          |
| 76             | Cash & Cash Equivalents - end of the year               | 500         | 507         | 506          | 502          | 498          | 497          | 493          | 497          | 499          | 494          | 1,662        |





## Long Term Financial Plan 2025-2034

### Financial Statements - Statement of Equity

| 2023<br>Actual                   | \$'000s   | 2024<br>BR3    | 2025<br>ABP    | 2026<br>LTFP   | 2027<br>LTFP   | 2028<br>LTFP   | 2029<br>LTFP   | 2030<br>LTFP   | 2031<br>LTFP   | 2032<br>LTFP   | 2033<br>LTFP   | 2034<br>LTFP   |
|----------------------------------|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Accumulated Surplus</b>       |   |                |                |                |                |                |                |                |                |                |                |                |
| 83,080                           | Balance at the end of previous reporting period | 87,644         | 84,606         | 84,173         | 85,058         | 86,115         | 88,598         | 93,670         | 97,062         | 102,798        | 106,704        | 114,078        |
| 5,514                            | Net result for the year                         | (3,038)        | (433)          | 885            | 1,057          | 2,483          | 5,072          | 3,392          | 5,735          | 3,906          | 7,374          | 6,174          |
| (950)                            | Transfers from other reserves/adjustments       | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| <b>87,644</b>                    | <b>Balance at the end of the period</b>         | <b>84,606</b>  | <b>84,173</b>  | <b>85,058</b>  | <b>86,115</b>  | <b>88,598</b>  | <b>93,670</b>  | <b>97,062</b>  | <b>102,798</b> | <b>106,704</b> | <b>114,078</b> | <b>120,252</b> |
| <b>Asset Revaluation Reserve</b> |   |                |                |                |                |                |                |                |                |                |                |                |
| 180,852                          | Balance at the end of previous reporting period | 271,174        | 313,869        | 313,869        | 325,185        | 336,286        | 347,612        | 358,705        | 369,634        | 380,747        | 392,792        | 405,533        |
| 90,322                           | Gain (Loss) on Revaluation of I, PP&E           | 42,695         | 0              | 11,316         | 11,101         | 11,325         | 11,093         | 10,930         | 11,112         | 12,045         | 12,742         | 13,055         |
| <b>271,174</b>                   | <b>Balance at the end of period</b>             | <b>313,869</b> | <b>313,869</b> | <b>325,185</b> | <b>336,286</b> | <b>347,612</b> | <b>358,705</b> | <b>369,634</b> | <b>380,747</b> | <b>392,792</b> | <b>405,533</b> | <b>418,588</b> |
| <b>Other Reserves</b>            |   |                |                |                |                |                |                |                |                |                |                |                |
| 1,372                            | Balance at the end of previous reporting period | 2,322          | 2,322          | 2,322          | 2,322          | 2,322          | 2,322          | 2,322          | 2,322          | 2,322          | 2,322          | 2,322          |
| 950                              | Transfers from Accumulated Surplus              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| <b>2,322</b>                     | <b>Balance at the end of period</b>             | <b>2,322</b>   | <b>2,322</b>   | <b>2,322</b>   | <b>2,322</b>   | <b>2,322</b>   | <b>2,322</b>   | <b>2,322</b>   | <b>2,322</b>   | <b>2,322</b>   | <b>2,322</b>   | <b>2,322</b>   |
| <b>361,140</b>                   | <b>Total Equity at end of reporting period</b>  | <b>400,797</b> | <b>400,364</b> | <b>412,565</b> | <b>424,723</b> | <b>438,532</b> | <b>454,697</b> | <b>469,019</b> | <b>485,866</b> | <b>501,817</b> | <b>521,933</b> | <b>541,162</b> |



## Long Term Financial Plan 2025-2034

### 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 Plan, 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 Plan (AMPs)</b>                                  | An operational plan for Council's Landfill, Building and Structures, Infrastructure (Roads), Plant and Equipment and Sundry 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>Annual net impact to financing activities (surplus (deficit))</b> | Annual net impact to financing activities (surplus (deficit)) 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.   |



Long Term Financial Plan 2025-2034

|                               |  |
|-------------------------------|--|
| Operating revenues            | 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). |
| Operating surplus             | Operating surplus is where operating revenues are greater than operating expenses (i.e. operating revenue is therefore sufficient to cover all operating expenses).                                    |
| Operating Surplus Ratio (OSR) | Operating Surplus Ratio expresses the operating surplus (deficit) as a percentage of operating revenue.  |



**4.4 ADOPTION OF ASSET MANAGEMENT PLANS 2025-2034 – REPORT NO. AR24/25866**

|                                  |  |
|----------------------------------|--|
| <b>Committee:</b>                | <b>Council</b>   |
| <b>Meeting Date:</b>             | <b>25 June 2024</b>  |
| <b>Report No.:</b>               | <b>AR24/25866</b>  |
| <b>CM9 Reference:</b>            | <b>AF23/328</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 presents the Asset Management Plans (AMPs) 2025-2034 for adoption following a community consultation process. The AMPs form the basis for the Long Term Financial Plan and the Annual Business Plan and Budget process.</b> |
| <b>Strategic Plan Reference:</b> | <b>Goal 1: Our People</b><br><b>Goal 2: Our Location</b><br><b>Goal 3: Our Diverse Economy</b><br><b>Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage</b><br><b>Goal 5: Our Commitment</b>                               |

**REPORT RECOMMENDATION**

1. That Council Report No. AR24/25866 titled 'Adoption of Asset Management Plans 2025-2034' as presented on 25 June 2024 be noted.
2. That Council note the Audit and Risk Committee feedback included in the report, and feedback received from members of the public from the community consultation as previously provided at the Special Council meeting held on 18 June 2024.
3. That Council adopt the below Asset Management Plans 2025-2034 as attached to Report No. AR24/25866.
  - Asset Management Summary 2025-2034
  - Infrastructure Asset Management Plan 2025-2034
  - Plant and Equipment Asset Management Plan 2025-2034
  - Buildings and Structures Asset Management Plan 2025-2034
4. That Council authorises the Chief Executive Officer or Delegate to make any necessary changes to the draft Asset Management Plans 2025-2034 documents arising from this meeting, together with any editorial amendments and finalisation of the document's formatting and graphic design that do not materially alter the integrity of the document.





## TYPE OF REPORT

Corporate

## BACKGROUND

### Community Consultation

Council, at its meeting held on 21 May 2024, endorsed the below Draft Asset Management Plans (AMPs) for community consultation:

- Draft Asset Management Summary 2025-2034
- Draft Infrastructure Asset Management Plan 2025-2034
- Draft Plant and Equipment Asset Management Plan 2025-2034
- Draft Buildings and Structures Asset Management Plan 2025-2034

A public community consultation process was undertaken during the period 23 May to 13 June 2024.

The public consultation process generated 11 submissions (on the Draft Annual Business Plan, Draft Long Term Financial Plan and Asset Management Plans):

- Individuals - 10 individuals provided submission.
- Groups - 1 group provided a submission.

The Audit and Risk Committee provided the following feedback at their meeting held on 3 June 2024:

*“That the Audit and Risk Committee feedback on Council’s Draft Asset Management Plans (AMPs) 2025-2034 and/or the associated processes and risks, as follows:*

- *Acknowledges the work undertaken to date on asset planning and the increasing maturity of the assets data.*
- *Notes the allocation of new planning and delivery of assets in the building and structures asset management plan, and suggests Council consider the proportion of new versus renewal in future iterations of the plan as the asset planning and master planning progresses.*
- *Recommends that Council continues to consider any underutilised buildings and structures and notes the strategic work plan projects will inform this consideration.*
- *Notes the plant asset management plan and that the plan allows for some redundancy in plant due to difficulty in supply of new equipment and parts.*
- *Recommends that future iterations of the infrastructure asset management plans provide a breakdown of proposed recommended expenditure for key asset classes.*
- *Notes the variance between depreciation and proposed asset renewal expenditure and recommend that further context to the variation between depreciation and proposed asset renewal expenditure be provided to Council.*
- *The Administration provide an update to the Audit and Risk Committee on a half yearly basis on the further refinement of the asset management planning process.*

*be incorporated with the public consultation feedback to be presented to the Special Council meeting on 25 June 2024, for consideration of the adoption of the Draft Asset Management Plans (AMPs) 2025-2034.”*

### Legislative Requirements

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:

*“(1) 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*
- (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 Long-term Financial Plan (LTFP) and Asset Management Plans (AMP) at the same time as constructing the Annual Business Plan and Budget was presented and endorsed. This approach ensures that these key documents remain aligned.

## PROPOSAL

The Strategic Work Plan guides the delivery of Council's priorities over the next three years and has been updated for 2024/2025 onwards through engagement with Council staff, Council's Executive Team and Elected Members.

As a result there are three fundamental projects that have been identified as critical to the successful delivery of this strategic work; they are referred to as the "Unlocking Projects"

**Figure 1. Unlocking Projects**



Asset Management Planning is one of the three "unlocking" strategic priorities designed to optimise Council's Asset Management practices and the Asset Investment Strategy.

Integral to the Asset Management Planning priority is the second "unlocking" strategic priority, Business Systems and Infrastructure. This priority project is designed to optimise Councils data

management, asset management, improve process and equip the organisation to adequately support an efficient and mobilised workforce.

Asset Management Planning as a strategic priority project for Council means that each asset class is being systematically reviewed and deliberate steps have been taken to ensure strategic alignment with Council and community priorities. This is a dynamic process that will evolve our Asset Management and Asset Accounting practice and process with a view to achieve best practice over the coming three years.

This year Council has reviewed and updated asset management plans for the following classes:

- Infrastructure
  - Footpaths and Shared Paths
  - Kerb and Gutter
  - Roads
  - Traffic Signals
  - Stormwater
  - Carparks
  - Retaining Walls
- Buildings and Structures
- Plant and Equipment

This work has been informed by extensive condition audits and subsequent valuations that have been undertaken in the 2022/23 and 2023/24 financial year.

**Caroline Landfill** - Due to growth, cost increases and a tightly regulated environment Waste Management master planning for Councils' Waste service, from kerbside to landfill, has commenced. Financial modelling is key to support the management and future planning of the site. In the interim, the forward capital works program has been updated.

Due to availability of specialist consultants, there have been some initial delays experienced with the master plan however, it is now well underway and this work will inform the next iteration of the Asset Management Plan for this class in 2025/2026.

**IT and Sundry** - The Business Systems and Infrastructure strategic priority project is progressing and will significantly reshape this asset class. In the interim, the forward capital works program has been updated.

The work that is progressing at the time of writing this summary will inform the next iteration of Asset Management Plan for this class in 2025/2026.

The consolidated AMP budget based on the capital forward works program included in the attached summary:

| Including SROSS New               |             |        |       |       |       |        |       |        |       |        |        |
|-----------------------------------|-------------|--------|-------|-------|-------|--------|-------|--------|-------|--------|--------|
| Asset Management Plan - 2025-2034 |             |        |       |       |       |        |       |        |       |        |        |
| \$'000s                           |             | 2025   | 2026  | 2027  | 2028  | 2029   | 2030  | 2031   | 2032  | 2033   | 2034   |
| Infrastructure                    | Renewal     | 3,624  | 3,565 | 3,869 | 3,897 | 3,470  | 3,587 | 4,098  | 3,565 | 3,569  | 3,707  |
|                                   | Upgrade/new | 411    | 374   | 374   | 374   | 374    | 374   | 374    | 374   | 374    | 374    |
| Buildings                         | Renewal     | 1,197  | 1,627 | 1,627 | 1,627 | 1,627  | 1,627 | 1,627  | 1,627 | 1,627  | 1,627  |
|                                   | Upgrade/new | 1,588  | 155   | 155   | 655   | 4,655  | 655   | 4,655  | 655   | 4,655  | 655    |
| Plant                             | Renewal     | 3,613  | 2,279 | 2,128 | 1,976 | 2,191  | 2,573 | 3,122  | 2,314 | 1,664  | 2,490  |
|                                   | Upgrade/new | 456    | 305   | 750   | 510   | 790    | 40    | 40     | 40    | 40     | 1,040  |
| Caroline                          | Upgrade/new | 0      | 0     | 0     | 0     | 0      | 0     | 3,333  | 0     | 0      | 2,960  |
| IT                                | Renewal     | 23     | 75    | 75    | 75    | 75     | 75    | 75     | 75    | 75     | 75     |
|                                   | Upgrade/new | 140    | 100   | 100   | 100   | 100    | 100   | 100    | 100   | 100    | 100    |
| Sundry                            | Renewal     | 240    | 150   | 150   | 150   | 150    | 150   | 150    | 150   | 150    | 150    |
|                                   | Upgrade/new | 146    | 100   | 100   | 100   | 100    | 100   | 100    | 100   | 100    | 100    |
| TOTAL                             | Renewal     | 8,696  | 7,696 | 7,849 | 7,724 | 7,513  | 8,012 | 9,072  | 7,730 | 7,085  | 8,049  |
|                                   | Upgrade/new | 2,742  | 1,034 | 1,479 | 1,739 | 6,019  | 1,269 | 8,602  | 1,269 | 5,269  | 5,229  |
|                                   | TOTAL       | 11,438 | 8,730 | 9,328 | 9,463 | 13,532 | 9,281 | 17,674 | 8,999 | 12,354 | 13,278 |



The individual AMPs (excluding Caroline Landfill and IT, Sundry), 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*.

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:

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

### **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, including the Regional Health Plan, Reconciliation Action Plan and Disability Access and Inclusion Plan.

### **CULTURAL IMPLICATIONS**

Cultural consequence is considered in accordance with Councils Strategic Plans, that includes 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**

N/A

### **ENGAGEMENT AND COMMUNICATION STRATEGY**

Community consultation timelines and approach was aligned with that defined in the Local Government Act.

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 draft AMPs were open for community consultation from 23 May 2024 to 13 June 2024, concurrent with draft Long Term Financial Plan and Annual Business Plan and Budget.

Copies were made available at:

- The Mount Gambier Library
- The Customer Service counter
- Have Your Say website

A Special Council meeting was held on Tuesday 18 June 2024 at 5:00pm to hear feedback from the community.

### **IMPLEMENTATION STRATEGY**

AMPs will be delivered in accordance with the Objectives and KPI's outlined in the 2024/25 Annual Business Plan and Budget.

### **CONCLUSION AND RECOMMENDATION**

Council's Asset Management Plans influence the allocation of resources in order for Council to provide services and infrastructure in a sustainable manner to the community.

It is recommended that Council endorse the attached Asset Management Plans 2025-2034 following community consultation.

### **ATTACHMENTS**

1. Asset Management Summary 2025-2034 [↓](#)
2. Infrastructure Asset Management Plan 2025-2034 [↓](#)
3. Plant and Equipment Asset Management Plan 2025-2034 [↓](#)
4. Building and Structures Asset Management Plan [↓](#)








# Asset Management Summary

## 2025-2034

May 2024



| Document Control   |               |    |        |          |          |
|--|---------------|---|--------|----------|----------|
| Document ID: AR24/33734 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       |
| 4  | May 2024      | Updated in preparation for FY2025 budget process  | AM/BC  | JS       | BC       |
|  |               |   |        |          |          |
|  |               |   |        |          |          |
|  |               |   |        |          |          |

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## 1. Summary

The City of Mount Gambier currently manages approximately \$400 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 2023.

**Table 1a: Infrastructure, Property, Plant and Equipment Summary, as at 30 June 2023**

| Asset Class                             | Fair Value ('000) | Annual Depreciation ('000) | Acc. Depreciation ('000) | Replacement Cost. ('000) |
|---|-------------------|----------------------------|--------------------------|--------------------------|
| <b>Building/Structures</b>              | <b>\$114,079</b>  | <b>\$3,524</b>             | <b>\$55,438</b>          | <b>\$169,517</b>         |
| Buildings                               | \$93,693          | \$2,782                    | \$43,469                 | \$137,162                |
| Structures                              | \$20,386          | \$742                      | \$11,969                 | \$32,355                 |
| <b>Infrastructure</b>                   | <b>\$205,676</b>  | <b>\$3,639</b>             | <b>\$61,542</b>          | <b>\$267,218</b>         |
| Carpark                                 | \$7,235           | \$256                      | \$3,378                  | \$10,613                 |
| Footpaths                               | \$19,050          | \$407                      | \$6,335                  | \$25,385                 |
| Kerb & Channel                          | \$55,230          | \$831                      | \$15,038                 | \$70,268                 |
| Pavement                                | \$43,332          | \$784                      | \$12,504                 | \$55,836                 |
| Retaining Walls                         | \$367             | \$6                        | \$12                     | \$379                    |
| Safety Barriers                         | \$30              | \$1                        | \$3                      | \$33                     |
| Seals                                   | \$18,660          | \$1,143                    | \$5,437                  | \$24,097                 |
| Lighting                                | \$1,549           | \$24                       | \$24                     | \$1,573                  |
| Sub Pavement                            | \$50,679          | \$8                        | \$13,940                 | \$64,619                 |
| Traffic Lights                          | \$2,286           | \$54                       | \$2,276                  | \$4,562                  |
| Stormwater                              | \$7,258           | \$125                      | \$2,595                  | \$9,853                  |
| <b>Land</b>                             | <b>\$62,766</b>   | <b>\$0</b>                 | <b>\$0</b>               | <b>\$62,766</b>          |
| Land                                    | \$62,766          | \$0                        | \$0                      | \$62,766                 |
| <b>Plant &amp; Equipment</b>            | <b>\$6,185</b>    | <b>\$692</b>               | <b>\$3,966</b>           | <b>\$10,151</b>          |
| Graders                                 | \$70              | \$0                        | \$180                    | \$250                    |
| Loaders                                 | \$892             | \$101                      | \$583                    | \$1,475                  |
| Minor Plant                             | \$162             | \$34                       | \$208                    | \$370                    |
| Rollers                                 | \$267             | \$11                       | \$106                    | \$373                    |
| Staff Vehicles                          | \$393             | \$42                       | \$182                    | \$575                    |
| Sundry Equipment                        | \$602             | \$33                       | \$33                     | \$635                    |
| Sundry Plant                            | \$824             | \$146                      | \$782                    | \$1,606                  |
| Tractors                                | \$174             | \$12                       | \$114                    | \$288                    |
| Trucks                                  | \$2,801           | \$313                      | \$1,778                  | \$4,579                  |
| <b>Sundry</b>                           | <b>\$8,022</b>    | <b>\$257</b>               | <b>\$2,041</b>           | <b>\$10,063</b>          |
| <b>Art &amp; Historical Collections</b> |                   |                            |                          |                          |
| Art Collection                          | \$4,356           | \$0                        | \$0                      | \$4,356                  |
| Historical Materials                    | \$300             | \$0                        | \$0                      | \$300                    |
| <b>Furniture &amp; Fittings</b>         |                   |                            |                          |                          |
| Electrical Equipment                    | \$286             | \$11                       | \$14                     | \$300                    |
| Furniture                               | \$793             | \$55                       | \$789                    | \$1,582                  |



|  |                  |                |                  |                  |
|--|------------------|----------------|------------------|------------------|
| Miscellaneous                            | \$33             | \$2            | \$2              | \$35             |
| <b>Information Technology</b>            |                  |                |                  |                  |
| IT - Hardware & Equipment                | \$1,153          | \$100          | \$413            | \$1,566          |
| Software                                 | \$123            | \$41           | \$509            | \$632            |
| <b>Land Improvements</b>                 |                  |                |                  |                  |
| Landscaping                              | \$155            | \$4            | \$35             | \$190            |
| Pine Plantation                          | \$8              | \$0            | \$0              | \$8              |
| Street Trees                             | \$476            | \$11           | \$55             | \$531            |
| <b>Other</b>                             |                  |                |                  |                  |
| Christmas Decorations & Banners          | \$54             | \$9            | \$33             | \$87             |
| Sundry Public Art                        | \$10             | \$2            | \$9              | \$19             |
| Waste Collection Assets                  | \$275            | \$22           | \$182            | \$457            |
| <b>Waste Management (Caroline Cells)</b> | <b>\$390</b>     | <b>\$1,754</b> | <b>\$9,841</b>   | <b>\$10,231</b>  |
| Capping                                  | \$0              | \$792          | \$3,848          | \$3,848          |
| Construction                             | \$0              | \$957          | \$5,433          | \$5,433          |
| Make Good/Restoration                    | \$390            | \$5            | \$560            | \$950            |
| <b>Grand Total</b>                       | <b>\$397,118</b> | <b>\$9,866</b> | <b>\$132,828</b> | <b>\$529,946</b> |

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

Table 1b: Infrastructure and Property Summary, revaluations as at 1 July 2023

| Asset Class                 | Fair Value ('000) | Annual Depreciation ('000) | Acc. Depreciation ('000) | Replacement Cost. ('000) |
|-----------------------------|-------------------|----------------------------|--------------------------|--------------------------|
| <b>Building/Structures</b>  | <b>\$130,562</b>  | <b>\$4,506</b>             | <b>\$60,332</b>          | <b>\$190,894</b>         |
| Buildings                   | \$110,811         | \$3,691                    | \$48,579                 | \$159,390                |
| Structures                  | \$19,751          | \$815                      | \$11,753                 | \$31,504                 |
| <b>Other Infrastructure</b> | <b>\$37,503</b>   | <b>\$617</b>               | <b>\$14,346</b>          | <b>\$51,849</b>          |
| Carpark                     | \$7,300           | \$237                      | \$3,301                  | \$10,601                 |
| Retaining Walls             | \$4,299           | \$64                       | \$1,355                  | \$5,654                  |
| Stormwater                  | \$25,904          | \$316                      | \$9,690                  | \$35,594                 |

NB - This table excludes work in progress and right of use assets. It has been included to show the impact of revaluations as at 1 July 2023 due to the materiality of their impact from 30 June 2023.



