

Reference: AF11/877 FM
Enquiries to: Mr Graeme Maxwell

MEMBERS

NOTICE is hereby given that I have 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:

Monday 13 May, 2019 - Council Chamber – Civic Centre (commencing at 6.00 p.m.)

For the purpose of:

1. Council to consider the 2019/2020 Draft Annual Business Plan and Budget.
2. Council to consider the 2019/2020 Draft Annual Business Plan and Budget Consultation Approach.

An Agenda for the meeting to be held on 13 May 2019 at 6.00 p.m. is attached.



Lynette MARTIN OAM
MAYOR

9 May 2019



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

mountgambier.sa.gov.au

**I hereby give notice that an Special Meeting of Council will be held
on:**

Date: Monday, 13 May 2019

Time: 6.00 p.m.

**Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier**

AGENDA

Special Council Meeting 13 May 2019

**Graeme Maxwell
Chief Executive Officer**

9 May 2019

Order Of Business

1	Acknowledgement of Country	3
2	Apologies	3
3	Leave of Absence	3
4	Council Reports	4
4.1	Draft 2019/2020 Annual Business Plan and Budget – Report No. AR19/21204	4
4.2	Consultation Approach - 2019/2020 Draft Annual Business Plan and Budget – Report No. AR19/21203	51
5	Meeting Close	54



1 ACKNOWLEDGEMENT OF COUNTRY

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR INDIGENOUS PEOPLES HAVE WITH THIS LAND.

2 APOLOGIES

Cr Paul Jenner

3 LEAVE OF ABSENCE

Nil



4 COUNCIL REPORTS

4.1 DRAFT 2019/2020 ANNUAL BUSINESS PLAN AND BUDGET – REPORT NO. AR19/21204

Committee:	Council
Meeting Date:	13 May 2019
Report No.:	AR19/21204
CM9 Reference:	AF18/441
Author:	Pamela Lee, General Manager Council Business Services
Authoriser:	Graeme Maxwell, Chief Executive Officer
Summary:	This report provide the Draft 2019/2020 Annual Business Plan and Budget for consideration Council in preparation for the legislatively required community consultation.
Community Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

REPORT RECOMMENDATION

1. That Council Report No. AR19/21204 titled 'Draft 2019/2020 Annual Business Plan and Budget' as presented on 13 May 2019 be noted.
2. That Council authorises the Draft 2019/2020 Annual Business Plan and Budget as detailed in Attachment 1 of this report titled 'Draft 2019/2020 Annual Business Plan and Budget' which reflects a \$242k operating deficit and \$282k net surplus for community consultation purposes.



BACKGROUND

The Local Government Act 1999 (the Act) Part 1 Section 122 Strategic Management Plans states:

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

The suite of strategic management plans include Council's:

- Strategic Plan (also known as Community Plan)
- Long Term Financial Plan (LTFP)
- Infrastructure and Asset Management Plan(s) (IAMPs)
- Annual Business Plan and Budget (ABP&B).

Council's LTFP and IAMPs were recently reviewed and adopted at the Council meeting on 19 March 2019.

Each budget of the Council must be considered in conjunction with the Council's Annual Business Plan, must be consistent with that Plan and must be adopted after the Council has adopted its Annual Business Plan.

Each year Council prepares and adopts a draft version of the Annual Business Plan and a final version of its Annual Business Plan and Budget (ABP&B) in accordance with the Act Section 123 and the Local Government (Financial Management) Regulations 2011 (the Regulations) Part 2 Sections 6 (Annual Business Plans) and 7 (Budgets). The draft version is scheduled for authorisation in May to allow for a minimum of 21 days community consultation, collation and reporting of the community's feedback to Council, the public/Council meeting to be held and the final version to be adopted in June to allow the Council to commence the new financial year with an adopted budget.

DISCUSSION

The following steps have occurred as part of the preparation of the Draft 2019/2020 ABP&B:

- Schedule of Fees and Charges for 2019/2020 - adopted by Council on 19 February 2019
- Elected Member ABP&B Workshop No. 1 - held on 25 February 2019
- Elected Member Strategic Planning Session held 1 and 2 March 2019
- Quarter 2 Budget Review for 2018/2019 - adopted by Council on 19 March 2019 provided an updated on progress to plan against the Community Plan 2016-2020
- Long Term Financial Plan - adopted by Council on 19 March 2019
- Infrastructure and Asset Management Plans - adopted on 19 March 2019
- Elected Member APB&B Workshop No. 2 - held on 26 March 2019
- Elected Member APB&B Workshop No. 3 - held on 8 April 2019
- Council meeting – held on 16 April 2019
- Special Council meeting – held 1 May 2019.

The Draft 2019/2020 ABP&B has been prepared taking into consideration the Elected Member planning session, workshops and Council meetings mentioned above, and based on the best available information and knowledge at the time and has involved significant time and resources in its development with Elected Members and the Administration.

The Draft 2019/2020 Annual Business Plan has been prepared:

- Based on a general rate increase of 4.5% in line with the Long Term Financial Plan



- A modest operating deficit
- Capital works expenditure aligned to the Infrastructure and Asset Management Plans and associated works programs
- Planned Community and Recreation Hub operating and capital expenditure
- Maintaining current service standards and amenities across the City.

A summary of the financial position of the Draft 2019/2020 ABP&B at the time of preparing this report is:

Operating Revenue	\$32,362,000
<u>Less Operating Expenditure</u>	<u>\$32,604,000</u>
<u>Operating Surplus / (Deficit)</u>	<u>(\$ 242,000)</u>
Plus Asset disposal adjustment	\$ 349,000
<u>Plus Amounts received specifically for new/upgraded assets</u>	<u>\$ 175,000</u>
<u>Net Operating Surplus / (Deficit)</u>	<u>\$ 282,000</u>
Capital Expenditure on:	
Council's assets and infrastructure ⁽¹⁾	\$ 7,893,165
<u>Community and Recreation Hub</u>	<u>\$ 2,405,000</u>
<u>Total Capital Expenditure</u>	<u>\$ 10,298,165</u>

(1) Excluding the Community and Recreation Hub

The Operating Revenue, Operating Expenditure, Operating Deficit and Net Operating Surplus figures above vary from those presented to the Council meeting on 16 April 2019 in Report AR19/15000 titled Draft 2019/2020 Annual Business Plan and Budget and attachments due to the following changes:

- \$55,000 revenue from Cultural Services City Hall Hire user charges
- \$25,000 additional expenditure allocation to the South East Animal Welfare League arising from resolution adopted at the Council meeting held on 16 April 2019.