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

### **2.1. Strategic Asset Management Planning**

Asset Management Planning is one of the three "unlocking" strategic priority projects to be undertaken by the Council to optimise its Asset Management practices and the Asset Investment Strategy. A Community asset service level satisfaction survey and the Mount Gambier 2035 strategic vision will guide Council's strategic plan and determine the optimal asset renewal criteria and asset investment within this period.

A restructure of asset classes and asset management practices are currently under review and will be dynamically updated in response to the completion of the "unlocking" strategic priority projects with integration of Asset Management and Accounting as a crucial priority over the next Three (3) years.

### **2.2. Business Systems and Infrastructure**

Business Systems and Infrastructure is the second of three "unlocking" strategic priority projects to be undertaken by the Council to optimise its data management, asset management, improve process and equip the organisation to adequately support an efficient and mobilized workforce.

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.

A strategic review of current systems has commenced to assess their capability to deal with data management has commenced. This project is critical for the successful integration of Asset Management and Accounting and for organisational monitoring and reporting.



### 3. 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.

The ongoing challenges with current market conditions and design requirements to meet EPA compliance for construction of fully engineered landfill cells has had a significant impact on the cost of construction. Construction of Cell 4 is well progressed, however leachate management continues to present a recurring risk for Council.

Due to growth, cost increases and a tightly regulated environment, Waste Management master planning for Councils' Waste service, from kerbside to landfill, has commenced. Financial modelling is key to support the management and future planning of the site.

Financial modelling related to Caroline Landfill is being undertaken by a specialist consultant. This work involves looking at all costs associated with running the facility - including operations, constructing cells, capping cells, and post closure provisions. This work will be used to adjust the landfill gate fee, to ensure financial sustainability of the facility, and ensure Council has adequate resources to fulfill its post closure obligations. In the interim, the forward capital works program has been updated.

Due to availability of specialist consultants, there have been some initial delays experienced with the master plan however, it is now well underway and this work will inform the next iteration of the Asset Management Plan for this class in 2025/2026.

### 4. IT and Sundry

The Asset Management Planning and Business Systems and Infrastructure strategic priority projects are progressing and it is anticipated that this work will significantly reshape this asset class. In the interim, the forward capital works program has been updated.

The work that is progressing at the time of writing this summary will inform the next iteration of Asset Management Plan for this class in 2025/2026.

### 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 and updated asset management plans for the following classes:

- Infrastructure
  - Footpaths and Shared Paths
  - Kerb and Gutter
  - Roads
  - Traffic Signals
  - Stormwater
  - Carparks
  - Retaining Walls
- Buildings and Structures
- Plant and Equipment





Asset Management Planning as a strategic priority project for Council means that each asset class is being systematically reviewed and deliberate steps have been taken to ensure strategic alignment with Council and community priorities. This is a dynamic process that will evolve our Asset Management and Asset Accounting practice and processes with a view to achieve best practice over the coming three years.

Refer to Appendix 1 for the consolidated Asset Management Plan budget based on the 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 amended in September 2023) 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 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 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

### **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, Strategic Plan 2020-2024, 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 Asset Management Summary 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 Asset Management Plans.

### 8.2. Improvement Plan

**Asset Management Planning is one of the three "unlocking" strategic priority projects to be undertaken by the Council to optimise its Asset Management practices and the Asset Investment Strategy.** In the three-year Asset Management Planning approach the following steps have been outlined.

Figure 1. Unlocking Projects



### 8.3. Monitoring and Review Procedures

This Asset Management Summary and supporting Asset Management Plans will be reviewed and updated annually in accordance with the "unlocking" Strategic Projects to reflect the improvements implemented with developing an integrated asset management and accounting process. Strategic Asset Management will be undertaken concurrent to the annual business plan and budget and Long-Term Financial Plan.

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

| Including SROSS New               |             |        |       |       |       |        |       |        |       |        |        |
|-----------------------------------|-------------|--------|-------|-------|-------|--------|-------|--------|-------|--------|--------|
| Asset Management Plan - 2025-2034 |             |        |       |       |       |        |       |        |       |        |        |
| \$'000s                           |             | 2025   | 2026  | 2027  | 2028  | 2029   | 2030  | 2031   | 2032  | 2033   | 2034   |
| Infrastructure                    | Renewal     | 3,624  | 3,565 | 3,869 | 3,897 | 3,470  | 3,587 | 4,098  | 3,565 | 3,569  | 3,707  |
|                                   | Upgrade/new | 411    | 374   | 374   | 374   | 374    | 374   | 374    | 374   | 374    | 374    |
| Buildings                         | Renewal     | 1,197  | 1,627 | 1,627 | 1,627 | 1,627  | 1,627 | 1,627  | 1,627 | 1,627  | 1,627  |
|                                   | Upgrade/new | 1,588  | 155   | 155   | 655   | 4,655  | 655   | 4,655  | 655   | 4,655  | 655    |
| Plant                             | Renewal     | 3,613  | 2,279 | 2,128 | 1,976 | 2,191  | 2,573 | 3,122  | 2,314 | 1,664  | 2,490  |
|                                   | Upgrade/new | 456    | 305   | 750   | 510   | 790    | 40    | 40     | 40    | 40     | 1,040  |
| Caroline                          | Upgrade/new | 0      | 0     | 0     | 0     | 0      | 0     | 3,333  | 0     | 0      | 2,960  |
| IT                                | Renewal     | 23     | 75    | 75    | 75    | 75     | 75    | 75     | 75    | 75     | 75     |
|                                   | Upgrade/new | 140    | 100   | 100   | 100   | 100    | 100   | 100    | 100   | 100    | 100    |
| Sundry                            | Renewal     | 240    | 150   | 150   | 150   | 150    | 150   | 150    | 150   | 150    | 150    |
|                                   | Upgrade/new | 146    | 100   | 100   | 100   | 100    | 100   | 100    | 100   | 100    | 100    |
| TOTAL                             | Renewal     | 8,696  | 7,696 | 7,849 | 7,724 | 7,513  | 8,012 | 9,072  | 7,730 | 7,085  | 8,049  |
|                                   | Upgrade/new | 2,742  | 1,034 | 1,479 | 1,739 | 6,019  | 1,269 | 8,602  | 1,269 | 5,269  | 5,229  |
|                                   | TOTAL       | 11,438 | 8,730 | 9,328 | 9,463 | 13,532 | 9,281 | 17,674 | 8,999 | 12,354 | 13,278 |

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







# Infrastructure Asset Management Plan

## 2025-2034

May 2024





| <b>Document Control</b>  |            |  <b>IPWEA</b><br>INSTITUTE OF PUBLIC WORKS<br>ENGINEERING AUSTRALASIA  |        |          |          |
|--|------------|---|--------|----------|----------|
|  |            | <b>Asset Management Plan</b>  |        |          |          |
| <b>Document ID : NAMSPLUS Concise Asset Management Plan Template_V2_170508</b> |            |   |        |          |          |
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|  |            |   |        |          |          |
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## 1 EXECUTIVE SUMMARY

### The Purpose of the Plan

The Infrastructure Asset Management Plan (IAMP) for the City of Mount Gambier is focused on strategically managing transport-related assets in alignment with community service expectations and the Council's strategic objectives. It encompasses a restructure of asset classes and allocation, highlighting the integration of Asset Management and Accounting as a crucial strategic priority over the next Three (3) years. The plan places emphasis on enhancing accessibility, informed by comprehensive CBD Area audit and Shared Path Masterplan, to improve community mobility. Future investments in the transport infrastructure are carefully planned, with an emphasis on prioritizing projects that provide significant community value and align with strategic goals. While detailing specific transport assets, the plan also embraces broader principles of asset management, including lifecycle management, financial planning, and service level optimization. This ensures a holistic approach to infrastructure management, aiming to meet current needs while being adaptable to future demands and challenges.

### What does the plan Cover?

This plan covers the infrastructure assets comprises of:-

- Footpaths and Shared Paths
- Kerb & Gutter
- Roads
- Traffic Signals
- Stormwater
- Carparks
- Retaining Walls

### What doesn't the plan Cover?

- Declared State Roads and Drainage System (Assets managed by DPTI).
- Roads and road reserves that are unmade.
- Traffic control devices such as roundabouts and road signs.
- Road Safety Barriers (i.e. Guard rails)
- Land under roads.

### What does it Cost?

The cost of maintaining Infrastructure Assets is assessed using two principal indicators: the life cycle cost, which represents the average cost over the asset's lifespan, and the total expenditure for maintenance and capital





renewal required to maintain existing service levels for the next decade, as detailed in the Council's long-term financial plan.

Total Expenditure for Next 10 Years:

The total cost for operations, maintenance, and capital renewal to sustain the Infrastructure Assets at the current service levels for the upcoming decade is estimated at \$36,948,673. This translates to an average annual cost of \$3,694,867.

Planned Lifecycle Expenditure:

- **Year 1 to Year 3:** Asset Management Plan will be one of the three “unlocking” strategic priority projects to be undertaken by the Council to optimise its Asset Management practices and the Asset Investment Strategy. Community asset service level satisfaction survey and Council’s 2035 vision strategic plan will guide determination of optimised Asset renewal criteria and asset investment within this period. Other Key deliverables include within this timeframe are:
  - i. The expenditure for the first three years is determined based on prioritizing infrastructure renewal works according to their critical conditions.
  - ii. Road Asset Condition rating will be continued to be adjusted through more comprehensive condition audit based on IPWEA standard Practice notes instructions.
  - iii. Plan and schedule capital project delivery as a two-year cycle where Year 1 allocation will be for Design and Planning works where Year 2 will be allocated for construction and delivery.
- **Year 4 to Year 10:** Once the Key deliverables are achieved, the infrastructure forward works will be adjusted to include projects that are aligned with Council’s strategic plans.

Review of Asset Management Practices:

Notably, Asset Management Practices are currently under review and will be dynamically updated in response to the completion of the strategic priority projects set for a 3-year term.

Adopted Principles for Cost estimation:

- **Cost Allocation Strategy:** The varied expenditure approach between the first period and the second period of the decade indicates a strategic method in asset management, initially focusing on assets needing urgent attention or repair.
- **Responsive Asset Management:** The ongoing review and updating of Asset Management Practices signify a proactive and adaptable approach to handling Infrastructure Assets, crucial for addressing changes in asset conditions, technological advancements, and strategic shifts.
- **Strategic Planning's Impact:** The influence of the 3-year strategic priority projects on asset management and financial planning emphasizes the importance of aligning short-term operational decisions with the long-term goal of financial sustainability.



### What we will do

Council plans to provide infrastructure services for the operation, maintenance, renewal, and upgrade of all assets as outlined in **Section 1.2 asset** classes to meet service levels set by Council within annual budget.

### Managing the Risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified major risks as:

- **Resource Limitations:** The challenge of insufficient resources, including funding and staffing, necessary for asset replacement or renewal in line with our forecasts and maintenance standards.
- **Inaccurate Asset Data:** The risk of working with incomplete or incorrect asset data, which could lead to poor decision-making and insufficient funding for maintenance and renewals.

To mitigate these risks effectively, our strategies are intertwined with the broader strategic goals of the City of Mount Gambier:

- **Regular Condition Audits and Site Inspections:** Essential for ensuring that infrastructure is rebuilt to industry standards for a longer useful life. This approach aligns with our goal of maintaining critical infrastructure to support public safety and basic service levels.
- **Data Rationalization and Process Improvement:** By enhancing data accuracy, we support the goal of achieving maturity in asset management practices. This involves the adoption of advanced technologies, like GIS mapping, data modelling etc. to improve decision-making and align with our goals of environmental sustainability and community development.
- **Staff Training and Education:** A key strategy to build workforce capacity and skills, particularly in dynamic reporting and new technologies. This supports our objective of enhancing the Council's capacity to deliver diverse projects and services, catering to evolving community needs and expectations.
- **Funding Requests and Maintenance Monitoring:** Aligning closely with the strategic plan, this involves advocating for necessary renewals and upgrades. It also includes monitoring maintenance trends to stimulate economic growth and ensure efficient allocation of resources.
- **Community Engagement and Feedback Mechanisms:** To address the criticality of community demand-driven renewals and upgrades, engaging with the community for feedback and adapting to demographic shifts and service expectations is crucial.
- **Strengthening Internal Governance:** Improving decision-making processes and transparency in how infrastructure projects are planned and implemented. This strengthens accountability and aligns with our commitment to efficient and responsible infrastructure management.
- **Proactive Renewal and Replacement Planning:** Prioritizing assets for renewal or replacement based on their criticality and impact on community development and public safety.



By integrating these mitigation strategies with our broader strategic goals, we aim to not only effectively manage the identified risks but also ensure that our approach to infrastructure asset management is comprehensive, sustainable, and aligned with the City of Mount Gambier's objectives for community wellbeing, environmental sustainability, and economic growth.

### Monitoring and Improvement Program

To enhance infrastructure asset management, Council's focus is on several key improvement plans, each structured to address specific areas:

- **Development of a Single Corporate Asset Register:** This centralized database will consolidate all asset information, streamlining management and tracking across various asset categories.
- **Defining Levels of Service:** By establishing clear and standardized service levels for each asset category, this plan aims to set consistent performance metrics and expectations, ensuring uniformity in service delivery.
- **Standard Categorization of Assets for Improved Reporting:** This involves organizing assets into defined categories for better clarity in reporting. Such standardization will facilitate more precise data analysis and decision-making, enhancing overall transparency in asset management.

These structured initiatives are designed to significantly improve the efficiency and effectiveness of asset management process.



## 2 INTRODUCTION

### Background

This asset management plan communicates the actions required for the responsive management of assets (and services provided from assets), compliance with regulatory requirements, and funding needed to provide the required levels of service over a 10-year planning period.

The asset management plan is to be read with the City of Mount Gambier planning documents. This should include the Asset Management Policy and Asset Management Strategy where these have been developed along with other key planning documents:

- City of Mount Gambier Strategic Plan
- Long Term Financial Plan (LTFP)
- Annual Business Plan
- Asset Management Policy
- Asset Accounting Policy
- Land Development Policy L130
- Risk Management Framework
- Community land (reserves) lease / license / rental arrangements policy
- Disability Access and Inclusion Plan (DAIP)
- Sports recreation and Open Space Strategic (SROSS) Plan

The infrastructure assets covered by this asset management plan are shown in Table 2.1A. These assets provide the following services to the community for their benefit.

- Safe and accessible routes for pedestrians.
- Accessibility for individuals with mobility impairments.
- Recreational spaces for activities like leisure, sports, walking and cycling.
- Effective drainage control to channel stormwater disposal.
- Structural integrity and defining boundaries for roadways.
- Smooth vehicular traffic flow on roads.
- Providing a physical barrier for pedestrian safety.
- Connectivity to various community areas, including residential, commercial, and public spaces.
- Supporting local and regional economic connectivity through transportation infrastructure.



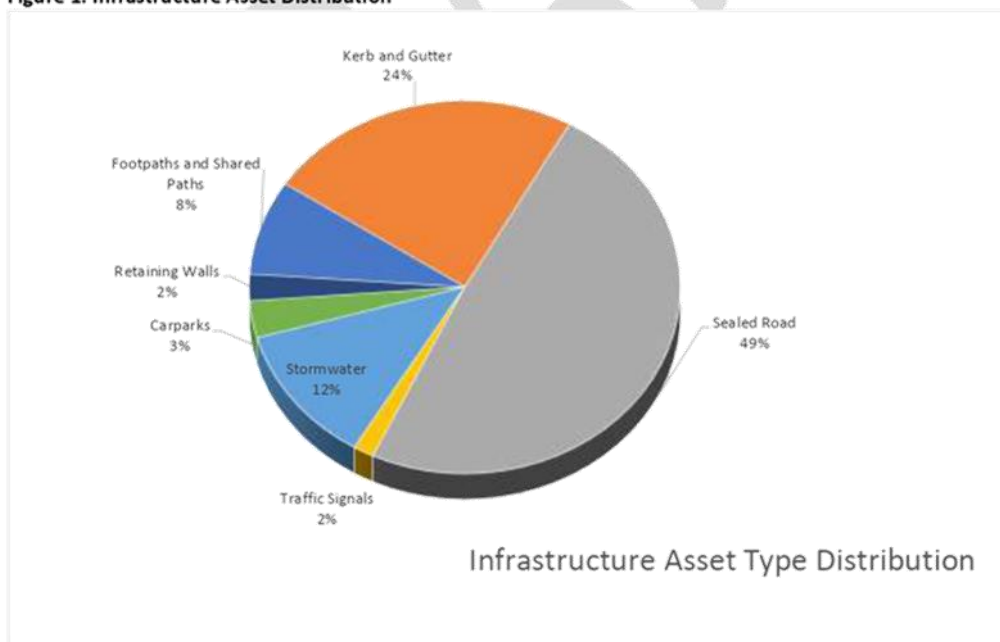
- Regulating traffic flow to reduce congestion and improve travel times.
- Enhancing road safety, especially at intersections.
- Providing safe pedestrian crossing points.
- Contributing to the overall transportation efficiency by optimizing traffic movement.

**Table 2.1A: Assets covered by this Plan (Net fair Value up to date)**

| Asset Category             | Dimension                            | Replacement Value    |
|----------------------------|--------------------------------------|----------------------|
| Footpaths and Shared Paths | 171.2 Km                             | \$24,278,619         |
| Kerb and Gutter            | 46.3 Km                              | \$70,054,633         |
| Sealed Road                | 237.1 Km                             | \$144,427,844        |
| Traffic Signals            | 20 sites                             | \$4,561,866          |
| Stormwater                 | 418 Council Owned Active Bore System | \$35,594,215         |
| Carparks                   | 113,348 Sqm of Area                  | \$9,463,991          |
| Retaining Walls            | 6.36 km                              | \$6,790,527          |
| <b>TOTAL</b>               |                                      | <b>\$295,171,695</b> |

These infrastructure assets have significant value estimated at **\$295,171,695** as of **01 July 2023**.

**Figure 1: Infrastructure Asset Distribution**



A 10-year work program cost for all infrastructure subclass assets has been presented in Appendix A.





### Goals and Objectives of Asset Ownership

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a long-term financial plan which identifies required, affordable expenditure and how it will be allocated.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

### Core and Advanced Asset Management

This asset management plan is prepared as a 'core' asset management plan over a 10-year planning period in accordance with the International Infrastructure Management Manual<sup>3</sup>. Core asset management is a 'top down' approach where analysis is applied at the system or network level. An 'advanced' asset management approach uses a 'bottom up' approach for gathering detailed asset information for individual assets.

## 3 LEVELS OF SERVICE

### Customer Research and Expectations

This 'core' asset management plan is prepared to facilitate consultation prior to adoption by the Council. Future revisions of the asset management plan will incorporate community consultation on service level satisfaction and costs of providing those services. This will assist the Council and stakeholders in matching the level of service required, service risks and consequences with the community's ability and willingness to pay for the service.

It is to be noted that Council is currently undertaking public consultation for its 2035 strategic visions and a new 4-year strategic plan is to be endorsed by November 2024.

<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles and terminology

<sup>3</sup> IPWEA, 2015, IIMM.



## Strategic and Corporate Goals

This Asset Management Planning Approach has been identified as one of the Council Strategic Priority Projects for 2024-2027.

In the three years Asset Management Planning approach the following steps are identified.

**Figure 2:: Scope of the Asset Management Planning Approach Priority Project**



## Legislative Requirements

There are many legislative requirements relating to the management of assets. These include:

**Table 3.3: Legislative Requirements**

| Legislation  | Requirement   |
|--|---|
| <b>Local Government Act 1999 (SA)</b>  | Mandates councils to responsibly plan and manage infrastructure assets, requiring the development and maintenance of asset management plans integrated with long-term financial planning.         |
| <b>Local Government (Financial Management) Regulations 2011</b>  | Requires councils to prepare an annual business plan and budget, detailing capital investment and asset management activities.  |
| <b>Australian Accounting Standards - AASB 116 (Property, Plant and Equipment), AASB 136 (Impairment of Assets), AASB 13 (Fair Value Measurement)</b> | AASB 116 dictates the valuation and depreciation of property, plant, and equipment. AASB 136 covers impairment testing of assets, and AASB 13 outlines the principles for fair value measurement. |
| <b>Public Finance and Audit Act 1987 (SA)</b>  | Establishes a framework for the financial administration, audit, and reporting for public sector entities, including requirements for asset management and financial accountability.              |
| <b>Auditor General's Oversight</b>   | Involves the auditing of financial reports of local governments, focusing on asset management practices and compliance with Australian Accounting Standards and legislative requirements.         |

### Community Levels of Service

Service levels are defined service levels in two terms, Community levels of service and technical levels of service. These are supplemented by City of Mount Gambier Customer Request Management measures.

**Community Levels of Service** measure how the customer receives the service and whether value to the customer is provided.

Customer levels of service measures used in the asset management plan are:

**Quality** How good is the service ... *what is the condition or quality of the service?*

**Function** Is it suitable for its intended purpose .... *Is it the right service?*

**Capacity/Use** Is the service over or under used ... *do we need more or less of these assets?*

The current and expected customer service levels are detailed in Tables 3.4 and 3.5. Table 3.4 shows the expected levels of service based on resource levels in the current long-term financial plan.

**City of Mount Gambier Customer Request Management measures** are measures of fact related to the service delivery outcome e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, very good.

These Organisational measures provide a balance in comparison to the customer perception that may be more subjective.



**Table 3.4: Customer Level of Service**

| Service Attribute        | Level of Service Objective   | Performance Measure Process   | Desired Level of Service  | Current Level of Service   |
|--------------------------|--|---|---|--|
| <b>Quality/Condition</b> | Well maintained and suitable sealed road network.  | Number of customer requests relating to sealed road maintenance       | < 50 CRM per annum  | Currently meeting targets<br>Year No. CRM<br>2019 42<br>2020 42<br>2021 56<br>2022 48<br>2023 47   |
|                          | Water is not retained on Council infrastructure for more than 2 hours after a 5yr rainfall density | Number of customer requests relating to flooding                      | <20 CRM per annum   | Currently not meeting target<br>Year No. CRM<br>2019 63<br>2020 56<br>2021 41<br>2022 56<br>2023 36                                      |
|                          | Well maintained and suitable footpath network.   | Number of customer requests relating to existing footpath maintenance | < 50 per annum  | Currently not meeting target<br>Year No. CRM<br>2019 102<br>2020 95<br>2021 100<br>2022 94<br>2023 114<br>2024 9                         |
|                          | It is a well maintained and suitable kerb network.   | Number of customers requesting relating to kerb maintenance           | < 10 per annum  | Currently meeting targets<br>Year No. CRM<br>2019 0<br>2020 0<br>2021 0<br>2022 0<br>2023 0  |
|                          | Sealed Road network condition maintained to an acceptable level.                                   | Routine Condition Assessment  | Overall road seal and pavement average condition is maintained at 3 out of 5 for pavements and surface. | Currently Meeting Target<br>Avg. Road seal and pavements condition is currently 2.0 out of 5. (ref: FyFe condition Audit Report 2023)    |
|                          | Footpath and shared Path network condition maintained to an acceptable level.                      | Routine Condition Assessment  | Overall average condition is maintained at 2.0 out of 5 for constructed footpaths.                      | Currently not meeting Target<br>Avg. Footpath & Shared Path condition is currently 2.2 out of 5. (ref: FyFe condition Audit Report 2023) |



|                          |   |  |  |  |      |               |      |   |      |   |      |   |      |   |      |   |
|--------------------------|---|--|--|--|------|---------------|------|---|------|---|------|---|------|---|------|---|
|                          | Kerb & Channel network condition maintained to an acceptable level. | Routine Condition Assessment   | Overall average condition is maintained at 2 out of 5 for kerbs.           | Currently meeting Target<br>Avg. Kerb & Channel condition is currently 2.0 out of 5. (ref: FyFe condition Audit Report 2023)   |      |               |      |   |      |   |      |   |      |   |      |   |
| Function/<br>Safety      | Road assets meet community needs.                                   | Community Surveys  | > 75% satisfaction (being score between 5 to 10, out of 10(1=Low,10=High)) | Currently not monitoring. Planned as part of the Strategic Asset Management Project  |      |               |      |   |      |   |      |   |      |   |      |   |
|                          | Road line marking is well maintained.                               | Line marking is adequate and clearly visible   | 95% of all line marking is fair condition or better                        | Currently meeting targets.<br>All roads are line marked on an alternate year periodic basis.   |      |               |      |   |      |   |      |   |      |   |      |   |
|                          | Safe and reliable road network.                                     | Number of settled injury and property damage claims attributable to road condition     | < 2 incidents per year   | Currently meeting targets<br><table><tr><td>Year</td><td>No. of Claims</td></tr><tr><td>2019</td><td>1</td></tr><tr><td>2020</td><td>0</td></tr><tr><td>2021</td><td>2</td></tr><tr><td>2022</td><td>2</td></tr><tr><td>2023</td><td>0</td></tr></table> | Year | No. of Claims | 2019 | 1 | 2020 | 0 | 2021 | 2 | 2022 | 2 | 2023 | 0 |
| Year                     | No. of Claims   |  |  |  |      |               |      |   |      |   |      |   |      |   |      |   |
| 2019                     | 1   |  |  |  |      |               |      |   |      |   |      |   |      |   |      |   |
| 2020                     | 0   |  |  |  |      |               |      |   |      |   |      |   |      |   |      |   |
| 2021                     | 2   |  |  |  |      |               |      |   |      |   |      |   |      |   |      |   |
| 2022                     | 2   |  |  |  |      |               |      |   |      |   |      |   |      |   |      |   |
| 2023                     | 0   |  |  |  |      |               |      |   |      |   |      |   |      |   |      |   |
|                          | Safe and reliable footpath network.                                 | Number of settled injury and property damage claims attributable to footpath condition | < 2 claims per year  | Currently on Target<br>No settled injury or property damage claims   |      |               |      |   |      |   |      |   |      |   |      |   |
| Capacity/<br>Utilisation | Roads and Footpaths are available for public use all year round.    | Number of road and footpaths closures due to degraded asset condition                  | Nil  | Currently meeting target<br>Nil Closure during 2019-2023   |      |               |      |   |      |   |      |   |      |   |      |   |

### Technical Levels of Service

**Technical Levels of Service** - Supporting the customer service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- Operations – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc).
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading, building and structure repairs),





- **Renewal** – the activities that return the service capability of an asset up to that which it had originally (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Upgrade/New** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).

Service and asset managers plan, implement and control technical service levels to influence the customer service levels.

Table 3.5 shows the technical levels of service expected to be provided under this AM Plan. The 'Desired' position in the table documents the position being recommended in this AM Plan.

**Table 3.5: Technical Levels of Service**

| Service Attribute                                    | Level of Service Objective   | Performance Measure Process   | Desired Level of Service   | Current Level of Service      |
|--|--|---|--|-------------------------------|
| <b>Operations and Maintenance Budget</b>             | To ensure services are provided to achieve best value for money.   | Number of customer complaints.  | Roads managed taking all data into account and producing programs for maintenance and renewals to be implemented at optimal times to | Not measured                  |
|  | Ensure that all transport assets are well maintained.  | Quantity of work carried out.   | Develop a maintenance program which meets agreed service levels and community  | TBD                           |
| <b>Renewal Budget<br/>\$3,622,568<br/>(Year 1)</b>   | Develop and maintain a safe and sufficient transport network.  | Successfully delivering annual renewal program on time and on budget.                                     | Renew all assets when they reach a service level that the community is willing to accept and pay for.                                | Not measured                  |
|  |  | Renewal capital projects completed. on time and within budget each financial year.                        | > 90% of the program completed and allocated funds spent.  | Currently not meeting target  |
| <b>Upgrade/New Budget<br/>\$411,000<br/>(Year 1)</b> | Invest in new pedestrian footpath and shared path infrastructure to create more accessible paths for all | Implement the priority projects identified in the Shared path Master plan and the CBD Accessibility Audit | Have all transport assets meet the capacity and safety requirements of the community.  | TBD                           |
| <b>Infrastructure Capital Works Delivery</b>         | Deliver all capital projects as per the KPIs set in the Annual Business Plan (ABP)                       | Overall capital projects completed on time and within budget each financial year.                         | > 90% of the program completed and allocated funds spent.  | Currently not meeting target. |



It is important to monitor the service levels provided regularly as these will change. The current performance is influenced by work efficiencies and technology, and customer priorities will change over time. Review and establishment of the agreed position which achieves the best balance between service, risk and cost is essential.

#### Maintenance Response Levels of Service

| Activity                     | Intervention Level  | Response Times |            |           |                |                    |
|------------------------------|---|----------------|------------|-----------|----------------|--------------------|
|                              |   | Road Hierarchy | Inspection | Make Safe | Completion     | Performance Target |
| Sealed Roads                 |   |                |            |           |                |                    |
| Pothole Maintenance          | Pothole with depth of between 50mm - 100mm and area < 10m2. | Arterial       | 2 days     | 2 days    | 2 days         | 70%                |
|                              |   | Industrial     | 3 days     | 3 days    | 3 days         | 70%                |
|                              |   | Local          | 4 days     | 4 days    | 4 days         | 70%                |
|                              | Pothole > 100mm depth.                                      | Arterial       | 1 days     | 1 days    | 1 days         | 70%                |
|                              |   | Industrial     | 2 days     | 2 days    | 2 days         | 70%                |
|                              |   | Local          | 5 days     | 5 days    | 5 days         | 70%                |
| Pavement Texture Maintenance | Longitudinal cracking < 20m.                                | Arterial       | Monitor    | Monitor   | Reseal Program | 70%                |
|                              |   | Industrial     | Monitor    | Monitor   | Reseal Program | 70%                |
|                              |   | Local          | Monitor    | Monitor   | Reseal Program | 70%                |
|                              | Flushing between 5m2 and 50m2.                              | Arterial       | Monitor    | Monitor   | Reseal Program | 70%                |
|                              |   | Industrial     | Monitor    | Monitor   | Reseal Program | 70%                |
|                              |   | Local          | Monitor    | Monitor   | Reseal Program | 70%                |
|                              | Stripping between 5m2 and 50m2.                             | Arterial       | Monitor    | Monitor   | Reseal Program | 70%                |
|                              |   | Industrial     | Monitor    | Monitor   | Reseal Program | 70%                |
|                              |   | Local          | Monitor    | Monitor   | Reseal Program | 70%                |



#### 4 FUTURE DEMAND

##### Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

##### Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets were identified and are documented in Table 4.3.

##### Demand Impact on Assets

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

**Table 4.3: Demand Drivers, Projections and Impact on Services**

| Demand Factor                        | Present Position  | Projection   | Impact on Services   |
|--------------------------------------|---|--|--|
| <b>Population and Demographics *</b> | 27,749 (based on 2022 Census data)<br><br>2.3% increase in people from 2016 to 2021.  | A steady increase of 0.47% per annum, with the increase expected to occur mainly in the older demographic 60+. | Increase in traffic volume, accessibility demand, increase customer requests and increased demand in service levels and their timely delivery.   |
| <b>Development</b>                   | Multiple Developments undertaken throughout the township areas.   | Expected to continue.  | Increase volume of traffic within the urban areas, increased commercial services will require better parking, accessibility, smoother operation of business, customer ease to access services, demand increase for alternative transport means and public transport infrastructure.  |
|                                      | Increase in the development of sub-divisions and dwelling number for both City of Mount Gambier and District Council of Grant Area. | The total number of dwellings in the City of Mount Gambier increased by 453 between 2016 and 2021.             | Larger footprint of physical assets to be maintained, larger volume of stormwater management, investment will be required for additional resources to maintain the current level of service.<br><br>Development in DC Grant Areas means a larger volume of people commuting to and from for work/accessing service in the city area. |



|                    |  |  |  |
|--------------------|--|--|--|
| <b>Environment</b> | Higher frequency of extreme weather events.  | Unknown at this stage, but changes likely.   | Increase to Plant and Equipment base to meet the additional road maintenance requirements as a result of extreme weather.                          |
|                    | Community awareness on environmental and sustainability issues is increasing.  | Community expectation for assets to be environmentally sustainable as awareness increases.   | Increased cost associated with purchasing environmentally friendly Plant and Equipment assets (ie. fuel efficiency).                               |
|                    | Climate Change and Sustainable Development targets are not inherently included for infrastructure options selection. | Requirements to use environmentally friendly renewable materials, incorporate design standards to achieve sustainable development targets. | Upfront cost in investment, however long-term return on value and environment.   |
| <b>Industry</b>    | Use of road networks by heavy vehicles has been increasing over the last 10 years.                                   | Expected to continue to increase with industry growth.   | Increase to Plant and Equipment base resulting in to meet the additional road maintenance requirements as a result of increased heavy vehicle use. |

### 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 can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.4. Further opportunities will be developed in future revisions of this asset management plan.

**Table 4.4: Demand Management Plan Summary**

| <b>Demand Driver</b> | <b>Impact on Services</b>  | <b>Demand Management Plan</b>  |
|----------------------|--|--|
| <b>Demographics</b>  | Increased demands on access to activity points using convenient travel options. Improved pedestrian safety, accessibility, urban experience, quality public structure on transport assets, i.e. street lighting, road roughness, noise barriers etc. | Actively invest in Alternative Transport Routes i.e. Shared Path, Footpath and Public Transport Infrastructures. Improvement specification for construction to comply various standards. |
|                      | Trends in post covid Internal city to Regional Migration will have expectation of higher service standards for urban services including transport options availability.  | Understand the aspiration of the community through public engagements and allocation of investment to assets are made accordingly.   |



|                                 |  |  |
|---------------------------------|--|--|
| <b>Development</b>              | Increased number assets gifted annually to the Council which will be requiring higher volume of maintenance and replacement budgets. | Increased development and growth will bring additional rates income for council, Policy to be adopted for engaging additional resources according to the growth to maintain the current levels of service. |
| <b>Legislative Requirements</b> | Potential for higher construction, operation and maintenance costs if legislation was to impose additional requirements.             | Costs to be monitored and considered during annual budget planning process.  |

### Asset Programs to meet Demand

The new assets required to meet demand can be acquired, donated or constructed. Additional assets are discussed in Section 5.5. The summary of the cumulative value of additional investments during the life of this AM plan is shown in Figure 1.

**Figure 1: Upgrade and New Assets to meet Demand – (Cumulative)**

| Proposed Program  | Present Position  | Proposed Position   | Required Cumulative Capital Spent over next 10 years  | Ongoing annual additional maintenance budget required |
|---|---|---|---|---|
| <b>Shared Path Master Plan</b>                                | Currently Annual allocation of \$374K for new footpath constructions.   | Commit the existing annual budget allocation towards the priority projects identified in the Shared Master Plan   | Total avg. investment to implement the Shared Path Masterplan would require a conservative estimated cost of \$13.4M. | TBD   |
| <b>Accessibility Compliance</b>                               | Currently No Allocation   | Identified physical upgrades to the accessibility compliance. i.e. pram ramps.  | TBD   | TBD   |
| <b>Strategic Recreation &amp; Open Space Strategy (SROSS)</b> | Currently No Allocation<br><br>Blue Lakes Sporting field Master Master Planning in progress for other identified Areas. | While this strategy is predominantly for recreation and open space, Physical infrastructure such as Access roads, Car Parking, Drainage improvements, Retaining Structures will be part of this infrastructure asset class. | TBD   | TBD   |





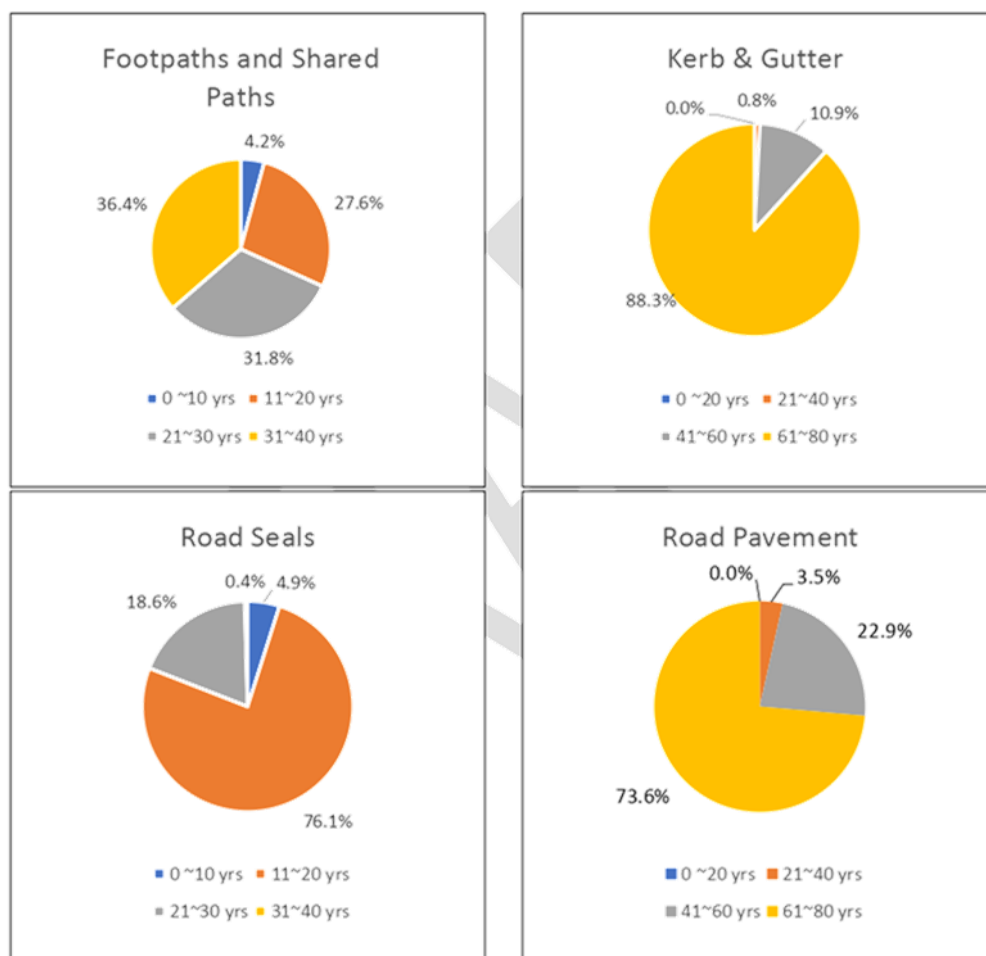
## 5 LIFECYCLE MANAGEMENT PLAN

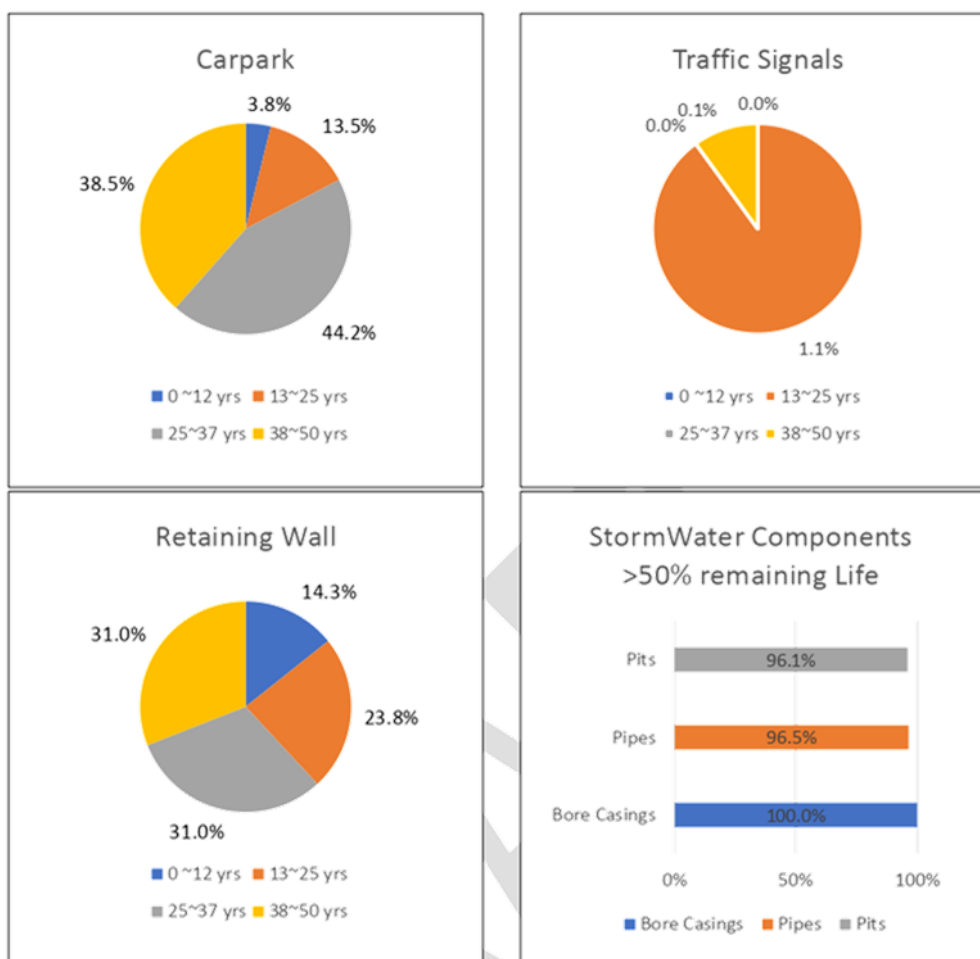
The lifecycle management plan details how the City of Mount Gambier plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while managing life cycle costs.

### Asset Age Profile

The age profile of Council owned assets covered by this asset management plan are shown in Figure 2.