The two changes arose from additional information being available and a Council decision at the 16 April Council meeting respectively. The Operating Revenue, Operating Expenditure, Operating Deficit and Net Operating Surplus figures above are the same as those presented to the Special Council Meeting held on 1 May 2019.

Following the meeting on 1 May, the internal on charging relating to 'plant and equipment' and 'salary and wages' within the City Infrastructure portfolio have been updated with zero impact to the bottom line operating deficit and net surplus. Appendix A - 2019/2020 Summary Budget by Function within the Draft 2019/2020 ABP&B has been updated. Reaffirming the comments made by the Chief Executive Officer and senior staff at the 1 May Special Council meeting, the additional time has allowed for Appendix A - 2019/2020 Summary Budget by Function to be revised for a small number of services provided by City Infrastructure, thus allowing more accurate, transparent and comparable figures with figures presented for the current (2018/2019) and immediate past (2017/2018) financial years.



External and internal pressures on the draft budget (operating and capital in nature), were highlighted and discussed by Elected Members during the ABP&B workshops. The pressures are referred to in the Draft 2019/2020 Annual Business Plan.

For noting any impacts (financial, resourcing, timing, etc.) arising from the following items on the 2019/2020 ABP&B and future financial forecast years of Council's LTFP and IAMP have not been incorporated. Such impacts will need to be determined and costed as part of any subsequent Council report(s) and resolution(s) relating to these matters and modelled through the relevant Council strategic management plans (i.e. LTFP, IAMPs and Budget).

- New strategies aligned to Council's Community Plan (e.g. Youth Strategy, Culture and Heritage Strategy) – Elected Members are progressing prioritisation of supporting projects and initiatives some of which have yet to be determined, resourcing requirements identified, costed and adopted.
- State Government changes associated with fees, charges, levies and the planning landscape including the introduction of an e-planning portal and any unknown associated costs and resourcing requirements by Council to implement the new portal and planning arrangements.
- Initiatives considered and adopted by Council that are not included in the draft budget.
- Any unexpected material changes associated with or to utility expenses.
- Any unexpected cost shifting from the Commonwealth and/or State Governments.

Proposed key dates subject to Council approval for Community Consultation and adoption of the Draft 2019/2020 ABP&B are:

Date	Description
Monday 13 May 2019	Council meeting to consider the Draft ABP&B and Community Consultation process
Thursday 16 May 2019	Community Consultation commences (subject to Council approving the relevant reports)
Thursday 6 June 2019	Community Consultation closes (minimum 21 days from start date)
Tuesday 18 June 2019	Council meeting including public submissions
Tuesday 18 June 2019	Council meeting to consider and adopt the Final ABP&B
Tuesday 25 June 2019	Special Council meeting (if required) to adopt the Final ABP&B

The collated feedback from the community consultation process will be presented in a report to Council. Members of the public who have indicated they want to present their submission to Council will be offered that opportunity prior to Council considering the final version of the ABP&B.

CONCLUSION

The Draft 2019/2020 Annual Business Plan and Budget has been prepared in accordance with the requirements of the Local Government Act, Financial Management Regulations, and Elected Member input, discussion and review and on the basis of the best information available at the time.

On this basis the Draft 2019/2020 Annual Business Plan and Budget is recommended to Council for consideration and adoption for the purpose of community consultation.

ATTACHMENTS

1. Draft 2019/2020 Annual Business Plan and Budget for Consultation Purposes - as at 06/05/2019 [↓](#)
2. 2019/2020 Summary Budget by Function [↓](#)
3. 2019/2020 Proforma Budgeted Financial Statements [↓](#)







City of
Mount Gambier

DRAFT

2019/2020
Annual Business Plan
and Budget

For Consultation



2019/2020 BUSINESS PLAN AND BUDGET

TABLE OF CONTENTS

FROM THE MAYOR	Page 1
OUR CITY	Page 2
OVERVIEW	Page 3
BUDGET INFLUENCES - Operating and Economic Influences	Page 3
STRATEGIC DIRECTIONS - The City Development Framework Project - The Community Plan - Our Vision - Long Term Financial Plan - Financial Sustainability	Page 4
SERVICES	Page 6
ANNUAL BUSINESS PLAN AND BUDGET	Page 7
MEASURING PERFORMANCE	Page 10
RATING STRATEGY	Page 10
RATE REBATE AND RATE RELIEF ASSISTANCE	Page 13
COMMUNITY ENGAGEMENT AND BUDGET MEETINGS	Page 14
APPENDIX A - 2019/2020 SUMMARY BUDGET BY FUNCTION	Page 15
APPENDIX B - 2019/2020 BUDGETED FINANCIAL STATEMENTS	Page 15



2019/2020 ANNUAL BUSINESS PLAN AND BUDGET

FROM THE MAYOR

The 2019/2020 Annual Business Plan and Budget reflects the work of Council in preparing for the 2019/2020 financial year. It is a statement of the City's intended program of work and outcomes for the upcoming financial year and has been developed with reference to the Community Plan - The Futures Paper 2016-2020, Long Term Financial Plan and Infrastructure and Asset Management Plans.

The 2019/2020 Annual Business Plan and Budget outlines our objectives for the year, how they will be achieved and the methods used to monitor and measure performance. It also includes a summary of revenue and expenditure required to deliver the program, developed within the context of Council's commitment to financial sustainability and longer term financial planning. Importantly, it also describes the impact on rates and implications for ratepayers.

To ensure our priorities reflect the needs of our Community, our short term financial planning and budgeting is undertaken with our long term goals in mind. Key elements of the 10 year Long Term Financial Plan now reflected in the 2019/2020 Annual Business Plan and Budget, include major capital projects to be commenced, to be completed, required rate revenue, in addition to annual operating expenses.

Other key influences on the 2019/2020 Annual Business Plan and Budget include:

- Continuing focus on achieving the vision expressed in Council's Community Plan - The Futures Paper 2016/2020 and delivery of prioritised actions from a number of other key strategic documents
- Major focus on economic development including tourism and employment opportunities
- Continuing investment to promote Mount Gambier as a visitor destination, a regional retail and commercial hub as well as a quality destination to host major events and conferences
- Continuing development of Council's Infrastructure and Asset Management Plans
- Commencement of works on the Mount Gambier Community and Recreation Hub project with the support of grant funding from the Commonwealth and State Governments
- Capital program of approximately \$10.3m including \$2.4m towards the Community and Recreation Hub project
- Maintaining extensive public realm assets and infrastructure
- Maintaining the wide range of community support programs and initiatives
- Delivery of Arts, Culture and Heritage supported by the Riddoch Art Gallery
- Ancient Rome exhibition
- Retaining and developing Council's workforce to ensure capacity in service delivery.

The 2019/2020 Annual Business Plan and Budget provides for an operating deficit as at 30 June 2020. This is consistent with Council's Long Term Financial Plan that outlines the current 4.5% average rate increase being maintained, including a growth factor (for new assessments) of 0.42% ^(Note: 1) that would result in an average residential rate increase of approximately 4.08% ^(Note: 1) for 2019/2020.

Following the community engagement process during May 2019 on the Draft Annual Business Plan and Budget, Council will formally consider all feedback before adopting the final 2019/2020 Annual Business Plan and Budget in June 2019.

Lynette MARTIN OAM
MAYOR

Note 1. TBC figures in this document are not available until late June when final data is provided from the Office of the Valuation General and rates modelling is completed.



OUR CITY

The City of Mount Gambier has a population of 27,000+ citizens, is located equal distance (approx. 440km) between the capital cities of Adelaide and Melbourne and is South Australia's second largest city. Mount Gambier is the regional centre for the Limestone Coast region of South Australia, the Western District of Victoria and is widely known as the home of Australia's softwood timber industry and the wine regions of Coonawarra and Padthaway. The City services the commercial, retail, health, social, tourism, sporting, arts and cultural needs of its 70,000+ regional population.

Mount Gambier was sighted and named in honour of Lord James Gambier, Admiral of the Fleet, by Lieutenant James Grant in December 1800 while on a survey voyage in the Brig, HMS Lady Nelson. The Henty brothers, who first settled in the area to graze cattle, never officially laid claim to the land and were forced to leave when the first lease was granted to Evelyn Sturt, brother to the famous explorer Charles Sturt. "Gambiertown" as it was originally known was founded by Hastings Cunningham, who in 1854 subdivided a section of 77 acres for the establishment of a town. The first Town Council was formed in 1876 with Mount Gambier being officially declared a city in 1954.

Bureau of Statistics Mount Gambier states that in 2017 Mount Gambier had an estimated population of 27,036 persons living in 12,292 dwellings with an average household size of 2.3 persons, covers 3,388 hectares with a population density of 7.98 persons per hectare. This represents an increase in population from 25,773 persons recorded in the 2011 Census. As at the 2016 Census, 10.8% of people living in the City were born overseas and 18% arrived in Australia within the last five years. Aboriginal and Torres Straight Islanders comprise 591 persons (or 2.2%) of the City's population. 11,614 people living in the City are employed, of which 59% work full time and 39% work part time.

The majority of the City of Mount Gambier residents are employed in the retail and services sectors including health care, financial and social assistance and the manufacturing sector. Further information on Mount Gambier's demographics is available at: <https://profile.id.com.au/mount-gambier/home>

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:

- Multi-million dollar softwood timber industry that has influenced the social and cultural heritage of the City and the region
- Visitor economy
- Health services
- Agribusiness, and
- Transport and logistics.

The City of Mount Gambier actively works to ensure a digitally connected community, aligned with Council's Digital Strategy. The partnership with Flinders University introducing the New Venture Institute (NVI) Business Incubator program to Mount Gambier in 2018 supports start-ups and accelerates growth for local and emerging businesses.

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

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



OVERVIEW

Our Draft 2019/2020 Annual Business Plan and Budget is an important part of Council's suite of Strategic Management Plans and Integrated Planning and Budgeting Framework. It aligns with our:

- Community Plan 2016 – 2020 and its strategies, initiatives and projects
- Long Term Financial Plan
- Infrastructure and Asset Management Plans

ensuring that we optimise the mix of services, programs, infrastructure and facilities for the benefit of our Community. The Draft 2019/2020 Budget provides for:

- \$10.3m in capital expenditure projects, \$7m is drawn from Council's detailed Infrastructure and Asset Management Plans, \$2.4m for the initial stage of the Community and Recreation Hub (CaRH) project and \$0.9m from other requests including Elected Member and identified needs.
- \$242,000 operating deficit as at 30 June 2020
- \$282,000 net surplus after asset disposal and amount received specifically for new or upgraded assets
- Overall increase in total rate revenue of 4.5%, individual assessments should anticipate an increase of approximately 4.08% when growth of 0.42% (to be confirmed by the Office of the Valuer General in late June 2019) is taken into account.

Key initiatives for 2019/2020 are detailed in the Budget section of the Annual Business Plan.

Rates income accounts for approximately 70% of Council's operating income. Council's Rating Policy for 2019/2020 remains unchanged from previous year and is based on the same rates structure that applied in the previous financial year, that is:

- A fixed charge - applicable to every rateable property that will raise approximately 45% of Council's overall general rate revenue; and
- Differential rates for different land use categories - percentage differentials remain the same as previous year.

BUDGET INFLUENCES

In developing the 2019/2020 Annual Business Plan and Budget, Council identified pressures, challenges and potential impacts on the budget and performance.

Operating and Economic Influences

We live and operate in a dynamic environment with increasing pressure from economic, operating and political influences on the 2019/2020 Annual Business Plan and Budget including:

- Confirmed funding for the Mount Gambier Community and Recreation Hub, (CaRH) the 2019/2020 financial year will see significant resources committed to the establishment of governance, financial and construction processes for the oversight and management of the project
- Changes in the international market for the management of unprocessed recyclable materials (e.g. soft plastics) and an associated decrease in the price paid for the materials (reduction from \$130/tonne to \$0/tonne)
- New strategies aligned to Council's Community Plan e.g. Youth Strategy, Culture and Heritage Strategy, GigCity Strategy, Signage Strategy, WiFi Strategy, Tourism Masterplan some of which are to be determined and costed
- Increase in the Environmental Protection Authority's (EPA) Solid Waste Levy
- Increases in insurance premiums
- Potential increase in rate rebates for community housing properties
- Increase in utility costs i.e. electricity charges particularly street lighting, water and gas
- Council's focus on economic development and tourism opportunities
- Full year operation of a Re-use Market
- Infrastructure upgrades to enable NBN connectivity and monitoring
- Employee cost increase of 2% linked to Enterprise Bargaining Agreements
- Requests for financial and in kind support from the Community.



STRATEGIC DIRECTIONS

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 centered on four interrelated themes:

<i>Our People</i>	<i>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.</i>
<i>Our Location</i>	<i>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.</i>
<i>Our Diverse Economy</i>	<i>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.</i>
<i>Our Climate, Natural Resources and Heritage</i>	<i>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.</i>

Outcomes from the City Development Framework Project were incorporated within the Futures Papers which are a guide for the future direction and development of the City based upon the ideas and aspirations of the Community.

The Community Plan

The Community Plan represents Council's vision, aspirations and priorities of the Community now and into the future. It describes Council's values, how we work together and outlines the strategic initiatives to achieve ongoing sustainability and prosperity. The Community Plan was endorsed by Council in May 2016.