**Figure 2: Asset Age Profile (Remaining useful life)**





### Asset capacity and performance

Assets are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

| Location   | Service Deficiency   |
|--|--|
| <b>Accessibility Audit Priorities</b>                              | A CBD accessibility Audit report has identified non-compliance to current Australian Standard and prioritised a list of actions. These action items will be addressed by incorporating the replacement cost of non-compliant assets over a period of five years.   |
| <b>Stormwater Assets</b>   | Stormwater systems are unique in Mount Gambier and for the first time they have been registered component-wise and valued for replacement cost. Some old underground drainage system around the main street remains unidentified and will require further investigation for their serviceability. Works to be performed for inspecting, identifying and registering these old assets and their current conditions. |
| <b>Clear Renewal Strategies based on weighted ranking criteria</b> | Currently the assets are blanketly renewed when they triggered the condition rating to 3. However,   |

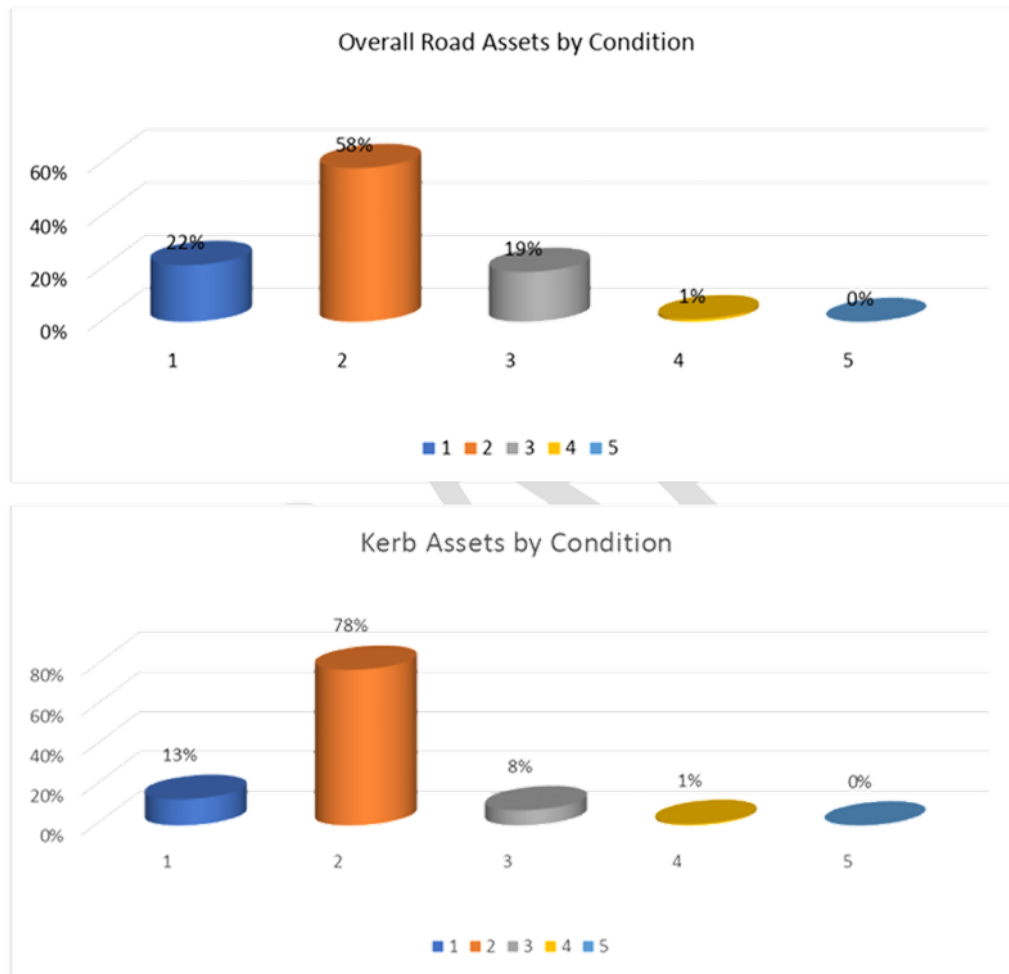


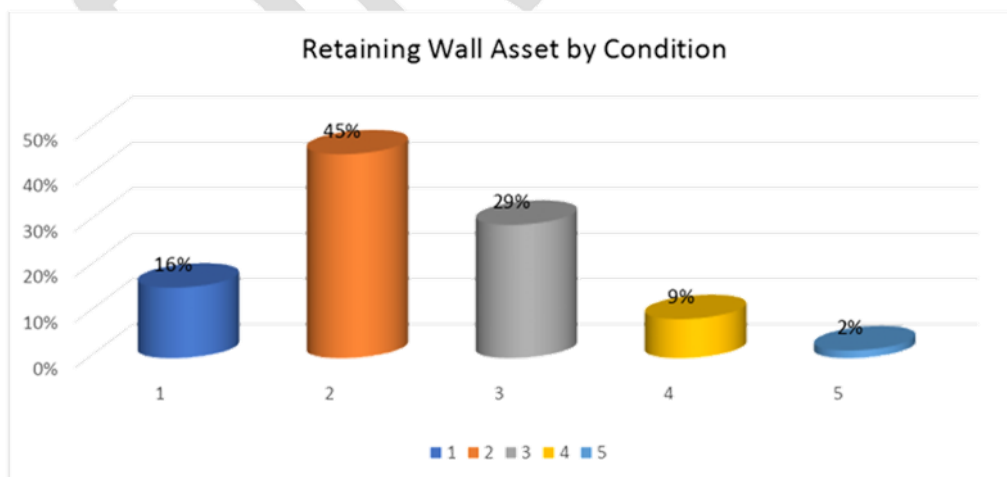
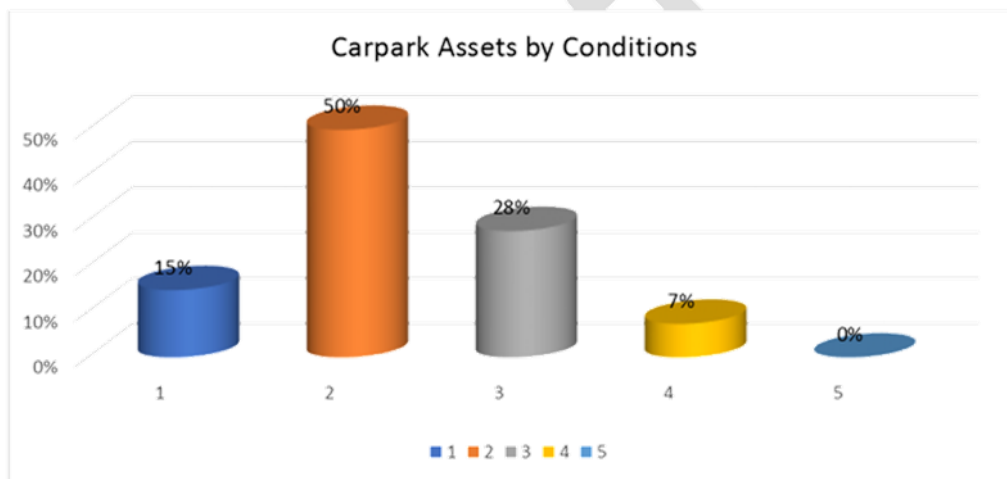
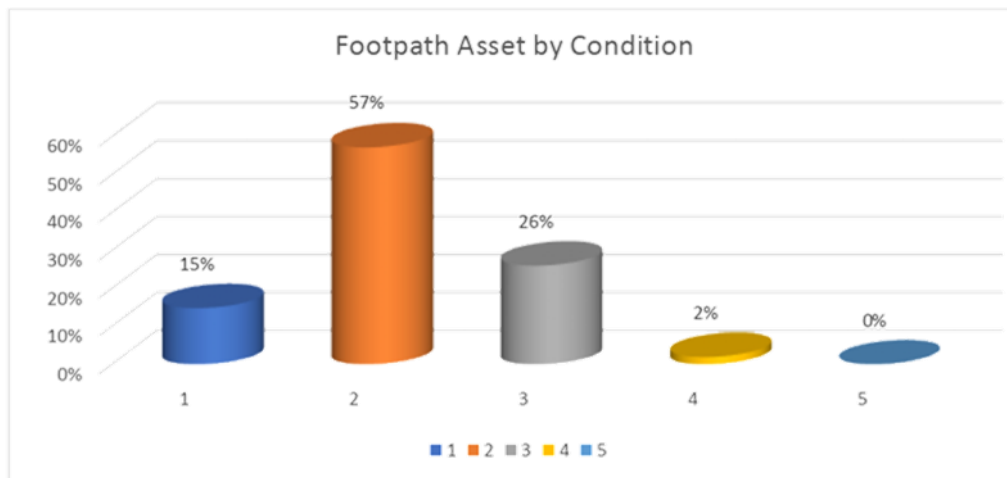
The above service deficiencies were identified from FyFe City Infrastructure Condition Audit City of Mount Gambier Customer Request Management statistics.

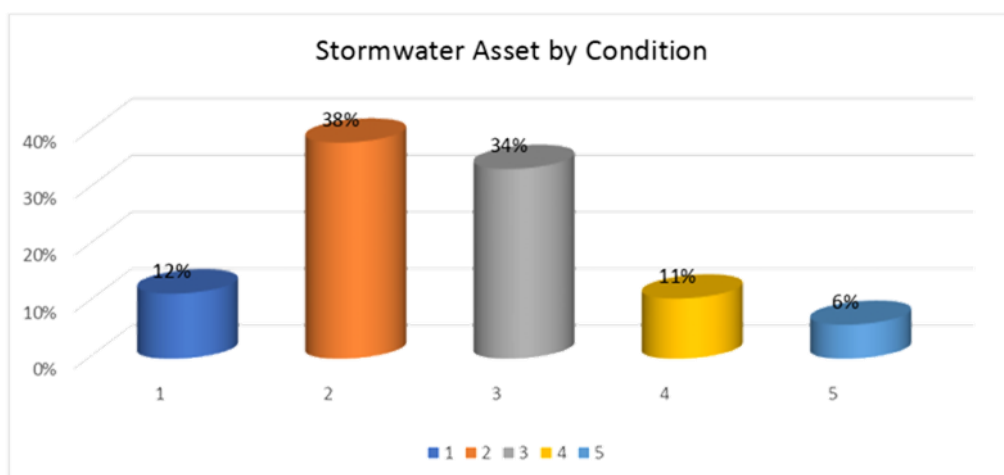
#### Asset condition

The condition profile of our assets is shown in Figure 3.

**Fig 3: Asset Condition Profile**







Condition is measured using a 1 – 5 grading system<sup>4</sup> as detailed in Table 5.1.3.

**Table 5.1.3: Simple Condition Grading Model**

| Condition Grading | Description of Condition  |
|-------------------|---|
| 1                 | <b>Very Good:</b> only planned maintenance required               |
| 2                 | <b>Good:</b> minor maintenance required plus planned maintenance  |
| 3                 | <b>Fair:</b> significant maintenance required                     |
| 4                 | <b>Poor:</b> significant renewal/rehabilitation required          |
| 5                 | <b>Very Poor:</b> physically unsound and/or beyond rehabilitation |

### Renewal/Replacement Plan

Renewal and replacement 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 considered to be an upgrade/expansion or new work expenditure resulting in additional future operations and maintenance costs.

Assets requiring renewal/replacement are identified from one of three methods provided in the 'Expenditure Template'.

- Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or
- Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the 'Expenditure template'.

Method 1 was used for this asset management plan.

<sup>4</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.





## 6 RISK MANAGEMENT PLAN

### Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Similarly, critical failure modes are those which have the highest consequences.

Critical assets have been identified and their typical failure mode and the impact on service delivery are as follows:

**Table 6.1 Critical Assets**

| Critical Asset(s)         | Failure Mode  | Impact   |
|---------------------------|---|--|
| <b>Roads</b>              | Pavement/surface damage.                            | Roadway become unserviceable and alternate traffic routes to be determined.  |
| <b>Stormwater Systems</b> | Failure to discharge stormwater at the desired rate | Flooding of the roadway and spilling into private properties   |
| <b>Traffic Signals</b>    | Failure to operate                                  | Traffic Controlling in the CBD area gets significantly complex and will require immediate replacement resulting significant investment for replacement |
| <b>Footpath/Cycleways</b> | Trip Hazards  | Public incidents resulting in injury and claims  |

By identifying critical assets and failure modes investigative activities, condition inspection programs, maintenance and capital expenditure plans can be targeted at the critical areas.

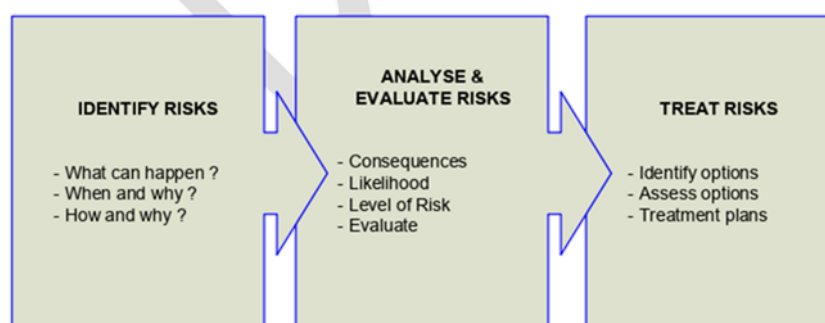
### Risk Assessment

The risk management process used in this project is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of the ISO risk assessment standard ISO 31000:2009.

**Fig 6.2 Risk Management Process – Abridged**



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.



An assessment of risks associated with service delivery from infrastructure assets has identified a gap in the current asset management practice and will be addressed by setting up an organisation Infrastructure Risk Register based on Council own risk reporting system tools.

The critical risks that will result in significant loss, 'financial shock' or a reduction in service are noted in this AM plan (Table 6.1).

### Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources which means the Capacity to address critical failure in service will result in downgraded level of service.

## 7 PLAN IMPROVEMENT AND MONITORING

### Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 8.1.

**Table 8.1: Improvement Plan**

| Task No | Task  | Responsibility | Timeline      |
|---------|---|----------------|---------------|
| 1       | Undertake a complete condition assessment of Council's all Infrastructure assets and update condition information in the Asset Register.  | MEDA           | Completed     |
| 2       | Undertake a complete revaluation of Council's all Infrastructure assets and update condition information in the Asset Register.   | MEDA/MFS       | Completed     |
| 3       | Undertake a community survey to determine the current level of community satisfaction   | MEDA           | FY 25/26      |
| 4       | Review Asset categories and re-classify the subclasses as required.   | MEDA           | December 2024 |
| 5       | Set specification for current levels of service, monitor the performance against the set level of services  | MEDA           | Ongoing       |
| 6       | Establish asset renewal ranking framework & criteria for capital works prioritisation.  | MEDA           | June 2025     |
| 7       | Implement new Asset Management Tools for prediction modelling using asset condition data, work history and valuation figures for optimum outcomes vs asset investments.   | MEDA/MFS       | June 2026     |
| 8       | Complete the Shared Path Master plan.   | MEDA           | June 2024     |
| 9       | Following recommendation from the Shared Path Master Plan prepare prioritised list of future projects to be included in the forward capital works program for alternate pedestrian, Cyclist, Accessible transport links and routes. | MEDA/GMCI      | June 2025     |
| 10      | Develop a tool for accessibility compliance and annual update on the recommended actions from the CBD Accessibility Report.   | MEDA           | June 2025     |
| 11      | Link the Infrastructure AMP to Council's Budgeting process/LTFP, so that impacts of funding levels can be addressed prior to funding allocation   | MEDA/MFS/GMCI  | Ongoing       |
| 12      | Consider impact of regional transport strategies on future revisions of plan.   | MEDA/GMCI      | Ongoing       |
| 13      | Review and implement infrastructure standards for maintenance, renewal, upgrade and new assets.   | MEDA/PE        | June 2025     |
| 14      | Develop a program for undertaking regular traffic counts and with data integrated and updated in Council's road asset register.   | MEDA/PE        | Ongoing       |



## Monitoring and Review Procedures

This AM Plan will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values.

## Trade-offs

There are some operations and maintenance activities and capital projects will not be undertaken within the next 10 years as due the insignificant cost benefits for these projects.

- No PLEC scheme projects..
- No Bulk LED Lighting Projects.

## Risk trade-off

In the absence of an integrated Asset Risk register, currently all corrective actions from Council's WHS system (Skytrust) are addressed as ad-hoc basis based on their risk scoring. Council is currently reviewing its process to include physical infrastructure asset corrective actions to create and ongoing Corrective Action

## 8 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.

### Financial Statements and Projections

#### Asset valuations

The best available estimate of the value of assets included in this Asset Management Plan are shown below. Assets are valued at cost.

|                                       |               |
|---------------------------------------|---------------|
| Fair Value                            | \$243,179,000 |
| Gross Replacement Cost                | \$319,067,000 |
| Accumulated Depreciation <sup>5</sup> | \$75,888,000  |
| Annual Average Asset Consumption      | \$4,256,000   |



#### Sustainability of service delivery

Two key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the:

- Asset renewal funding ratio, and
- Medium term budgeted expenditures/projected expenditure (over 10 years of the planning period).

#### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>6</sup> 84%

<sup>5</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>6</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

The Asset Renewal Funding Ratio is the most important indicator and indicates that over the next 10 years of the forecasting that we expect to have 95% of the funds required for the optimal renewal and replacement of assets.

### Projected expenditures for long term financial plan

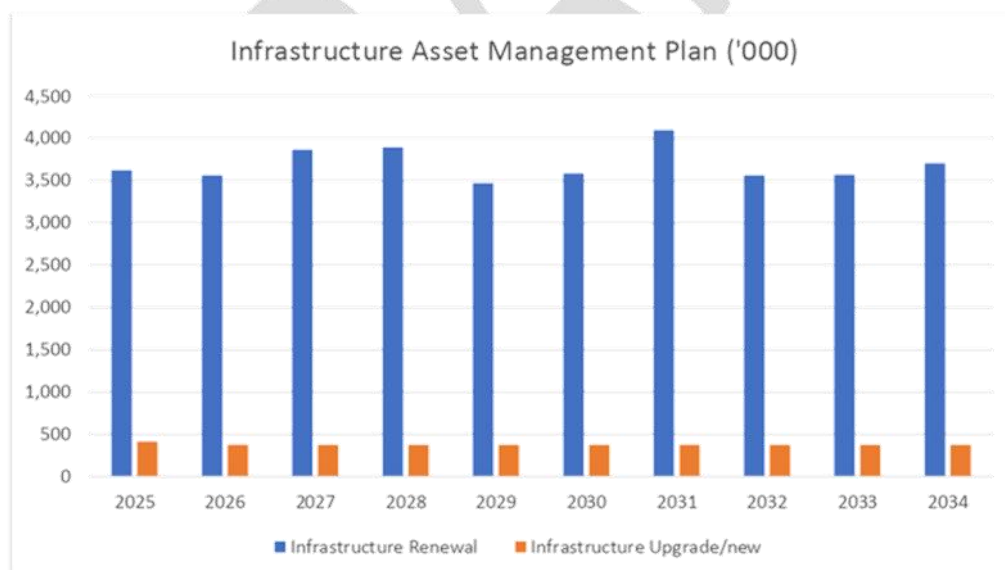
Table 7.1.2 shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in 2024 real values.

**Table 7.1.2: Projected Expenditures for Long Term Financial Plan (\$000)**

| Year          | Maintenance & Operations (\$000) | Projected Capital Renewal (\$000) | Capital Upgrade/ New (\$000) | Disposals (\$000) |
|---------------|----------------------------------|-----------------------------------|------------------------------|-------------------|
| 2025          | \$91.85                          | 3,624                             | \$411                        | \$0               |
| 2026          | \$91.97                          | 3,565                             | \$374                        | \$0               |
| 2027          | \$99.58                          | 3,869                             | \$374                        | \$0               |
| 2028          | \$95.94                          | 3,897                             | \$374                        | \$0               |
| 2029          | \$89.86                          | 3,470                             | \$374                        | \$0               |
| 2030          | \$92.92                          | 3,587                             | \$374                        | \$0               |
| 2031          | \$99.02                          | 4,098                             | \$374                        | \$0               |
| 2032          | \$92.58                          | 3,565                             | \$374                        | \$0               |
| 2033          | \$92.42                          | 3,569                             | \$374                        | \$0               |
| 2034          | \$96.46                          | 3,707                             | \$374                        | \$0               |
| 10 Year Total | \$942.6                          | \$36,951                          | \$3,777                      | \$0               |

**Fig 8.2 Infrastructure Asset Management Plan**



## Funding Strategy

Funding for assets is provided from the budget and long-term financial plan (LTFP).

The financial strategy of the entity determines how funding will be provided, whereas the asset management plan communicates how and when this will be spent, along with the service and risk consequences of differing options.

## Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the infrastructure portfolio.

Additional assets will generally add to the operations and maintenance needs in the longer term, as well as the need for future renewal. Additional assets will also add to future depreciation forecasts.

Due to the recent growth in the housing needs, more and more lands are developed into residential areas. As a result, the Council will continue to receive gifted assets as part of the new developments which will continue to grow City of Mount Gambier Infrastructure asset portfolio.

## Key Assumptions Made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this asset management plan. 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:

**Table 7.4: Key Assumptions made in AM Plan and Risks of Change**

|   |
|---|
| • Fyfe condition ranking is applied for project selection along with Staff's input from their experience.   |
| • Continuation of past works program will end in 2023/24. However,  |
| • Reconstruction will be prioritised over reseal for Pavement defects. Bulk number of roads s forecasted to be requiring resealing in beyond year 2034 due to useful lives.   |
| • Gifted asset acquisition amount is not included.  |
| • Future demands will be approached using a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures. |
| • Renewal interception is planned to keep assets at condition level 3.  |
| • Assumed avg. cost for Storm water, Carpark and retaining wall assets as they are still to be revalued.  |
| • Asphalt overlays are planned for roads with crocodile cracking/Intersections/Cul-de-sacs/RABTs.   |





### Forecast Reliability and Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale<sup>7</sup> in accordance with Table 7.5.