The Community Plan together with the Futures Paper are Council's key strategic guiding documents and are supported by its Long Term Financial Plan (LTFP), Infrastructure and Asset Management Plans (IAMPs) and the Annual Business Plan and Budget. This suite of Plans identify the direction, services, programs, infrastructure and facilities that Council wishes to provide for its Community, specifically for the next four years and into the future.

Our Vision

Within the Community Plan, Council describes its vision as:

"An inclusive city where people lead fulfilling lives."

What makes Mount Gambier the thriving successful place that people are proud to call home is the richness and diversity of:

- Our People
- Our Location
- Our Economy
- Our Climate, Natural Resources, Art, Culture and Heritage.

These themes contribute towards the future growth, propensity and development of the City.



Council strives to create vibrancy, promote our identity and build a reputation as a place to live, work, visit and invest in. To provide a future for our current and future generations we need more economic growth and employment as well as art, cultural, recreational and educational opportunities.

The vision is supported by the above mentioned four themes that identify what is important to the Community and how the Community would like to see the City develop and grow. Working together, both Council and the Community can collectively achieve these goals.

The Community Plan reinforces that the role of local government has grown from its traditional base of roads, rates and rubbish with the scope of services now being considerably broader, more diverse including health, services for the aged, youth, support for sector and special interest groups within the Community, economic development and tourism.

Long Term Financial Plan

The development of a Long Term Financial Plan (LTFP) is a requirement of Section 122(1) of the Local Government Act 1999. The purpose is to translate the vision, objectives and strategies of the Strategic Plan (also known as Community Plan) into financial terms and to guide the direction of Council in a financially sustainable manner.

Council's LTFP is reviewed regularly (and at a minimum within two years of each Local Government Council election) and acts as a reference point in the formulation of future Annual Business Plans and Budgets. Council's current LTFP was reviewed and adopted by Council in March 2019.

The LTFP is driven by Council's suite of Strategic Management Plans and includes the future estimated revenue and expenditure particularly focusing on the financing and scheduling of major projects, loan indebtedness, rating level, asset replacement/renewal and impact on operating expenditure.

Council's LTFP assumes:

- Continuation of existing services and infrastructure at current service standards
- No internal changes to services or investment in new or upgraded assets other than what is already resolved and planned
- Building of the Community and Recreational Hub.

Council's financial projections over the long term planning horizon are not a prediction of financial position or performance, rather an indication of direction and financial capacity.

The LTFP tells us that Council is meeting its financial obligations and targets over the term of the plan and has the financial capacity to continue to meet the community's service demands plus the flexibility to respond to changing circumstances.

The projections indicate that based on current assumptions, Council is in a sound financial position with a favourable outlook over the term of the LTFP.

The Futures Paper, Community Plan, IAMPs and LTFP are available from Council's website: www.mountgambier.sa.gov.au .

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.

South Australian local government has developed a set of indicators to measure councils' Financial Sustainability. Financial Sustainability Indicators and their targets are used by Council as a guide in the LTFP. The principle indicators are derived from Council's Audited Financial Statements being:

- Operating Surplus (or Deficit)
- Net Financial Liabilities
- Asset Sustainability.



The following table presents a comparison of these key Financial Indicators, including Council's targets, to maintain its financial performance.

Key Financial Indicators	2015	2016	2017	2018	Budget	Budget
					2019	2020
Operating Surplus Ratio (Target: 0% - 15% over 5 years)	(1%)	3%	6%	(3%)	1.1%	(0.7%)
Net Financial Liabilities Ratio (Target: Not to exceed 100%)	26%	25%	28%	45%	36%	34%
Asset Sustainability Ratio (Target: 90% - 100% over 3 years)	53%	57%	62%	74%	74%	86%

A brief description of each of the Key Financial Indicators is provided:

- Operating Surplus (Deficit) Ratio - expresses the operating surplus (or deficit) as a percentage of general and other rates, net of rebates.
- Net Financial Liabilities Ratio - indicates the extent to which net financial liabilities of Council can be met by Council's total operating revenue. Where the ratio is falling it indicates the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing it indicates a greater amount of Council's operating revenue is required to service its financial obligations.
- Asset Sustainability Ratio - indicates whether the Council is renewing or replacing existing physical assets at the rate at which they are wearing out. Councils with a high ratio are replacing and renewing capital assets at a rate comparable to depreciation/wear.

SERVICES

All councils have mandatory responsibilities under the Local Government Act, the Development Act, the Public and Environmental Health Act and other relevant legislation for the provision of services. These include:

- Regulatory activities e.g. maintaining the voters roll, property ownership data and supporting the elected Council body
- Setting rates, preparing an annual business plan, budget and determining longer-term strategic management plans
- Management and maintenance of infrastructure including roads, footpaths, parks, public open spaces, street lighting and storm-water drainage
- Street cleaning, rubbish collection and recycling
- Development planning and control, including formulation of planning policy and assessment of development proposals
- Various environmental health services
- Protection of natural resources
- Inspectorial services (parking, animal control).

In response to community demands, Council also provides discretionary services, programs and support including:

- Libraries and associated facilities and programs
- The Main Corner Complex and room hire
- Youth development and programs
- Economic development
- Environmental programs
- Tourism and visitor services
- Attracting major events to the City
- Community events programs
- Events, sponsorship and grants
- Free public Wi-Fi
- Public parks and gardens



- Community programs
- Sporting and recreational facilities
- Lifelong learning
- Community engagement and social inclusion
- Cemeteries
- Advocating on behalf of the community to Federal/State Governments
- Citizenship ceremonies
- Events, sponsorship and grants.

In accordance with the LTFP, Council's 2019/2020 Annual Business Plan and Budget will provide for existing service levels to be maintained.

2019/2020 ANNUAL BUSINESS PLAN AND BUDGET

The 2019/2020 Annual Business Plan and Budget proposes to spend a total of \$32.6m operating expenditure, including depreciation of \$7.3m and total capital expenditure of \$10.3m on the delivery of services and programs, maintenance of assets (including \$2.4m towards the Community and Recreation Hub project), development of new or upgraded assets (operating/capital expenditure).

Budgeted operating expenditure is estimated to increase by 8% or \$2.4m on the 2018/2019 budget and in comparison, operating revenue is anticipated to increase by 6% or \$1.8m, attributable to increased rate revenue, environmental revenue and users fees and charges.

The provision of services such as the library, parks and infrastructure maintenance, waste collection and disposal continue to be a significant component of Council's budget.

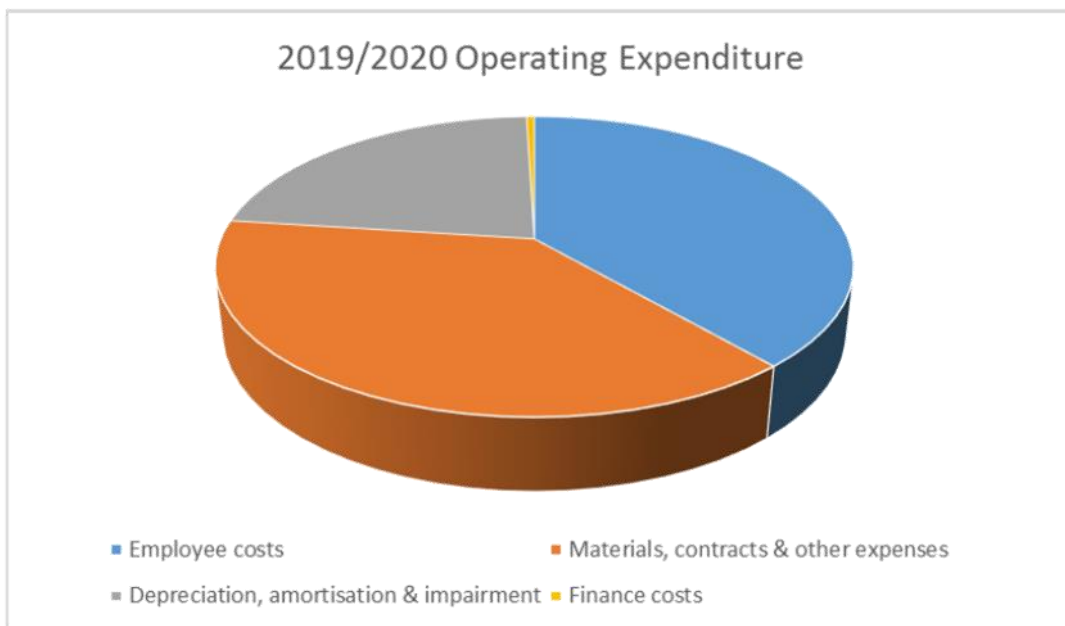
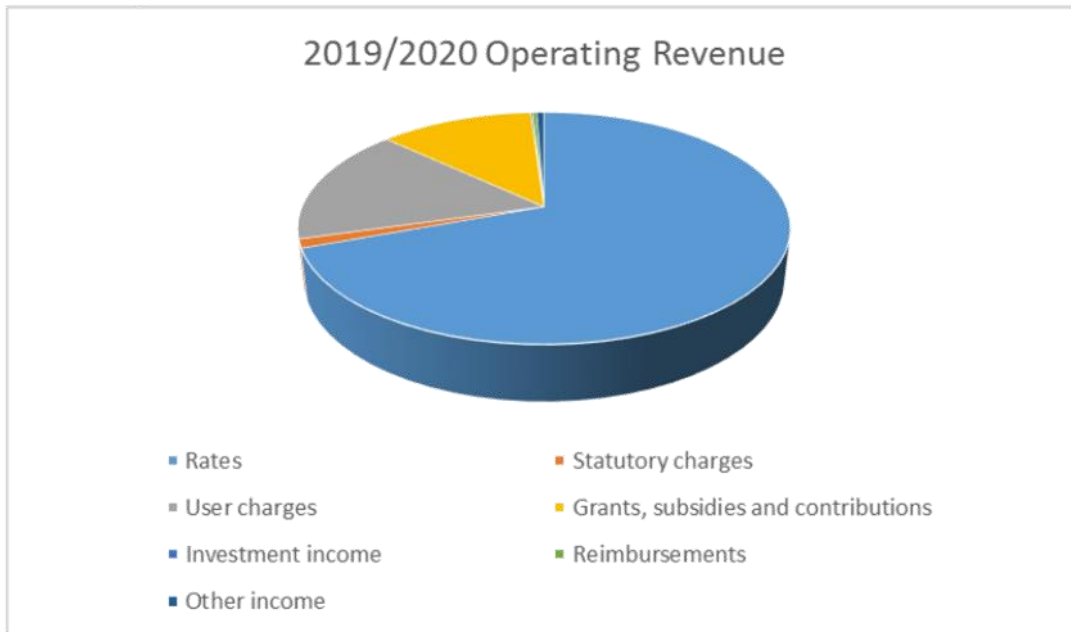
Appendix A provides a summary of the 2019/2020 Annual Business Plan and Budget covering revenue and expenditure of an operating and capital nature under functional categories. Appendices included in the Annual Business Plan and Budget are:

- 2019/2020 Summary Budget by Function
- 2019/2020 Proforma Budgeted Financial Statements.