**Table 7.5: Data Confidence Grading System**

| Confidence Grade         | Description  |
|--------------------------|--|
| <b>A Highly reliable</b> | Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$  |
| <b>B Reliable</b>        | Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$ |
| <b>C Uncertain</b>       | Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$                             |
| <b>D Very Uncertain</b>  | Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy $\pm 40\%$   |
| <b>E Unknown</b>         | None or very little data held.   |

The estimated confidence level for and reliability of data used in this AM Plan is considered to be at **B (Reliable)**.

## 9 APPENDICES

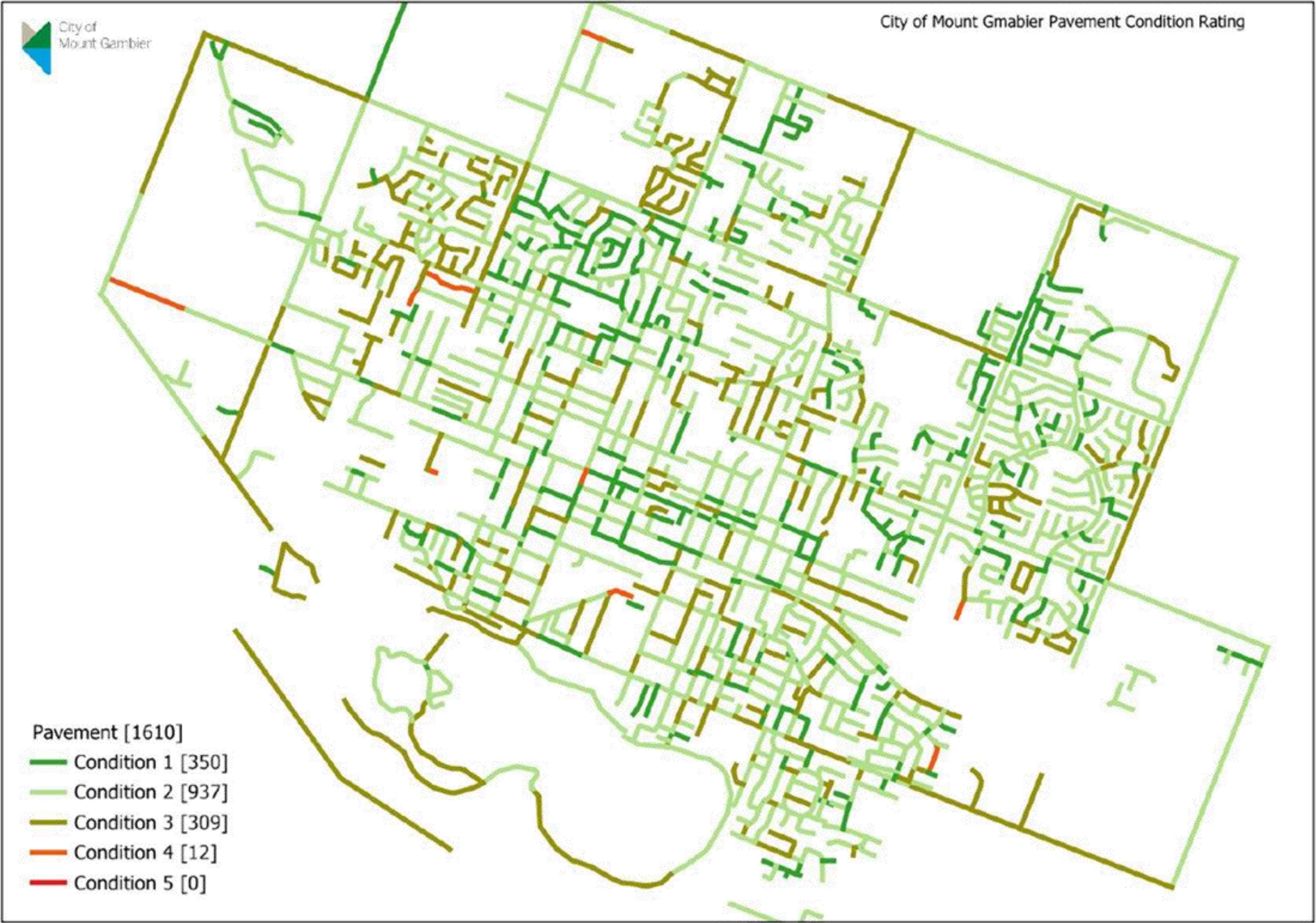
### Appendix A LTFP Budgeted Expenditures Accommodated in AM Plan

| Infrastructure Asset Management Plan - 2025-2034 |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| \$'000   | 2025  | 2026  | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 2033  | 2034  |
| <b>Renewal</b>                                   | 3,624 | 3,565 | 3,869 | 3,897 | 3,470 | 3,587 | 4,098 | 3,565 | 3,569 | 3,707 |
| <b>Upgrade/new</b>                               | 411   | 374   | 374   | 374   | 374   | 374   | 374   | 374   | 374   | 374   |

<sup>7</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.



Appendix B City of Mount Gambier Road Segments Condition Map (Condition 1= Very Good; Condition 5=Unserviceable)





Appendix C City of Mount Gambier Proposed Shared Path Networks<sup>8</sup>

42 | City of Mount Gambier

Shared Path Masterplan | 43

Objective 2: Connected and Inclusive

Cycling

The following primary, secondary, and local routes that classify Mount Gambier as an integrated network and hierarchy of routes. These routes that have been developed under the five internationally-recognised requirements, mainly focusing on Directness.

2.1 Adoption and Endorsement of Primary Routes

- P1** Suttontown Road
- P2** Wireless Road East and West
- P3** Kennedy Avenue
- P4** Wehl Street South and North
- P5** Crouch Street South and North
- P6** Pine Hall Avenue and Bishop Road
- P7** Grant Avenue/Blue Lake (Warwar)/Crouch Street Loop

2.2 Adoption and Endorsement of Secondary Routes

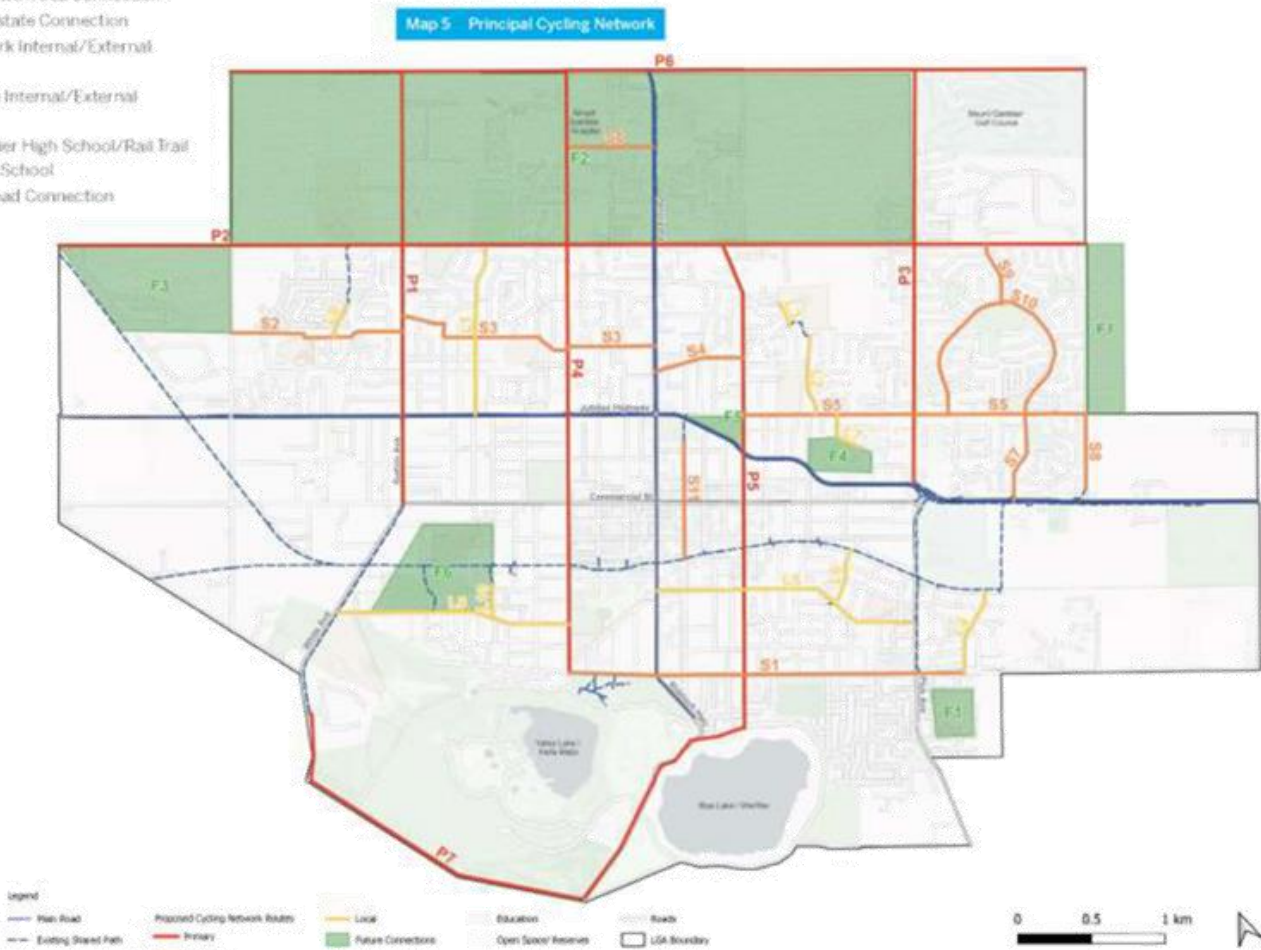
- S1** Lake Terrace East-West Connection
- S2** Mulga Street Primary School Connection
- S3** Mount Gambier North Primary Connection
- S4** Canavan Road Connection
- S5** North Terrace Connection
- S6** Allison Street Connection
- S7** Tumut Drive Connection
- S8** Attamuna Road Connection
- S9** Honnington Road Connection
- S10** Corroo Drive Connection
- S11** Ferrers Street/Mitchell Street Connection

2.3 Adoption and Endorsement of Local Routes

- L1** Acacia Street
- L2** Dalkeith Drive
- L3** St Martins Drive
- L4** Pressey Street
- L5** Boandik Terrace
- L6** Hanson Street
- L7** Cornaun Avenue
- L8** Shepherdson Road

2.4 Adoption and Endorsement of Future Connections

- F1** Grant High School Internal/External Connection - School
- F2** Northern Growth Area Connection
- F3** Springview Estate Connection
- F4** McDonald Park Internal/External Connection
- F5** City Bike Hire Internal/External Connection
- F6** Mount Gambier High School/Rail Trail Connection - School
- F7** Attamuna Road Connection



<sup>8</sup> City of Mount Gambier Shared Path Masterplan





# Plant and Equipment Asset Management Plan

2025-2034

May 2024



| Document Control  |            | <div>Asset Management Plan</div> <div> IPWEA<br/>INTEGRATED PLANNING AND<br/>WORKS EVALUATION AUTHORITY<br/></div> |        |          |          |
|---|------------|--|--------|----------|----------|
| Document ID : NAMSPLUS Concise Asset Management Plan Template_V2_170508 |            |  |        |          |          |
| Rev No  | Date       | Revision Details   | Author | Reviewer | Approver |
| 1   | 11/12/2023 | <b>Plan 2024-2033</b> Initial plan prepared in conjunction with relevant staff for adoption by Council.  | KM     | JM/JS    | BC       |
| 2   | 4/03/2024  | <b>Plan 2024-2033</b> Review conducted with changes made to financial information to account for Carry Overs   | KM     | JS/KR    | BC       |
| 3   | 15/05/2024 | <b>NEW Plan 2025-2034</b> Review conducted to align timing of P&E AMP with other Asset Management Plans and financial changes to include Provision for Minor Plant   | KM     | JS/JM    | BC       |
|   |            |  |        |          |          |

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## 1. EXECUTIVE SUMMARY

### Context

The City of Mount Gambier operates and maintains a fleet of construction plant, trucks and trailers, commercial vehicles and passenger vehicles, together with a range of light plant.

The fundamental purpose of this Plant and Equipment Asset Management Plan (AM Plan) is to improve Council's long-term strategic management of its infrastructure Plant and Equipment assets in order to cater for the community's desired levels of service in the future, in accordance with Council's key strategic documents and demonstrate reasonable management in the context of Council's available financial and human resources.

The Plant and Equipment AM Plan achieves this by setting standards, service levels and programs which Council will develop and deliver. The standards and service levels have been set in accordance with user needs, regulations, industry practice and legislative codes of practice.

### What does the plan Cover?

The Plant and Equipment asset portfolio comprises:

- Commercial Vehicles
- Passenger Vehicles
- Heavy Vehicles
- Heavy Plant
- Light Plant
- Trailers

These Plant and Equipment assets are recorded at historic cost and are valued at their purchase price of **\$14,547,740** as at 15 May 2024.

### What doesn't the plan Cover?

It should be noted that items with a replacement value of less than \$4,000 are considered to be low value assets and therefore their value is not included in the financial sections of this plan individually, however **Minor Plant** renewal will be captured under NEW and as our asset management plans mature we will look to review however this information is presented in the future.

### What does it Cost?

There are two key indicators of cost to provide the Plant and Equipment asset portfolio:

- The life cycle cost being the average cost over the life cycle of the asset; and
- The total maintenance and capital renewal expenditure required to deliver existing service levels in the next 10 years covered by Council's long term financial plan.

The total operations, maintenance and capital renewal expenditure required to sustain the Plant and Equipment asset base over the next ten years at current service levels is estimated at **\$35,860,423**.

This is an average of **\$3,586,042** per annum. Council's planned lifecycle expenditure for year one of this AM Plan is **\$5,053,968**.

### What we will do

Council plans to provide services for the operation, maintenance, renewal and upgrade of all assets as outlined in Section 2.2 to meet service levels set by Council within annual budget.

### Managing the Risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified major risks as:

- Poor efficiency due to ageing equipment
- Increased downtime if maintenance and renewal is not adequate
- Obsolete equipment

We will endeavour to manage these risks within available funding by:

- Providing recommended servicing
- Optimising the replacement program
- Monitoring costs of equipment
- Reviewing and continuously looking for opportunities where we can improve.

## 2. INTRODUCTION

### 2.1 Background

This asset management plan (AM Plan) has been developed to support Council's Strategic AM Plan and communicates the actions required for the responsive management of assets (and services provided from assets), compliance with regulatory requirements, and funding needed to provide the required levels of service over a 20-year planning period.

Much of Council's core asset management information is detailed within the Strategic AM Plan and it is therefore important that this document be read in conjunction with that Plan along with other Council key planning documents including:

- Strategic Management Plan
- Long Term Financial Plan
- Annual Business Plan
- Risk Management Framework

### 2.2 Assets Covered by this Plan

The Plant and Equipment assets covered by this AM Plan are shown in table below.

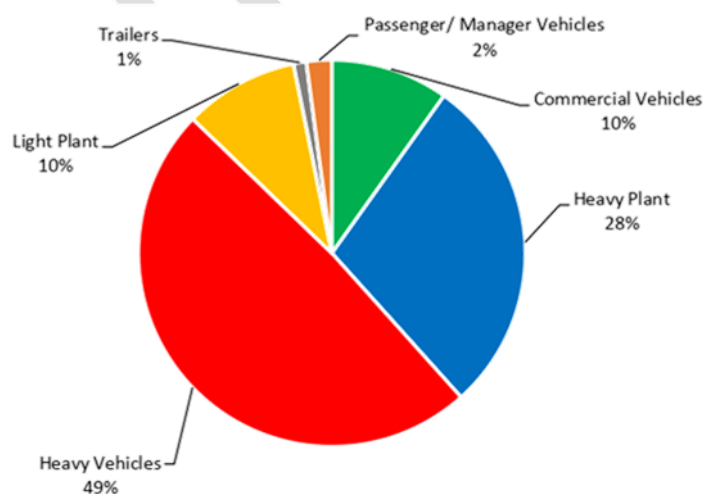
Note: All values throughout this AM Plan are shown in current (real) dollars.

*Assets covered by this Plan (by asset category) as at 15<sup>th</sup> May 2024*

| Asset Category             | Quantity   | Replacement Value   |
|----------------------------|------------|---------------------|
| Commercial Vehicles        | 23         | \$1,401,940         |
| Heavy Vehicles             | 29         | \$6,980,000         |
| Heavy Plant                | 19         | \$4,204,000         |
| Light Plant *              | 27         | \$1,506,600         |
| Passenger/Manager Vehicles | 6          | \$302,200           |
| Trailers *                 | 8          | \$153,000           |
| <b>TOTAL</b>               | <b>112</b> | <b>\$14,547,740</b> |

\* It should be noted that items with a replacement value of less than \$4,000 are considered to be low value assets and therefore their value is not included in the financial sections of this plan.

*Current Replacement Value by Asset Category*



### 3. LEVELS OF SERVICE

#### 3.1 Community Levels of Service

| Service Attribute        | Level of Service Objective  | Performance Measure Process   | Desired Level of Service  | Current Level of Service   |
|--------------------------|---|---|---|--|
| Quality/<br>Condition    | Provide a fleet which is operational  | <ul style="list-style-type: none"> <li>Maintenance failures</li> <li>Labour rates</li> <li>Scheduled/ unscheduled maintenance ratio</li> </ul>  | Plant and Equipment assets are managed using adopted policies and best practice standards | Plant and Equipment assets are managed using adopted policies and best practice standards      |
| Function/<br>Safety      | Provide sufficient Plant and Equipment assets to meet the communities desired       | Specification for equipment meets operator needs  | Sufficient assets are available to meet levels of service                                 | Sufficient assets are available to meet levels of service                                      |
|                          | Ensure assets are operated, maintained, serviced and repaired to industry standards | Roadworthy compliance   | 100% compliant with legislation   | 100% compliance  |
| Capacity/<br>Utilisation | Maximise utilisation rates  | <ul style="list-style-type: none"> <li>Distance travelled</li> <li>Plant hours</li> <li>Service intervals</li> <li>Optimised renewal</li> </ul> | Utilisation maximised   | Utilisation being monitored and working towards improved utilisation and plant rationalisation |

#### 3.2 Technical Levels of Service

| Service Attribute   | Level of Service Objective                           | Performance Measure Process                               | Desired Level of Service   | Current Level of Service   |
|---|--|---|--|--|
| Operations and Maintenance<br>Budget<br>\$1,247,760<br>(Year 1) | All Plant and Equipment assets are fully maintained. | Scheduled maintenance                                     | 100% compliance with manufacturers specifications                        | 100% compliance  |
|   |  | Reactive maintenance                                      | Assets to be operational   | Reliant on operator reporting defects/faults                             |
| Renewal<br>Net Budget<br>\$3,613,220<br>(Year 1)                | Renewal completed on-time and within budget          | Renewals in accordance with vehicle replacement plans     | Renewals within annual budgets   | Renewals within annual budgets   |
| Upgrade/New<br>Budget<br>\$456,214<br>(Year 1)                  | Provide a fit for purpose fleet of vehicles          | Upgrades/new in accordance with vehicle replacement plans | Existing assets are fit for purpose and sufficient to meet Council needs | Existing assets are fit for purpose and sufficient to meet Council needs |

#### 3.3 Maintenance Response Levels of Service

Maintenance programs are normally focused on legislative requirements, design specifications or community expectations. The maintenance requirements include reactive, scheduled and major cyclic activities:

- Reactive maintenance is defined as unplanned repair work which is carried out in response to service requests and management/supervisory directions.
- Scheduled maintenance is work that is identified and managed through a Plant and Equipment Management System. These activities include inspection, assessing the condition against failure/breakdown standards, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.
- Major Cyclic Maintenance involves the major refurbishment of higher value components/sub-components of assets and is undertaken on a regular cycle and generally involves major plant maintenance.



### 3.4 Strategic and Corporate Goals

*It is to be noted that Council is currently undertaking public consultation for its 2035 strategic vision and a new 4-year strategic plan is to be endorsed by November 2024.*

The Asset Management Planning Approach has been identified in the Strategic Workplan 2024-27 as one of Council's Priority "Unlocking" Projects.

The following steps have been identified for the next three years.