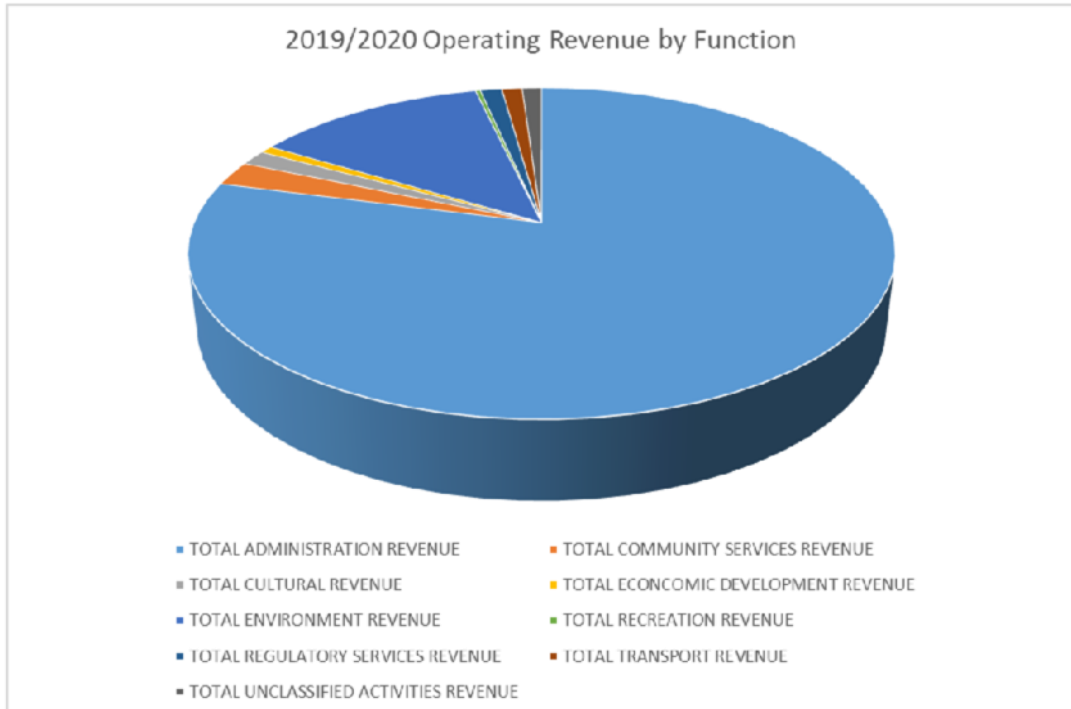
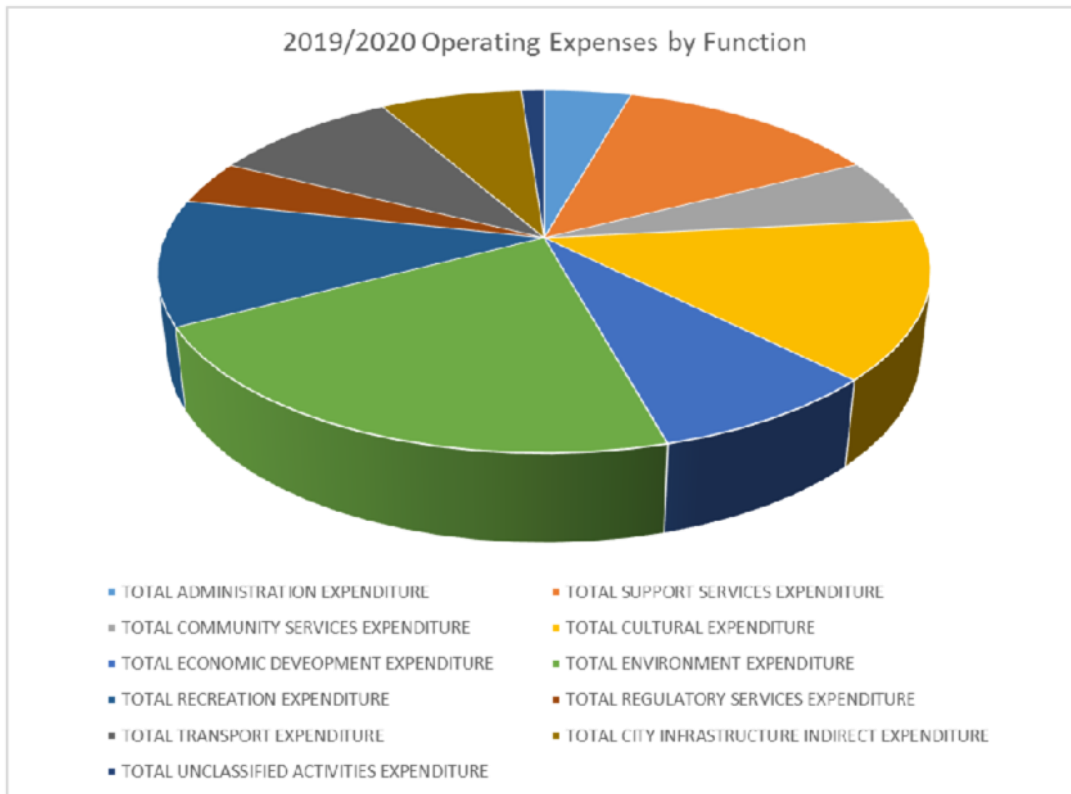
The Draft 2019/2020 Annual Business Plan and Budget is available to be downloaded from Council's website at www.mountgambier.sa.gov.au and from Council's office located at Level 1, Civic Centre, 10 Watson Terrace, Mount Gambier.



The following graphs show Council's budgeted Income (\$) and Expenditure (\$) for 2019/2020:



The following graphs show Council's 2019/2020 budgeted Income (\$) and Expenditure (\$) by function:



MEASURING PERFORMANCE

Measuring and monitoring our performance is fundamental to ensure our objectives are achieved and programs and services are delivered to our Community.

Council monitors financial performance through a range of financial reports including regular financial statements, quarterly comprehensive budget reviews, quarterly performance against the interim and final audits by Council's appointed external auditors and the presentation of audited financial statements each year as required under the Local Government Act 1999. The financial reports also take into account the principles of financial sustainability adopted by Council along with the three key financial sustainability indicators.

To provide advice and recommendations on financial and governance matters, Council has an Audit Committee that includes two independent members with qualifications and experience in relevant disciplines and an Elected Member experienced in Council's operations.

Council's Annual Report also provides information on overall performance as does the Community Plan which includes corporate strategies and associated performance indicators.

RATING STRATEGY

In 2019/2020 approximately 70% of Council's operating revenue will come from rate revenue. As a result Council's rating policies and strategies are key components of our financial planning.

The 2019/2020 Annual Business Plan and Budget includes a 4.5% rate increase in line with the LTFP. External grant funding will be received during the build and commissioning of the Community and Recreation Hub project. To accommodate and manage the timing of grant income payments and project expenditure, Council has modelled its Long Term Financial Plan to include drawing upon loan facilities through the Local Government Finance Authority. The proposed rate increase is consistent with the Council's LTFP.

The following increases in general rate revenue have been applied over recent years:

Year	Rate Increase	Growth Benefit	Total
2015/2016	3.85%	0.65%	4.5%
2016/2017	3.84%	0.66%	4.5%
2017/2018	4.02%	0.48%	4.5%
2018/2019	4.08%	0.42%	4.5%
2019/2020	TBC%	TBC%	TBC%

Note:

- (1) Growth is predominantly the result of new housing and property improvements as reported by the State Valuation Office.
- (2) To Be Confirmed (TBC) figures in the Rating Strategy section are not available until late June when final data is provided by the Office of the Valuer-General and rates modelling is completed.

Rate Comparisons

Mount Gambier's average residential rates are comparable with the State average and with the averages of both South Australia Metropolitan and Regional Councils.

Average for all SA Metro Councils	\$1,598
Average for all SA Rural Councils	\$1,399
Average for City of Mount Gambier	\$1,188

Source: Local Government Association 2018/2019 Rates Survey



Valuation Method

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:

- It is the most appropriate measure of relative wealth in the community.
- As a measure of wealth, it most closely reflects the property owners' capacity to pay.
- 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.

Other valuation methods available are: site value (value of land only) and annual value (value of the rental potential of property).