**Figure 2: Scope of the Asset Management Planning Approach - Priority "Unlocking" Project**



## 4. FUTURE DEMAND

### 4.1 Demand Drivers and Impact of Services

| Demand Factor                 | Present Position   | Projection   | Impact on Services  |
|-------------------------------|--|--|---|
| Population and Demographics * | 27,749 (based on 2022 Census data)<br>2.3% increase in people from 2016 to 2021.   | Steady increase of 0.47% per annum, with the increase expected to occur mainly in the older demographic 60+.                                 | Increase in Plant and Equipment base to meet demand on services provisions – Waste/ Street Cleaning   |
| Development                   | Increase in the development of sub-divisions.<br><br>Multiple Developments undertaken throughout the township areas.             | The total number of dwellings in the City of Mount Gambier increased by 453 between 2016 and 2021.<br>Expected to continue.                  | Increase to Plant and Equipment base to meet the additional road maintenance requirements.<br>Increase to Plant and Equipment base to meet the additional service requirements – Parks and Gardens, Waste.  |
| Environment                   | Higher frequency of extreme weather events.<br><br>Community awareness on environmental and sustainability issues is increasing. | Unknown at this stage, but changes likely.<br><br>Community expectation for assets to be environmentally sustainable as awareness increases. | Increase to Plant and Equipment base to meet the additional road maintenance requirements as a result of extreme weather.<br><br>Increased cost associated with purchasing environmentally friendly Plant and Equipment assets (ie. fuel efficiency). |
| Industry                      | Use of road network by heavy vehicles has been increasing over the last 10 years.  | Expected to continue to increase with industry growth.   | Increase to Plant and Equipment base to meet the additional road maintenance requirements as a result of increased heavy vehicle use.   |

\* Current population and demographical information can be found in the Strategic AM Plan.

### 4.2 Changes in Technology Forecast to Affect Delivery of Services

| Technology Change               | Affect on Service Delivery  |
|---------------------------------|---|
| Equipment technology increasing | Change in equipment will provide increased capacity and efficiency, better fuel efficiency and operator comfort and safety. |

### 4.3 Demand Management Plan

| Demand Driver | Impact on Services   | Demand Management Plan  |
|---------------|--|---|
| Development   | Increase to Plant and Equipment base to meet the additional road maintenance requirements resulting from new sub divisions.  | Plant and Equipment base to be assessed on an ongoing basis to ensure sufficient to meet requirements.  |
| Environment   | Increase to Plant and Equipment base to meet the additional maintenance requirements as a result of extreme weather.<br><br>Increased cost associated with purchasing environmentally friendly Plant and Equipment assets (ie. fuel efficiency). | Plant and Equipment base to be assessed on an ongoing basis to ensure sufficient to meet requirements.<br><br>Costs to be monitored and considered during annual budget planning process. |
| Industry      | Increase to Plant and Equipment base to meet the additional road maintenance requirements as a result of increased heavy vehicle use.  | Plant and Equipment base to be assessed on an ongoing basis to ensure sufficient to meet requirements.  |



#### 4.4 New Assets for Growth

The City of Mount Gambier is currently experiencing a significant amount of growth as part of this Asset Management Plan, staff have been reviewing the current Plant and Equipment and looking to the future needs of Council in the coming years.

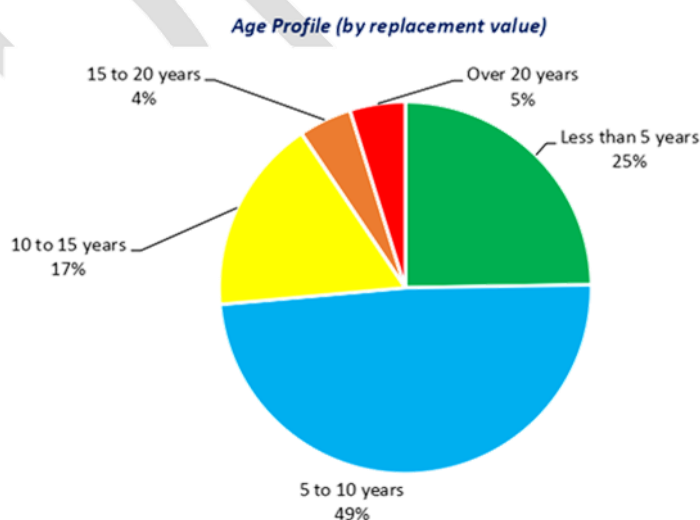
The below table highlights additional Plant and Equipment assets proposed during the period of the long-term financial plan and asset management plan, this has been forecasted for the next 10 year period only.

A provision for Minor Plant has also been included refer to Appendix B - Projected 10 year Capital Upgrade/New Plant and Equipment Program.

| Proposed New Assets                                   | Replacement Year | Replacement Value  |
|---|------------------|--------------------|
| NEW - Hako Citymaster 650 Sweeper                     | 2024             | \$137,000          |
| NEW - Ute   | 2025             | \$61,000           |
| NEW - 5.5-6 ton Excavator                             | 2025             | \$250,000          |
| NEW - Mig Welder                                      | 2025             | \$4,000            |
| NEW - Power Hacksaw                                   | 2025             | \$7,000            |
| NEW - Tana E260 Compactor - Position Partner Software | 2025             | \$94,214           |
| NEW - Skidsteer plus attachments                      | 2026             | \$265,000          |
| NEW - Toro Groundsmaster 4010 Mower NEW               | 2027             | \$160,000          |
| NEW - Garbage Compactor                               | 2027             | \$550,000          |
| NEW - Trashcavator/ Excavator                         | 2028             | \$470,000          |
| NEW - Dump Truck                                      | 2029             | \$750,000          |
| NEW - Trommel - Ballistic Separator                   | 2034             | \$1,000,000        |
| <b>TOTAL</b>  |                  | <b>\$3,611,214</b> |

## 5. LIFECYCLE MANAGEMENT PLAN

### 5.1 Asset Age Profile



## 5.2 Asset Capacity and Performance

| Location                                   | Service Deficiency   |
|--|--|
| Plant and Equipment maintenance facilities | Review workshop facilities and capacity to meet current and future Plant and Equipment maintenance requirements. |
| Utilisation                                | Underutilised plant that are a result of staffing, seasonal weather and communication across departments.        |

The above service deficiencies were identified from consultation from key stakeholders.

## 5.3 Asset Condition

Plant and Equipment assets are depreciated using an age based straight line method and as such there is no requirement to regularly assess the condition for revaluation purposes.

## 5.4 Operations and Maintenance

The overall plant and machinery budgets are split between the follow categories:

| Operations   | Maintenance              |
|--------------|--------------------------|
| Fuel & Oil   | Salaries                 |
| Insurance    | Contractors - Other      |
| Registration | Trainee/ New             |
|              | Materials                |
|              | Labour Oncost Allocation |

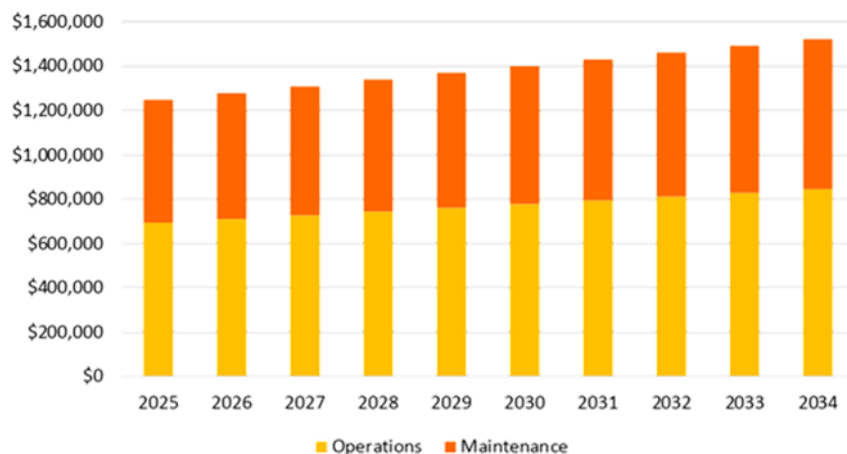
### 5.4.1 Operations and Maintenance Expenditure Trends

| Year          | Operations \$ | Maintenance \$ |
|---------------|---------------|----------------|
| 2023 Actual   | \$656,281     | \$590,193      |
| 2024 Budget   | \$676,081     | \$541,246      |
| 2025 Estimate | \$692,983     | \$554,777      |
| 2026 Estimate | \$709,885     | \$568,308      |



#### 5.4.2 Future Operations and Maintenance

*Operations and Maintenance Expenditure*



### 5.5 Renewal Plan

#### 5.5.1 Ranking Criteria

Majority of assets within this category are included in Council's plant replacement program, which is developed based on the useful lives of the assets. Only a small number of minor plant and tools are excluded from this program and are to be retained until they are no longer fit for purpose.

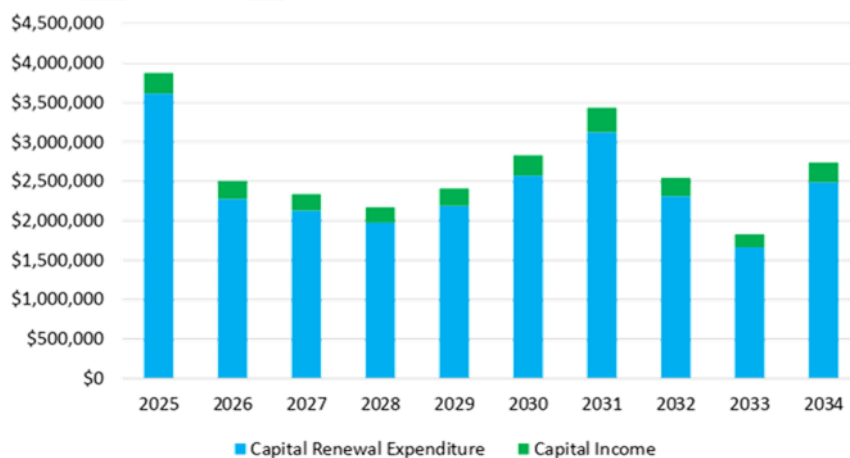
It should be noted that as part of this renewal plan 2025-2034:

- All Manager and Passenger Vehicles have a useful life of 4 years or 80,000km whichever comes first.
- All Commercial Vehicles have the same useful life of 4 years or 80,000km whichever comes first, however this will be reviewed (subject to utilisation).

#### 5.5.2 Renewal expenditure

The renewal program is shown in the Appendices.

*Capital Renewal Expenditure Program*





## 5.6 New/Upgrade Plan

### 5.6.1 Ranking Criteria

| Criteria  | Weighting   |
|---|-------------|
| Benefits exceed costs and availability of funding (either from Council's Plant Replacement Program or by grants) to expand the range of plant | 100%        |
| <b>Total</b>  | <b>100%</b> |

### 5.6.2 New/Upgrade expenditure

This has been captured above in under **4.4 New Assets for Growth** as **ALL** new /upgrade capital purchases will be associated with the continued growth the City of Mount Gambier is experiencing.

## 5.7 Summary of asset expenditure requirements

The financial projections from this asset plan are shown below for projected operating (operations and maintenance) and capital expenditure (renewal and new/upgrade assets).



## 5.8 Disposal Plan

There are currently no planned disposals other than trade-in's

| Asset                                       | Reason for Disposal | Timing | Disposal Expenditure | Operations & Maintenance Annual Savings |
|---|---------------------|--------|----------------------|---|
| No planned disposals (other than trade-ins) | -                   | -      | \$0                  | \$0                                     |

## 5.9 Carry Overs

Given the continuing climate we are still experiencing delays in the arrival of our plant and equipment this section has been including to capture any items that may fall under this category and to help record this data to assist with reallocation of budgets over the period of the Asset Management Plan and the LTFP.

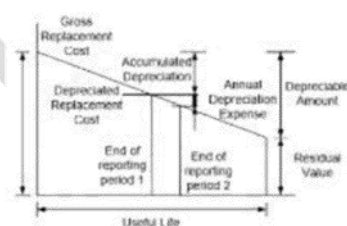
Refer to Appendix C Adjusted Carry Overs for Projected 10 year Capital Renewal Program

## 6. FINANCIAL SUMMARY

### 6.1 Asset Valuations

The value of assets recorded in the asset register as at 15<sup>th</sup> May 2024 covered by this AM Plan are shown below. Assets are valued at original purchase cost.

|   |              |
|---|--------------|
| Historical Cost                               | \$14,547,740 |
| Depreciable Amount                            | \$8,668,204  |
| Accumulated Depreciation                      | \$5,879,536  |
| Depreciated Replacement Cost <sup>1</sup>     | \$8,668,204  |
| Annual Average Asset Consumption <sup>2</sup> | \$882,444    |



### 6.2 Sustainability

Council's sustainability reporting reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion. Note that these ratios are based on year one of this AM Plan.

Asset Consumption 6.07%  
(Depreciation ÷ Depreciable Amount)

Asset Sustainability Ratio 4.06%  
(Capital renewal ÷ Annual depreciation)

Council's applied depreciation method, estimates for asset useful lives and residual values, for the purposes of calculating depreciation, are contained in the appendices.

### 6.3 Projected Expenditures for Long Term Financial Plan

| Year | Operations | Maintenance | Projected Capital Renewal | Capital Upgrade/ New | Disposals* |
|------|------------|-------------|---------------------------|----------------------|------------|
| 2025 | \$692,983  | \$554,777   | \$3,613,220               | \$456,214            | \$0        |
| 2026 | \$709,885  | \$568,308   | \$2,279,160               | \$305,000            | \$0        |
| 2027 | \$726,787  | \$581,839   | \$2,127,980               | \$750,000            | \$0        |
| 2028 | \$743,689  | \$595,371   | \$1,976,000               | \$510,000            | \$0        |
| 2029 | \$760,591  | \$608,902   | \$2,190,990               | \$790,000            | \$0        |
| 2030 | \$777,493  | \$622,433   | \$2,573,160               | \$40,000             | \$0        |
| 2031 | \$794,395  | \$635,964   | \$3,121,980               | \$40,000             | \$0        |
| 2032 | \$811,297  | \$649,495   | \$2,314,000               | \$40,000             | \$0        |
| 2033 | \$828,199  | \$663,026   | \$1,663,590               | \$40,000             | \$0        |
| 2034 | \$845,101  | \$676,557   | \$2,490,160               | \$1,040,000          | \$0        |

\* Other than planned trade-ins

<sup>1</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>2</sup> Also reported as Annual Depreciation.

## 7. RISK MANAGEMENT

### 7.1 Critical Risks and Treatment Plans

| Service at Risk                                      | What can Happen   | Risk Rating | Risk Treatment Plan   |
|--|---|-------------|---|
| Ageing Plant and Equipment or Technical Obsolescence | <ul style="list-style-type: none"> <li>High incidence of breakdowns</li> <li>Increased maintenance costs</li> <li>Increased down time/lower utilisation rates</li> <li>Increased product costs and poor efficiency</li> <li>Works programs run behind schedule</li> </ul> | High        | <ul style="list-style-type: none"> <li>Service in accordance with manufacturers requirements</li> <li>Investigate and replace equipment at optimal time to give the lowest lifecycle cost</li> <li>Regular condition assessment of key equipment to assist in predicting maintenance and renewal needs</li> <li>Maintenance is managed appropriately at an operational level</li> </ul> |
| Plant and equipment reduced safety                   | Underfunding of renewals in the future  | High        | Investigate and replace equipment at optimal time to give the lowest lifecycle cost and improved safety   |

## 8. PLAN IMPROVEMENT AND MONITORING

### 8.1 Improvement Plan

| Action  | Responsibility | Timeline  |
|---|----------------|-----------|
| <b>Completed and Ongoing Actions</b>  |                |           |
| Develop risk management plan.   | MOD/MOI        | Ongoing   |
| Continue to improve maintenance records and data stored                       | MOI/AMO        | Ongoing   |
| <b>Current Actions</b>  |                |           |
| Major review of utilisation and rationalisation of major plant and equipment. | MOI            | June 2026 |

### 8.2 Monitoring and Review Procedures

This AM Plan will be updated biennially to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into Council's long term financial plan.

## 9. APPENDICES

|            |  |
|------------|--|
| Appendix A | Projected 10 year Capital Renewal Program                          |
| Appendix B | Adjusted Carry Overs for Projected 10 year Capital Renewal Program |
| Appendix C | Projected 10 year Capital Upgrade/New Plant and Equipment Program  |
| Appendix D | Asset Useful Lives and Valuation Matrices                          |

**Appendix A Projected 10 Year Capital Renewal Program**

| Asset Type     | Current Asset ID | 2025        | 2026      | 2027      | 2028      | 2029 | 2030      | 2031      | 2032 | 2033      | 2034 |
|----------------|------------------|-------------|-----------|-----------|-----------|------|-----------|-----------|------|-----------|------|
| Rollers        | 33               |             |           |           |           |      |           |           |      | \$234,000 |      |
| Rollers        | 34               |             |           | \$204,000 |           |      |           |           |      |           |      |
| Rollers        | 35               |             |           |           |           |      |           |           |      |           |      |
| Rollers        | 36               |             |           |           |           |      |           |           |      |           |      |
| Rollers        | 37               |             |           |           |           |      |           |           |      |           |      |
| Loaders        | 40               |             | \$190,000 |           |           |      |           |           |      |           |      |
| Compactor      | 41               | \$1,050,000 |           |           |           |      |           |           |      |           |      |
| Loaders        | 43               |             |           |           |           |      | \$250,000 |           |      |           |      |
| Loaders        | 44               |             |           | \$250,000 |           |      |           |           |      |           |      |
| Loaders        | 45               |             |           |           |           |      | \$250,000 |           |      |           |      |
| Loaders        | 47               |             |           |           |           |      |           | \$190,000 |      |           |      |
| Graders        | 48               |             |           | \$450,000 |           |      |           |           |      |           |      |
| Tractors       | 52               | \$91,000    |           |           |           |      |           |           |      |           |      |
| Tractors       | 54               |             |           |           | \$91,000  |      |           |           |      |           |      |
| Tractors       | 56               |             |           | \$91,000  |           |      |           |           |      |           |      |
| Tractors       | 57               |             | \$91,000  |           |           |      |           |           |      |           |      |
| Brush Chippers | 80               |             |           |           | \$132,000 |      |           |           |      |           |      |
| Tractors       | 222              | \$91,000    |           |           |           |      |           |           |      |           |      |
| Hydro Mulcher  | 384              |             |           |           |           |      |           |           |      |           |      |
| Excavators     | NEW              |             |           |           |           |      |           |           |      |           |      |



Plant & Equipment Asset Management Plan

| Asset Type | Current Asset ID | 2025      | 2026      | 2027 | 2028      | 2029      | 2030      | 2031      | 2032      | 2033      | 2034 |
|------------|------------------|-----------|-----------|------|-----------|-----------|-----------|-----------|-----------|-----------|------|
| Excavators | NEW              |           |           |      |           |           |           |           | \$250,000 |           |      |
| Skidsteers | NEW              |           |           |      |           |           |           |           |           | \$265,000 |      |
| Compactor  | NEW              |           |           |      |           |           |           |           |           |           |      |
| Trucks     | 1                |           |           |      |           |           |           |           | \$95,000  |           |      |
| Trucks     | 2                |           |           |      |           |           |           | \$199,000 |           |           |      |
| Trucks     | 3                |           |           |      |           |           | \$92,000  |           |           |           |      |
| Trucks     | 4                | \$105,000 |           |      |           |           |           |           |           |           |      |
| Trucks     | 5                |           |           |      |           |           |           |           |           |           |      |
| Trucks     | 6                |           |           |      |           |           |           | \$230,000 |           |           |      |
| Trucks     | 7                |           |           |      |           |           | \$144,000 |           |           |           |      |
| Trucks     | 8                |           |           |      |           |           |           | \$105,000 |           |           |      |
| Trucks     | 11               |           |           |      |           |           | \$95,000  |           |           |           |      |
| Trucks     | 13               |           |           |      |           | \$110,000 |           |           |           |           |      |
| Trucks     | 14               |           |           |      |           |           |           |           |           |           |      |
| Trucks     | 15               |           |           |      |           |           |           |           | \$430,000 |           |      |
| Trucks     | 18               |           |           |      | \$550,000 |           |           |           | \$550,000 |           |      |
| Trucks     | 19               |           |           |      |           |           |           |           |           |           |      |
| Trucks     | 21               |           |           |      |           |           | \$144,000 |           |           |           |      |
| Trucks     | 22               |           |           |      |           |           |           | \$199,000 |           |           |      |
| Trucks     | 24               |           |           |      | \$105,000 |           |           |           |           |           |      |
| Trucks     | 25               |           |           |      | \$105,000 |           |           |           |           |           |      |
| Trucks     | 26               |           |           |      |           | \$320,000 |           |           |           |           |      |
| Trucks     | 27               |           | \$105,000 |      |           |           |           |           |           |           |      |
| Trucks     | 28               |           |           |      | \$199,000 |           |           |           |           |           |      |
| Trucks     | 29               | \$199,000 |           |      |           |           |           |           |           |           |      |