Capital Valuation Comparison

Year	Rateable Land	Non Rateable Land	Total
2014/2015	3,202,252,530	203,617,310	3,405,869,840
2015/2016	3,251,510,225	205,393,515	3,456,903,740
2016/2017	3,259,233,035	212,100,805	3,471,333,840
2017/2018	3,329,622,852	217,152,488	3,546,775,340
2018/2019	3,494,031,387	221,599,753	3,715,631,140
2019/2020 (Note 1)	TBC	TBC	TBC

Note 1. Property values in the Council Area (as provided by the Office of the Valuer-General) for 2019/2020 financial year are yet to be received therefore comparison to the previous year are unable to be provided at the time this document was prepared.

General Rates

Section 147 of the Local Government Act 1999 provides Council with the power to rate all land within the City of Mount Gambier, except for land specifically exempted such as Crown Land.

Fixed Charge

Council has determined that a component of the total rate will be a fixed charge on every rateable property. The fixed charge applies to all ratepayers and continues to raise slightly less than one half of total rate revenue (before rebates and remissions) required for the 2019/2020 financial year.

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, infrastructure and administrative services. No particular group of ratepayers benefit more than any other group of ratepayers by the provision of these services.
- The Council considers it appropriate that all ratepayers contribute equally to the cost of administering Council's services and activities.

Fixed Charge Comparison

Year	Fixed Charge	% of Total Rates
2015/2016	\$585.80	45%
2016/2017	\$606.90	45%
2017/2018	\$630.30	45%
2018/2019	\$655.20	45%
2019/2020 <small>Note 1</small>	TBC	TBC

Note 1. Council anticipates that the fixed charge of Council's rating structure will continue to raise approximately 45% of Council's overall rate revenue. The fixed rate component will be set by Council.

Differential Rates

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



- (a) On rateable land of category 1 (residential) use
- (b) On rateable land of categories 2, 3 and 4 (commercial shop, commercial office or commercial other) use
- (c) Rateable land of categories 5 and 6 (industrial light and industrial other) use
- (d) On rateable land of category 7 (primary land) use
- (e) On rateable land of category 8 (vacant land) use
- (f) On rateable land of category 9 (other) use.

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.

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
- Provide a disincentive to withholding land from development.

Differential Rate in Dollar Comparison

Year	Residential	Commercial	Industrial	Primary Production	Vacant Land	Other
2015/2016	0.22631	0.611037	0.611037	0.22631	0.611037	0.22631
2016/2017	0.23637	0.638199	0.638199	0.23637	0.638199	0.23637
2017/2018	0.24194	0.653238	0.653238	0.24194	0.653238	0.24194
2018/2019	0.24085	0.650295	0.650295	0.24085	0.650295	0.24085
2019/2020	TBC	TBC	TBC	TBC	TBC	TBC

Note: Rates in the dollar are expressed as a fraction of a cent in the dollar.

Separate Rates

Mount Gambier is in the South East Natural Resources Management Board area and is legally required under the Natural Resource Management Act 2004 to contribute to the funding of the operations of the Board.

The Council collects revenue on behalf of the South East Natural Resources Management Board and does not retain any revenue collected nor does it determine how the revenue is spent.

NRM Levy Comparison

Year	NRM Levy	Total NRM Revenue
2015/2016	\$ 42.00 (per assessment)	\$578,276
2016/2017	Res/Vac/Other \$ 69.00 (per assessment)	\$1,041,246
	Commercial \$127.00 (per assessment)	
	Industrial \$156.00 (per assessment)	
	Primary Production \$290.00 (per assessment)	
2017/2018	Res/Vac/Other \$ 72.65 (per assessment)	\$1,079,041
	Commercial \$110.05 (per assessment)	
	Industrial \$174.30 (per assessment)	
	Primary Production \$323.00 (per assessment)	
2018/2019	Res/Vac/Other \$ 73.00 (per assessment)	\$1,086,828
	Commercial \$109.00 (per assessment)	
	Industrial \$174.00 (per assessment)	
	Primary Production \$335.00 (per assessment)	
2019/2020(1)	Res/Vac/Other \$ TBC (per assessment)	TBC
	Commercial \$ TBC (per assessment)	
	Industrial \$ TBC (per assessment)	
	Primary Production \$ TBC (per assessment)	



(1) Preliminary advice received from the South Australian State government indicates there will be no significant increase in the levy for 2019/2020 to fund increased costs associated with the operations of the Board. Council has no control over the levy amount which is set by the Minister for Environment and Water.

Minimum Amount

Council uses a Fixed Charge as part of its rating structure instead of a Minimum Rate amount.

RATE REBATE AND RATE RELIEF ASSISTANCE

To address any potential inequities in how rates are levied across the Council area the following rate relief assistance options continue to be available:

Residential Rate Cap

Where an owner/occupier/principal place of residence property with a Category 1 (Residential) Land Use experiences an increase greater than 15% in general rates (excluding any rebates/remissions) payable, the amount of the rate rebate is the amount of gross rates for the current year over and above 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.

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 work more than \$20,000, or
- (b) Any such increase is in whole or part because the zoning of 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 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(ies) 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.

Vacant Land

The vacant land rate in the dollar is usually higher than the residential rate in the dollar. For owners of vacant land who intend to develop that land, in the short term as their principal place of residence, may be entitled to a rebate on Council rates. Applications must be in writing with the maximum rate rebate calculated so that the rates payable are equivalent to the average residential land use.

Postponement of Rates – Senior Citizens

Any person holding a South Australian State Government issued State Seniors Card may make application to Council for a postponement of the prescribed proportion of rates for the current or future financial years. All applications for postponement will be considered in accordance with the relevant legislative provisions.



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.

Mandatory and Discretionary Rate Rebates

The Local Government Act 1999 requires councils to rebate rates on some land uses (mandatory rebates) and the ability to grant discretionary rebates for land used for the purposes of community benefit provided the land meets certain legislative and Council Policy criteria.

Councils Rate Rebate Policy (incorporating Rate Rebate Application) and the Schedule of Rate Rebates granted, is available for inspection at the Council Office or from the Council website www.mountgambier.sa.gov.au.

COMMUNITY ENGAGEMENT AND BUDGET MEETINGS

The 2019/2020 Annual Business Plan and Budget is presented in the context of Council's endorsed strategic directions being the Community Plan 2016-2020. The Community Plan reflects Council's continuing focus on ensuring that the physical infrastructure of the City is fit for purpose and maintained in a cost effective way. Through implementation of this year's Annual Business Plan and Budget, we aim to deliver to residents and ratepayers a well-managed, sustainable City environment for current as well as future generations.

The community engagement process provides members of the Community with the opportunity to have input into the Annual Business Plan and Budget before the Budget and list of capital and operating projects are finalised and adopted by Council. It also enables comment on the potential distribution of rates across the City and any rate relief options Council should consider or issues Council should be aware of when modelling valuation data and determining the distribution of rates for the 2019/2020 financial year.