Plant & Equipment Asset Management Plan

| Asset Type     | Current Asset ID | 2025      | 2026      | 2027      | 2028      | 2029      | 2030      | 2031      | 2032      | 2033      | 2034      |
|----------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Trucks         | 30               | \$550,000 |           |           |           | \$550,000 |           |           |           | \$550,000 |           |
| Trucks         | 31               |           |           | \$550,000 |           |           |           | \$550,000 |           |           |           |
| Trucks         | 39               |           |           |           | \$550,000 |           |           |           | \$550,000 |           |           |
| Trucks         | 58               |           | \$550,000 |           |           |           | \$550,000 |           |           |           | \$550,000 |
| Sweepers       | 62               |           | \$450,000 |           |           |           |           | \$450,000 |           |           |           |
| Trucks         | 142              |           |           |           |           | \$105,000 |           |           |           |           |           |
| Trucks         | 146              |           |           |           |           |           |           |           |           | \$150,000 |           |
| Trucks         | NEW              |           |           |           |           |           |           | \$550,000 |           |           |           |
| Trucks         | NEW              |           |           |           |           |           |           |           |           |           |           |
| Sweepers       | 61               |           |           |           |           |           |           |           |           |           |           |
| Forklifts      | 65               |           |           |           |           | \$48,000  |           |           |           |           |           |
| Mowers         | 70               | \$40,000  |           |           |           |           | \$40,000  |           |           |           |           |
| Mowers         | 71               | \$41,000  |           |           |           |           | \$41,000  |           |           |           |           |
| Mowers         | 72               | \$41,000  |           |           |           |           | \$41,000  |           |           |           |           |
| Mowers         | 73               | \$41,000  |           |           |           |           | \$41,000  |           |           |           |           |
| Mowers         | 74               |           | \$41,000  |           |           |           |           | \$41,000  |           |           |           |
| ATV            | 75               |           | \$15,000  |           |           |           |           | \$15,000  |           |           |           |
| Mowers         | 76               | \$41,000  |           |           |           |           | \$41,000  |           |           |           |           |
| Mowers         | 77               |           |           |           |           | \$150,000 |           |           |           |           | \$150,000 |
| Mowers         | 78               |           |           |           |           | \$150,000 |           |           |           |           | \$150,000 |
| Mowers         | 79               |           | \$49,000  |           |           |           |           | \$49,000  |           |           |           |
| Stump Grinders | 81               |           |           |           |           |           |           |           |           | \$50,600  |           |
| Slashers       | 82               |           |           | \$35,000  |           |           |           |           |           |           | \$35,000  |
| Spray Unit     | 83               |           |           | \$25,000  |           |           |           |           |           |           |           |



Plant & Equipment Asset Management Plan

| Asset Type          | Current Asset ID | 2025     | 2026     | 2027     | 2028     | 2029      | 2030     | 2031     | 2032      | 2033     | 2034      |
|---------------------|------------------|----------|----------|----------|----------|-----------|----------|----------|-----------|----------|-----------|
| ATV                 | 85               |          |          |          |          | \$36,000  |          |          |           |          |           |
| Slashers            | 87               | \$35,000 |          |          |          |           |          |          | \$35,000  |          |           |
| Linemarkers         | 91               |          |          |          |          |           | \$36,000 |          |           |          |           |
| Kerbmaker + Trailer | 92               |          |          |          |          | \$85,000  |          |          |           |          |           |
| Sweepers            | 94               |          |          | \$35,000 |          |           |          |          |           |          |           |
| Sweepers            | 95               |          |          | \$42,000 |          |           |          |          |           |          |           |
| Steam Cleaner       | 96               |          | \$35,000 |          |          |           |          |          |           |          |           |
| Mowers              | 144              |          |          |          |          | \$150,000 |          |          |           |          | \$150,000 |
| Forklifts           | 145              |          |          |          |          |           |          | \$48,000 |           |          |           |
| Sweepers            | NEW              |          |          |          |          | \$140,000 |          |          |           |          | \$140,000 |
| Mowers              | NEW              |          |          |          |          |           |          |          | \$160,000 |          |           |
| Spray Unit          | TBC              | \$25,000 |          |          |          |           |          |          |           |          |           |
| Slashers            | TBC              |          |          |          |          |           | \$35,000 |          |           |          |           |
| Commercial Vehicles | 9                |          |          | \$61,000 |          |           |          | \$61,000 |           |          |           |
| Commercial Vehicles | 10               |          | \$64,990 |          |          |           | \$64,990 |          |           |          | \$64,990  |
| Commercial Vehicles | 12               |          |          | \$61,000 |          |           |          | \$61,000 |           |          |           |
| Commercial Vehicles | 16               |          |          |          | \$61,000 |           |          |          | \$61,000  |          |           |
| Commercial Vehicles | 17               |          | \$64,990 |          |          |           | \$64,990 |          |           |          | \$64,990  |
| Commercial Vehicles | 20               |          | \$64,990 |          |          |           | \$64,990 |          |           |          | \$64,990  |
| Commercial Vehicles | 23               |          |          | \$64,990 |          |           |          | \$64,990 |           |          |           |
| Commercial Vehicles | 63               | \$56,000 |          |          |          | \$56,000  |          |          |           | \$56,000 |           |
| Commercial Vehicles | 93               |          |          |          | \$56,000 |           |          |          | \$56,000  |          |           |
| Commercial Vehicles | 103              | \$56,000 |          |          |          | \$56,000  |          |          |           | \$56,000 |           |
| Commercial Vehicles | 106              |          | \$61,000 |          |          |           | \$61,000 |          |           |          | \$61,000  |



Plant & Equipment Asset Management Plan

| Asset Type                 | Current Asset ID | 2025     | 2026     | 2027     | 2028     | 2029     | 2030     | 2031     | 2032     | 2033     | 2034     |
|----------------------------|------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Commercial Vehicles        | 107              |          | \$61,000 |          |          |          | \$61,000 |          |          |          | \$61,000 |
| Commercial Vehicles        | 108              | \$61,000 |          |          |          | \$61,000 |          |          |          | \$61,000 |          |
| Commercial Vehicles        | 109              |          |          | \$61,000 |          |          |          | \$61,000 |          |          |          |
| Commercial Vehicles        | 110              |          |          | \$61,000 |          |          |          | \$61,000 |          |          |          |
| Commercial Vehicles        | 113              |          | \$64,990 |          |          |          | \$64,990 |          |          |          | \$64,990 |
| Commercial Vehicles        | 115              |          |          | \$61,000 |          |          |          | \$61,000 |          |          |          |
| Commercial Vehicles        | 119              |          | \$61,000 |          |          |          | \$61,000 |          |          |          | \$61,000 |
| Commercial Vehicles        | 130              |          | \$56,000 |          |          |          | \$56,000 |          |          |          | \$56,000 |
| Commercial Vehicles        | 143              |          |          |          | \$61,000 |          |          |          | \$61,000 |          |          |
| Commercial Vehicles        | 147              | \$65,000 |          |          |          | \$65,000 |          |          |          | \$65,000 |          |
| Commercial Vehicles        | 148              |          |          |          | \$56,000 |          |          |          | \$56,000 |          |          |
| Commercial Vehicles        | 362              |          |          | \$64,990 |          |          |          | \$64,990 |          |          |          |
| Commercial Vehicles        | NEW              |          |          |          |          | \$64,990 |          |          |          | \$64,990 |          |
| Passenger/Manager Vehicles | 120              |          | \$48,000 |          |          |          | \$48,000 |          |          |          | \$48,000 |
| Passenger/Manager Vehicles | 123              |          | \$55,100 |          |          |          | \$55,100 |          |          |          | \$55,100 |
| Passenger/Manager Vehicles | 126              | \$48,000 |          |          |          | \$48,000 |          |          |          | \$48,000 |          |
| Passenger/Manager Vehicles | 127              |          | \$55,100 |          |          |          | \$55,100 |          |          |          | \$55,100 |
| Passenger/Manager Vehicles | 128              |          | \$48,000 |          |          |          | \$48,000 |          |          |          | \$48,000 |
| Passenger/Manager Vehicles | 129              |          | \$48,000 |          |          |          | \$48,000 |          |          |          | \$48,000 |
| Trailers                   | 84               |          |          |          |          |          | \$20,000 |          |          |          |          |
| Trailers                   | 293              | \$17,000 |          |          |          |          |          |          |          |          |          |
| Trailers                   | 307              |          |          | \$11,000 |          |          |          |          |          |          |          |
| Trailers                   | 320              |          |          |          | \$10,000 |          |          |          |          |          |          |
| Trailers                   | 356              |          |          |          |          |          |          |          | \$10,000 |          |          |



Plant & Equipment Asset Management Plan

| Asset Type | Current Asset ID | 2025        | 2026        | 2027        | 2028        | 2029        | 2030        | 2031        | 2032        | 2033        | 2034        |
|------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Trailers   | 372              |             |             |             |             |             |             |             |             | \$37,000    |             |
| Trailers   | 373              |             |             |             |             |             |             |             |             | \$30,000    |             |
| Trailers   | 381              |             |             |             |             |             |             |             |             |             | \$18,000    |
|            |                  |             |             |             |             |             |             |             |             |             |             |
|            |                  | \$2,649,000 | \$2,279,160 | \$2,127,980 | \$1,976,000 | \$2,190,990 | \$2,573,160 | \$3,121,980 | \$2,314,000 | \$1,663,590 | \$2,490,160 |

**Appendix B Adjusted Carry Overs for Projected 10 Year Capital Renewal Program**

This table account for the carryovers from previous financial years.

| Asset Type                   | Current Asset ID | 2025        | 2026        | 2027        | 2028        | 2029        | 2030        | 2031        | 2032        | 2033        | 2034        |
|------------------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Trucks                       | 39               | \$550,000   |             |             |             |             |             |             |             |             |             |
| Trucks                       | 5                | \$184,380   |             |             |             |             |             |             |             |             |             |
| Trucks                       | 19               | \$229,840   |             |             |             |             |             |             |             |             |             |
|                              |                  |             |             |             |             |             |             |             |             |             |             |
|                              |                  | \$964,220   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                              |                  |             |             |             |             |             |             |             |             |             |             |
| <b>Total Capital Renewal</b> |                  | \$3,613,220 | \$2,279,160 | \$2,127,980 | \$1,976,000 | \$2,190,990 | \$2,573,160 | \$3,121,980 | \$2,314,000 | \$1,663,590 | \$2,490,160 |



Appendix C    Projected 10 year Capital Upgrade/New Plant and Equipment Program

| Asset Type  | Current Asset ID | 2025      | 2026      | 2027      | 2028      | 2029      | 2030     | 2031     | 2032     | 2033     | 2034        |
|-------------|------------------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|-------------|
| Commercial  | TBC              | \$61,000  |           |           |           |           |          |          |          |          |             |
| Excavators  | TBC              | \$250,000 |           |           |           |           |          |          |          |          |             |
| Minor Plant | TBC              | \$40,000  | \$40,000  | \$40,000  | \$40,000  | \$40,000  | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000    |
| Minor Plant | TBC              | \$4,000   |           |           |           |           |          |          |          |          |             |
| Minor Plant | TBC              | \$7,000   |           |           |           |           |          |          |          |          |             |
| Heavy Plant | TBC              | \$94,214  |           |           |           |           |          |          |          |          |             |
| Skidsteer   | TBC              |           | \$265,000 |           |           |           |          |          |          |          |             |
| Mower       |                  |           |           | \$160,000 |           |           |          |          |          |          |             |
| Trucks      |                  |           |           | \$550,000 |           |           |          |          |          |          |             |
| Excavators  |                  |           |           |           | \$470,000 |           |          |          |          |          |             |
| Trucks      |                  |           |           |           |           | \$750,000 |          |          |          |          |             |
| Heavy Plant |                  |           |           |           |           |           |          |          |          |          | \$1,000,000 |
|             |                  | \$456,214 | \$305,000 | \$750,000 | \$510,000 | \$790,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$1,040,000 |





Plant & Equipment Asset Management Plan

**Appendix D Asset Useful Lives and Valuation Matrices**

| Asset Type          | Asset Sub Type         | Useful Life             | Residual % | Valuation Matrix                    |
|---------------------|------------------------|-------------------------|------------|-------------------------------------|
| Commercial Vehicles | Utilities (Dual Cab)   | 4                       | 20         | Age Based<br>(Straight Line Method) |
|                     | Utilities (Single Cab) | 4                       | 20         |                                     |
| Passenger Vehicles  | All Types              | 4                       | 20         |                                     |
| Heavy Vehicles      | Trucks (<5 tonne)      | 10                      | 20         |                                     |
|                     | Trucks (5-10 tonne)    | 10                      | 30         |                                     |
|                     | Trucks (>10 tonne)     | 10                      | 30         |                                     |
| Heavy Plant         | Brush Chippers         | 10                      | 30         |                                     |
|                     | Graders                | 15                      | 30         |                                     |
|                     | Loaders (Front End)    | 10                      | 20         |                                     |
|                     | Rollers (All Types)    | 20                      | 10         |                                     |
|                     | Street Sweepers        | 5                       | 20         |                                     |
| Light Plant         | Tractors               | 10                      | 20         |                                     |
|                     | Forklifts              | 10                      | 20         |                                     |
|                     | Linemarkers            | 10                      | 15         |                                     |
|                     | Loaders (Skid Steer)   | 7                       | 20         |                                     |
|                     | Motor Bikes/ATVs       | 10                      | 20         |                                     |
|                     | Ride On Mowers         | 5                       | 20         |                                     |
|                     | Slashers               | 7                       | 20         |                                     |
| Trailers            | Tipping Trailers       | 15                      | 20         |                                     |
|                     | Linemarkers            | 15                      | 0          |                                     |
|                     | Single Axle Trailers   | 15                      | 20         |                                     |
|                     | Tandem Axle Trailer    | 15                      | 20         |                                     |
| Other Vehicles      | Other Vehicles         | Individually Determined |            |                                     |
| Minor Plant         | Minor Plant            | Individually Determined |            |                                     |

*Note: The above useful lives and residuals are a guide only and each asset is determined individually upon purchase.*







# Buildings and Structures Asset Management Plan

## 2025-2034

May 2024



| Document Control  |              | <div><b>IPWEA</b><br/><small>INSTITUTE OF PUBLIC WORKS<br/>ENGINEERING AUSTRALASIA</small></div> <div><b>JRA</b></div> |        |          |          |
|---|--------------|--|--------|----------|----------|
| Document ID: AR24/11482 City of Mount Gambier Building and Structures Asset Management Plan 2025-2034 |              |  |        |          |          |
| 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       |
| 4   | May 2023     | Updated in Preparation for FY2023 Budget   | AM     | JS       | BC       |
| 5   | May 2024     | Updated in Preparation for FY2024/25 Budget  | AM     | JS       | BC       |
|   |              |  |        |          |          |
|   |              |  |        |          |          |
|   |              |  |        |          |          |

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## 1. EXECUTIVE SUMMARY

The B&S-AMP aims to strategically manage Building and Structure Assets owned by the City of Mount Gambier, ensuring they meet community service expectations and align with the Council's strategic goals.

The plan addresses the management of:

- Buildings with components, including sub-structures, envelopes, roofs, fitouts, and services.
- Standalone buildings, which cover public toilet upgrades, sheds, and sports amenities.
- Structures like bus shelters, playgrounds, and other shelters.

Council has recently adopted the Sports, Recreation and Open Spaces Strategies (SROSS), which underscored the need for a strategic focus on the highly utilized City of Mount Gambier assets requiring significant future investments to maintain their serviceability. Following an extensive community consultation, SROSS has systematically organized the current assets related to recreation and sporting functions and prioritized for future investment on these assets based on community benefit. The strategy also highlighted the necessity for master planning activities at key locations within the council's boundaries.

It should be noted as part of this plan, to ensure the strategic direction from SROSS could be achieved to its fullest capacity is to identify the recreation and open spaces assets and create a new asset class to have its own future planning and investment priorities. Therefore, it is proposed that, over the next three years, the strategic priorities will include:

- Identifying assets within Building and Structure Assets to move into a separate register for Recreation and Open Space Assets with relevant attributes and their financial values.
- Developing an individual Asset Management Plan (AMP) for both asset classes.
- Planning and preparing budgets in alignment with the newly developed AMPs and the Council's Long-Term Financial Plan (LTFP).



## 2. INTRODUCTION

### 2.1. Background

The Buildings and Structures Asset Management Plan (B&SAMP) 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:

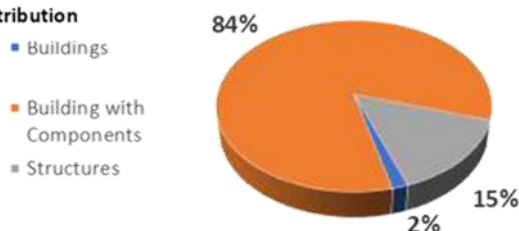
- City of Mount Gambier Strategic Plan
- Long Term Financial Plan (LTFP)
- Annual Business Plan
- Asset Management Policy
- Asset Accounting Policy
- Land Development Policy L130
- Risk Management Framework
- Community land (reserves) lease / license / rental arrangements policy
- Disability Access and Inclusion Plan (DAIP)
- Sports recreation and Open Space Strategic (SROSS) Plan

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 of 01 July 2023)**

| Asset Category | Fair Value (\$) | Annual Depreciation (\$) |
|----------------|-----------------|--------------------------|
| Buildings      | \$110.8M        | \$3.9M                   |
| Structures     | \$19.8M         | \$0.8M                   |
| <b>TOTAL</b>   | <b>\$130.6M</b> | <b>\$4.73M</b>           |

**Figure 1. Asset Types Distribution**



## 2.2. Goals and objectives of Asset Management

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 principles adopted in this Building and Structure Asset Management are:

- Taking a life cycle approach to developing cost-effective management strategies for the long term.
- Identifying life expiry of critical assets over next 10 years and consider wholistic impact on the renewal budget.
- In the absence of more component specific data and a robust Asset Management System, Consideration has been made understand the overall impact on the Long-Term Financial Plan (LTFP) over the next 10 years as more uniform expenditure and Council's capacity to deliver projects.
- Managing risks associated with critical asset failures and disasters.
- Having an LTFP 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 existing 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.

## 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 improvement plan.

## 2.4. Core and Advanced Asset Management

This asset management plan is prepared as a 'core' asset management plan over a 10-year planning period in accordance with the International Infrastructure Management Manual<sup>2</sup>. Core asset management is a 'top down'

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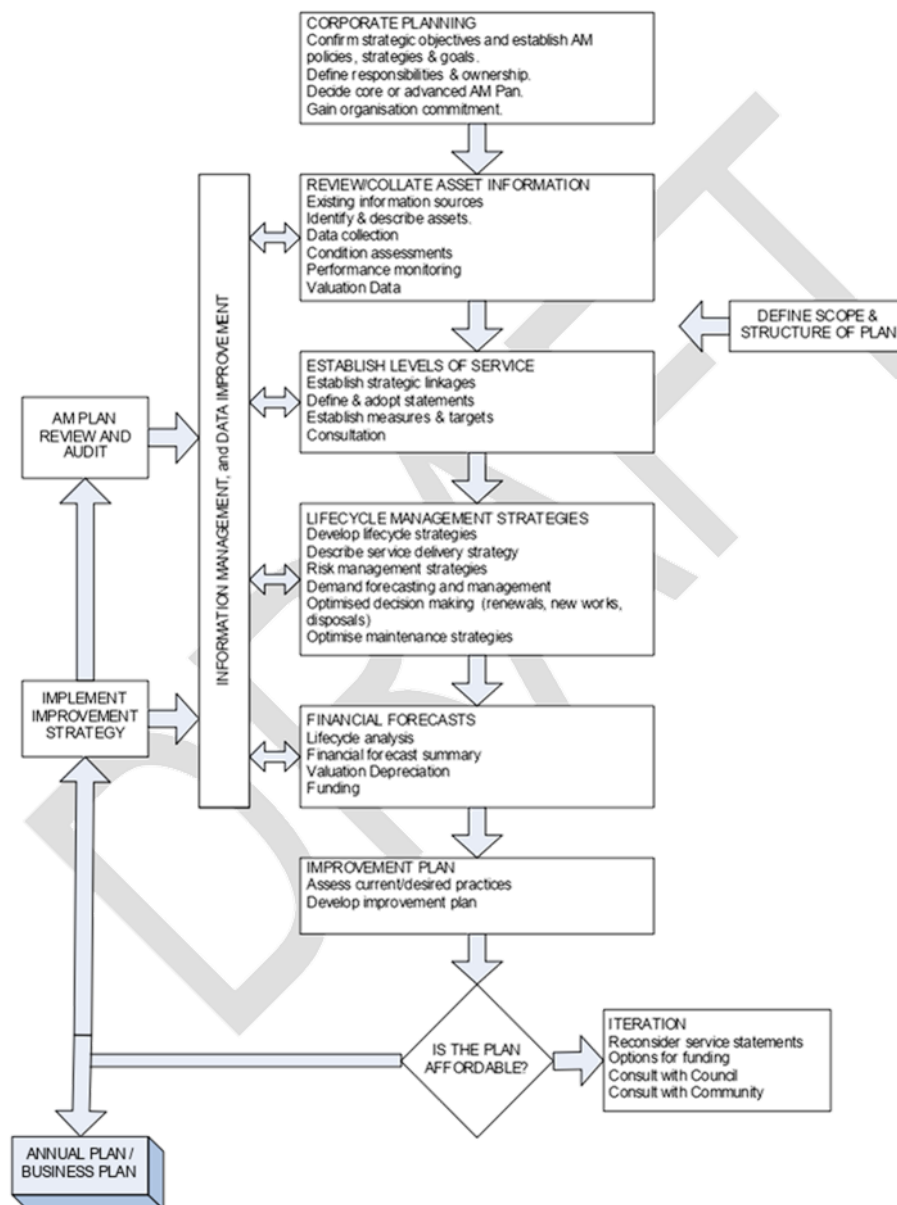
<sup>1</sup> IIMM 2006 Sec 1.1.3, p 1.3

<sup>2</sup> IPWEA, 2015, IIMM.



approach where analysis is applied at the system or network level. An 'advanced' asset management approach uses a 'bottom up' approach for gathering detailed asset information for individual assets. A road map for preparing an Asset Management Plan is shown below.

**Figure 2. Road Map for preparing an Asset Management Plan<sup>3</sup>**



<sup>3</sup> Source: IIMM Fig 1.5.1, p 1.11

### 3. LEVELS OF SERVICE

This 'core' asset management plan is prepared to facilitate consultation prior to adoption by the Council. Future revisions of the asset management plan will incorporate community consultation on service level satisfaction and costs of providing those services. This will assist the Council and stakeholders in matching the level of service required, service risks and consequences with the community's ability and willingness to pay for the service.

#### 3.1. Legislative Requirements

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

**Table 2 : 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  |





### 3.2. Strategic and Corporate Goals

This Asset Management Planning Approach has been identified as one of the Council Strategic Priority Projects for 2024-2026.

In the three years Asset Management Planning approach the following steps are identified.

**Figure 3. Scope of the Asset Management Planning Approach Priority Project**



### 3.3. Current Levels of Service

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

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 has defined service levels in two terms:

1. Community Service Levels
2. Operational or Technical Service Levels

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

**Table 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 buildings that are fit for purpose   | Customer service requests<br>Condition rating   | Less than 3 per month for any particular building or structure | Currently Not meeting target for Library (Avg.7.4), Visitor Information Centre (Avg.3.2) |
| 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 1 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 2 per month per building or structure                | Currently received less than 2 per year  |
| 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   |



| TECHNICAL LEVELS OF SERVICE |  |   |   |  |
|-----------------------------|--|---|---|--|
| 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 |



#### 4. FUTURE DEMAND

##### 4.1. 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 4 : Demand Factors, Projections, and Impact on Services**

| Demand factor                  | Present position  | Projection   | Impact on services   |      |    |      |    |      |    |      |    |      |     |  |  |
|--------------------------------|---|--|--|------|----|------|----|------|----|------|----|------|-----|--|--|
| Population and Demographics *  | 27,749 (based on 2022 Census data)<br>2.3% increase in people from 2016 to 2021.  | A steady increase of 0.47% per annum, with the increase expected to occur mainly in the older demographic 60+. | Aging population will increase demand for more accessibility across the council buildings. |      |    |      |    |      |    |      |    |      |     |  |  |
| Changing Community Expectation | <p>Council received the following number of CRM in past 5 years in relation to services provided by this asset class.</p> <table><thead><tr><th>Year</th><th>Number of CRM</th></tr></thead><tbody><tr><td>2019</td><td>67</td></tr><tr><td>2020</td><td>56</td></tr><tr><td>2021</td><td>60</td></tr><tr><td>2022</td><td>71</td></tr><tr><td>2023</td><td>158</td></tr></tbody></table> | Year   | Number of CRM  | 2019 | 67 | 2020 | 56 | 2021 | 60 | 2022 | 71 | 2023 | 158 | <p>Last 5 years of CRM statistic shows steady growth in Customer Expectation for services.</p> | The increase expectation of services may impact on the quality and nature of facilities, provided by Council and this has been a discernible trend where community groups require (demand) higher standards in the facilities they use. Simple examples include requests for state of the art kitchen facilities, air conditioning in sports stadiums, increased storage requirements and supply of computing facilities in Council libraries. |
| Year                           | Number of CRM   |  |  |      |    |      |    |      |    |      |    |      |     |  |  |
| 2019                           | 67  |  |  |      |    |      |    |      |    |      |    |      |     |  |  |
| 2020                           | 56  |  |  |      |    |      |    |      |    |      |    |      |     |  |  |
| 2021                           | 60  |  |  |      |    |      |    |      |    |      |    |      |     |  |  |
| 2022                           | 71  |  |  |      |    |      |    |      |    |      |    |      |     |  |  |
| 2023                           | 158   |  |  |      |    |      |    |      |    |      |    |      |     |  |  |
| Legislative changes            | Compliance with BCA   | Increasing legislative and governance demands, long term financial   | Demand for retrofitting buildings for, environmental                                       |      |    |      |    |      |    |      |    |      |     |  |  |



|  |  |  |   |
|--|--|--|---|
|  |  | sustainability,<br>environmental<br>sustainability for the<br>existing building stock as<br>well as pressure for<br>additional buildings | sustainability etc. and<br>impact on financial<br>resources in the<br>provision of new<br>buildings |
|--|--|--|---|

#### 4.2. 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 5 : Potential changes in technology and effect on service delivery**

| Technology Change                      | Effect on Service Delivery  |
|--|---|
| Artificial Intelligence (AI)           | AI embedded asset management system may be able to optimise asset use and investment need by identifying trends and subsequence forecast modelling. Council will follow the industry trend and advice from LGA to determine the use and embedding into its asset management system.   |
| CCTV Cameras                           | Council have CCTVs at various locations for the surveillance of its public areas and buildings. However, some CCTVs are there purely for the security surveillance and are controlled and used by SAPOL, where as other locations are Council operated and is required be integrated into one access system for effective use and monitoring of Council Assets. |
| Automatic detection and safety systems | Expansion of electronic access to buildings. Recently automatic gates were installed at the depot entry points to ensure maximum asset security and unnecessary public intrusions.  |
| 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 (i.e. Smart meters, solar panels etc) for environmental responsibility and for cost efficiency. |

#### 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. 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 6 : Demand Management Plan Summary**

| Service Activity             | Demand Management Plan  |
|------------------------------|---|
| Operations                   | Utilise office space more efficiently.<br>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   | Currently there is a gap in planned accessibility improvement work and is currently under review for creating a long/medium- and short-term priorities for all council owned buildings.                           |
| Environmental sustainability | Council in its procurement policies has incorporated "Value Added Services and Improvement & Innovation" criteria to encourage environmental sustainability.  |
| Public Toilet Facilities     | This plan recognises need for investment to replace/upgrade all key public toilet blocks in its future works program. The Valley Lake new toilet block was part of this commitment and will be followed by public |



|  |  |
|--|--|
|  | toilets at Frew Park, Umpherston Sinkhole, Blue Lake Sports park, Vansittart Park and so on. |
|--|--|

## 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 the section “Levels of Service”) while optimising life cycle costs.

### 5.1. 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 to prepare risk control strategies.

### 5.2. Asset Capacity and Performance

As part of the Strategic Priority Project for Asset Strategy, Council plans to undertake the following activities to better understands its assets and their serviceability to the community. The activities will include but not limited to are:

- Collect item specific information for all assets and their functional life expectancy.
- Consult with the community for service expectation.
- Prioritise works to be completed.
- Design and project cost works
- Ensure strategic alliance (both financial and non-financial)

### 5.3. Asset Condition

Council’s building and structure assets were last assessed for condition as at 01 July 2023 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.

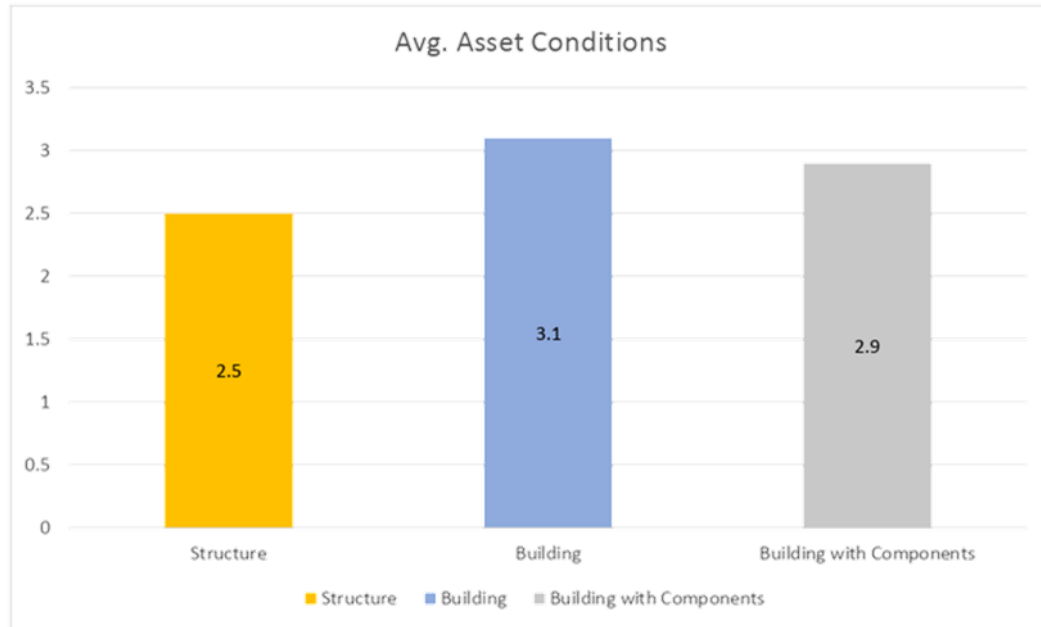
**Table 7 : Condition Rating Scale**

| Rating | Description of Condition   |
|--------|--|
| 1      | <b>Very Good:</b> only planned maintenance required.                 |
| 2      | <b>Good:</b> minor maintenance required plus planned maintenance.    |
| 3      | <b>Fair:</b> significant maintenance required.                       |
| 4      | <b>Poor:</b> significant renewal / rehabilitation required.          |
| 5      | <b>Very Poor:</b> physically unsound and / or beyond rehabilitation. |

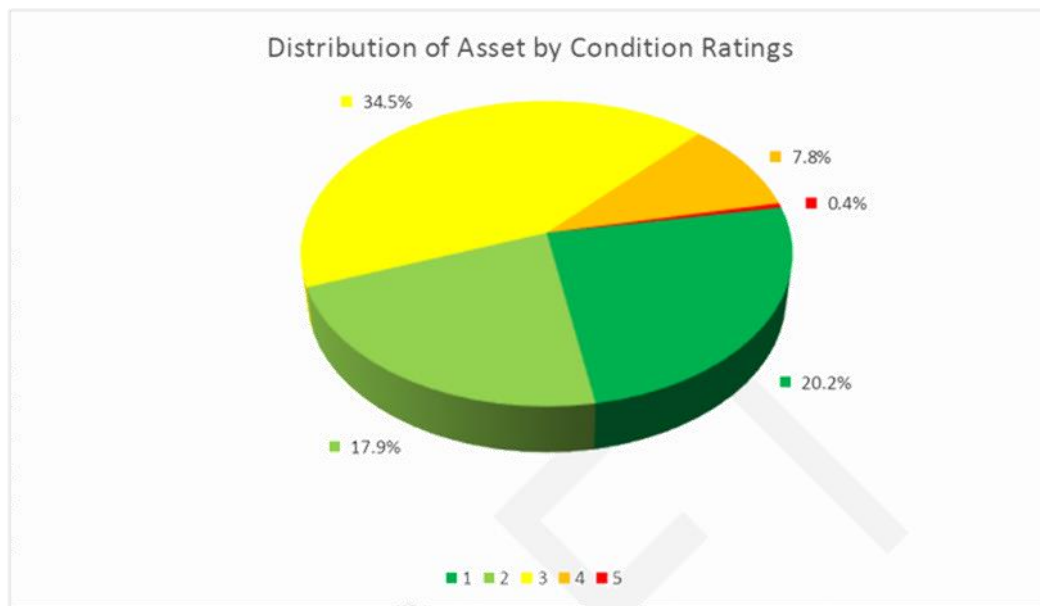


The condition profile of Council's building and structure assets is shown below in figures 2 and 3.

**Figure 4. Building and Structure Asset Condition Profile**



**Figure 5: Building and Structure Asset Condition Profile**



#### 5.4. 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.

#### 5.5. 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.



## 6. RENEWAL 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.

### 6.1. Renewal Standards

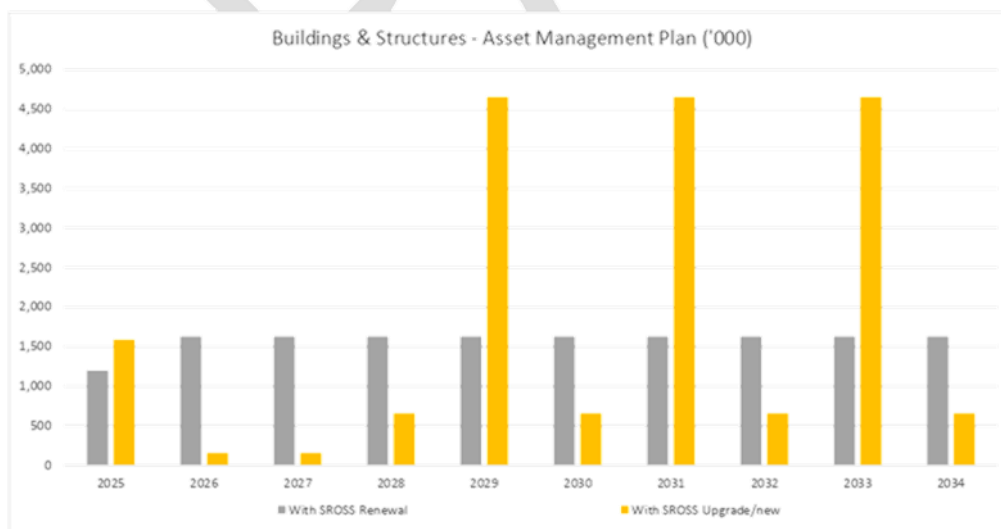
Renewal work is carried out in accordance with the following Standards and Specifications:

- 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

### 6.2. Summary of Future Renewal Expenditure

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 6. Note that all costs are shown in nominal dollar values. Due to planning a master plan each year for the significant open spaces which were identified in the SROSS, costs of three projects to support the implementation of this strategy (with design in year 1 and construction in year 2), excluding inflation for total cost for each project is assumed to be \$5m with 50% grant funding) capital Works investment for next 10 years which is shown in Figure 7.

**Figure 7. Projected capital expenditure over next 10 years (With planned SROSS Expenditure)**



Planned capital projects are to be funded from Council's capital works program and grants where available. 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.

## **7. 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.

### **7.1. 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.

#### **7.2. 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, 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 \$15.8M.

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.

#### **7.3. 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.

#### **7.4. 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.

#### **7.5. 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.

#### **7.6. 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

## 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. Buildings and Structures Asset management plan

| Buildings and Structures Asset Management Plan - 2025-2035 (With incorporating SROSS Strategy) |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| '000   | 2025  | 2026  | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 2033  | 2034  |
| Renewal  | 1,197 | 1,627 | 1,627 | 1,627 | 1,627 | 1,627 | 1,627 | 1,627 | 1,627 | 1,627 |
| Upgrade/new  | 1,588 | 155   | 155   | 655   | 4655  | 655   | 4655  | 655   | 4655  | 155   |
| TOTAL  | 2,785 | 1,782 | 1,782 | 2,282 | 6,282 | 2,282 | 6,282 | 2,282 | 6,282 | 2,282 |



9.2. Future renewal needs for Building and Structures

| Asset renewal needs for next 10 years      |                                 |                                 |                               |
|--|---------------------------------|---------------------------------|-------------------------------|
| Shed                                       |                                 |                                 |                               |
| Description                                | Location                        | Replacement Cost                |                               |
| Stone Store Shed                           | Old Gael                        | \$ 29,000.00                    |                               |
| Store Shed                                 | Old Gael                        | \$ 10,000.00                    |                               |
| Brick Pump Shed                            | Blue Lake Sports Park           | \$ 14,000.00                    |                               |
| Signs Store 1                              | Council Depot                   | \$ 23,000.00                    |                               |
| Implement Shed                             | Lake Terrace Cemetery           | \$ 18,000.00                    |                               |
| Steel Storage Shed                         | Marist Park                     | \$ 40,000.00                    |                               |
| Pump Shed                                  | Marist Park                     | \$ 42,000.00                    |                               |
| Equipment Shed                             | Valley Lake - Conservation Park | \$ 13,000.00                    |                               |
| Wash Bay                                   | Council Depot                   | \$ 44,000.00                    |                               |
| Sports                                     |                                 |                                 |                               |
| Description                                | Location                        | Replacement Cost                |                               |
| Football Change Rooms / Grandstand         | Vansittart Park - Oval          | \$ 2,110,000.00                 |                               |
| Scoreboard                                 | Vansittart Park - Oval          | \$ 76,000.00                    |                               |
| Playgrounds                                |                                 |                                 |                               |
| Location                                   | Replacement Cost                |                                 |                               |
| Railway Lands - Natural Play Components    | \$ 60,000.00                    |                                 |                               |
| AF Sutton Memorial Park                    | \$ 60,000.00                    |                                 |                               |
| AF Sutton Memorial Park                    | \$ 9,000.00                     |                                 |                               |
| AF Sutton Memorial Park                    | \$ 9,000.00                     |                                 |                               |
| Rossville Reserve                          | \$ 12,000.00                    |                                 |                               |
| Heaver Drive Reserve                       | \$ 44,000.00                    |                                 |                               |
| Elder Street Reserve                       | \$ 6,000.00                     |                                 |                               |
| Tumut Drive Reserve                        | \$ 60,000.00                    |                                 |                               |
| Akuna Reserve                              | \$ 42,000.00                    |                                 |                               |
| Umpherston Sinkhole                        | \$ 11,000.00                    |                                 |                               |
| Gladigau Park                              | \$ 14,000.00                    |                                 |                               |
| Hayes Crescent Reserve                     | \$ 60,000.00                    |                                 |                               |
| Carmel Drive Reserve                       | \$ 76,000.00                    |                                 |                               |
| Argyle Place Reserve                       | \$ 26,000.00                    |                                 |                               |
| Hastings Cunningham Reserve                | \$ 76,000.00                    |                                 |                               |
| Elm Avenue / Jarrah Street Reserve         | \$ 60,000.00                    |                                 |                               |
| Stiles Street Reserve                      | \$ 83,000.00                    |                                 |                               |
| Valley Lake - Playground                   | \$ 585,000.00                   |                                 |                               |
| Malaluca Reserve                           | \$ 69,000.00                    |                                 |                               |
| Quarry Reserve                             | \$ 80,000.00                    |                                 |                               |
| Max Young Memorial Park                    | \$ 82,000.00                    |                                 |                               |
| Don McDonnell Reserve                      | \$ 105,000.00                   |                                 |                               |
| Public Toilets                             |                                 |                                 |                               |
| Location                                   | Replacement Cost                |                                 |                               |
| Frew Park                                  | \$ 220,500.00                   |                                 |                               |
| AF Sutton Memorial Park                    | \$ 153,000.00                   |                                 |                               |
| Blue Lake Sports Park - Football Grounds   | \$ 112,500.00                   |                                 |                               |
| Corredale Park                             | \$ 135,000.00                   |                                 |                               |
| Vansittart Park - Oval                     | \$ 144,000.00                   |                                 |                               |
| Vansittart Park - Oval                     | \$ 144,000.00                   |                                 |                               |
| Valley Lake - Conservation Park            | \$ 112,000.00                   |                                 |                               |
| Blue Lake Sports Park                      | \$ 94,500.00                    |                                 |                               |
| Commerce Arcade                            | \$ 180,000.00                   |                                 |                               |
| BusShelter                                 |                                 |                                 |                               |
| Location                                   | Replacement Cost                |                                 |                               |
| 163-165 Wireless Road West                 | \$ 17,000.00                    |                                 |                               |
| 20-22 Willow Avenue                        | \$ 33,000.00                    |                                 |                               |
| Gladigau Road (36 Kooringa)                | \$ 12,000.00                    |                                 |                               |
| 18 Illawong Drive                          | \$ 12,000.00                    |                                 |                               |
| 101 Lake Terrace East                      | \$ 17,000.00                    |                                 |                               |
| Newton Crescent (75 Pick Ave)              | \$ 17,000.00                    |                                 |                               |
| 16 Pressey Street                          | \$ 17,000.00                    |                                 |                               |
| Wehl Street South (Reidy Park School)      | \$ 17,000.00                    |                                 |                               |
| 2 Willow Avenue                            | \$ 17,000.00                    |                                 |                               |
| 64 Crouch Street North                     | \$ 12,000.00                    |                                 |                               |
| 227 Commercial Street East                 | \$ 17,000.00                    |                                 |                               |
| L209 Conroe Drive                          | \$ 29,000.00                    |                                 |                               |
| Overall Planned Annual Renewal Expenditure |                                 |                                 |                               |
| Asset Type                                 | Asset Components                | 10 Years Total Replacement Cost | Annual Replacement Allocation |
| Structure                                  | Bus shelter                     | \$ 217,000.00                   | \$ 21,700.00                  |
|  | Playgrounds                     | \$ 1,693,000.00                 | \$ 169,300.00                 |
|  | Other (Shed/Shelters etc)       | \$ 432,000.00                   | \$ 43,200.00                  |
| Building                                   | Public Toilet Upgrades          | \$ 1,548,000.00                 | \$ 154,800.00                 |
|  | Sheds (Building/Service)        | \$ 86,000.00                    | \$ 8,600.00                   |
|  | Sports                          | \$ 2,110,000.00                 | \$ 211,000.00                 |
| Building with Components                   | Sub-structure                   | \$ 756,800.00                   | \$ 75,680.00                  |
|  | Building Envelope               | \$ 3,650,000.00                 | \$ 365,000.00                 |
|  | Roof                            | \$ 1,338,000.00                 | \$ 133,800.00                 |
|  | Fitouts                         | \$ 1,873,000.00                 | \$ 187,300.00                 |
|  | Services                        | \$ 4,089,000.00                 | \$ 408,900.00                 |



**5 MEETING CLOSE**