Members of the Community are able to take part in the community engagement process on the Draft 2019/2020 Annual Business Plan and Budget.

Submissions including feedback on the Draft 2019/2020 Annual Business Plan and Budget commences on Thursday 16 May and close at 5.00 p.m. on Thursday 6 June 2019 and can be provided via:

- 'Have Your Say' website at www.mountgambier.sa.gov.au
- Email to: city@mountgambier.sa.gov.au include in the subject field 'Draft 2019/2020 Annual Business Plan and Budget Consultation'
- Written submissions:
Draft 2019/2020 Annual Business Plan and Budget Consultation
City of Mount Gambier
PO Box 56
MOUNT GAMBIER SA 5290

Council will either consider the Draft 2019/2020 Annual Business Plan and Budget at its regular monthly meeting on 18 June 2019 or at a special Council meeting on a date to be determined.



APPENDIX A - 2019/2020 SUMMARY BUDGET BY FUNCTION

APPENDIX B - 2019/2020 PROFORMA BUDGETED FINANCIAL STATEMENTS

Proforma Statement of Comprehensive Income
Proforma Statement of Financial Position
Proforma Statement of Changes In Equity
Proforma Statement of Cash Flows
Proforma Note: Uniform Presentation of Finances
Proforma Note: Financial Indicators



APPENDIX A

2019/2020 SUMMARY BUDGET BY FUNCTION (AR19/16446 v3)

INDEX

Function	Type	Page No. of Appendix A
1. Administration	1.1 Operating Expenditure	1
	1.2 Capital Expenditure	1
	1.3 Operating Revenue	1
2. Support Services	2.1 Operating Expenditure	2
	2.2 Capital Expenditure	3
3. Community Services	3.1 Operating Expenditure	3
	3.2 Capital Expenditure	5
	3.3 Operating Revenue	5
4. Cultural	4.1 Operating Expenditure	6
	4.2 Capital Expenditure	6
	4.3 Operating Revenue	7
5. Economic Development	5.1 Operating Expenditure	7
	5.2 Capital Expenditure	8
	5.3 Operating Revenue	8
6. Environment	6.1 Operating Expenditure	8
	6.2 Capital Expenditure	9
	6.3 Operating Revenue	10
7. Recreation	7.1 Operating Expenditure	10
	7.2 Capital Expenditure	11
	7.3 Operating Revenue	11
8. Regulatory Services	8.1 Operating Expenditure	11
	8.2 Capital Expenditure	12
	8.3 Operating Revenue	12
9. Transport	9.1 Operating Expenditure	12
	9.2 Capital Expenditure	13
	9.3 Operating Revenue	13
10. City Infrastructure	10.1 Operating Expenditure	14
	10.2 Capital Expenditure	14
	10.3 Operating Revenue	15
11. Unclassified	11.1 Operating Expenditure	15
	11.2 Capital Expenditure	16
	11.3 Operating Revenue	16
12. Non-Operating	12.1 Non-Operating Expenditure	16
	12.2 Non-Operating Revenue	17
13. Capital	13.1 Capital Revenue	17



APPENDIX B

**2019/2020 PROFORMA BUDGETED FINANCIAL
STATEMENTS
(AR19/19239)**





2019/2020

1. Function: Administration

1.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	ADMINISTRATION EXPENDITURE						
6000	ELECTED MEMBERS EXPENDITURE	329	329	404	404	286	
6002	ORGANISATIONAL EXPENDITURE	1,182	1,069	939	959	1,079	
	TOTAL OPERATING EXPENDITURE	1,511	1,398	1,343	1,363	1,365	-

1.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7500	CIVIC CENTRE	200	273	200	250	-	
	TOTAL CAPITAL EXPENDITURE	200	273	200	250	-	-

1.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	ADMINISTRATION REVENUE						
4100	RATES RAISED	20,685	20,685	21,616	21,616	22,578	
4112	RATES REMITTED	(1,282)	(1,282)	(1,367)	(1,367)	(1,419)	
4113	FINES ON RATES	80	80	81	81	80	
4114	FINES REMITTED	(2)	(2)	(1)	(1)	(1)	

AR19/16446[v3]



2019/2020

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	GENERAL PURPOSE REVENUE						
4120	GENERAL PURPOSE REVENUE	2,644	2,251	2,511	2,511	2,777	
4125	LOCAL ROADS REVENUE	-	393	411	411	630	
	TOTAL OPERATING REVENUE	22,125	22,125	23,250	23,250	24,645	-

2. Function: Support Services

2.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	SUPPORT SERVICES EXPENDITURE						
6004	COUNCIL BUSINESS SERVICES EXPENDITURE	-	-	-	-	218	
6005	GOVERNANCE AND STRATEGY	475	475	274	274	199	
6006	BUSINESS & STRATEGIC PLANNING	-	-	-	-	125	
6010	STRATEGIC FINANCE & ACCOUNTABILITY	-	-	320	320	401	
6011	ACCOUNTING/FINANCE EXPENDITURE	456	456	301	316	151	
6012	PAYROLL EXPENDITURE	480	480	118	118	-	
6013	HUMAN RESOURCES EXPENDITURE	178	178	159	159	242	
6014	INFORMATION TECHNOLOGY EXPENDITURE	639	639	662	662	341	
6015	COMMUNICATION EXPENDITURE	27	27	68	68	121	
6016	RATES ADMINISTRATION EXPENDITURE	284	284	303	303	319	

Appendix A - Page 2 of 17



2019/2020

6017	RECORDS MANAGEMENT EXPENDITURE	196	196	211	211	192	
6018	OCCUPANCY EXPENDITURE	546	546	402	402	336	
6020	CUSTOMER SERVICE EXPENDITURE	182	182	558	558	658	
6021	OTHER SUPPORT SERVICES EXPENDITURE	188	188	185	190	218	
6022	COMMUNITY ENGAGEMENT	271	136	244	244	269	
6023	MEDIA AND COMMUNICATIONS		248	284	284	352	
	TOTAL OPERATING EXPENDITURE	3,922	4,035	4,086	4,107	4,142	-

2.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7460	OFFICE EQUIPMENT (PURCHASES)	220	220	235	291	355	
	TOTAL CAPITAL EXPENDITURE	220	220	235	291	355	-

3. Function: Community Services

3.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	COMMUNITY SERVICES EXPENDITURE						
6101	COMMUNITY WELLBEING EXPENDITURE	-	-	-	1	218	
6100	CRIME PREVENTION EXPENDITURE	13	13	14	14	16	
6102	EMERGENCY SERVICES EXPENDITURE	33	33	-	-	-	
6103	OTHER FIRE PROTECTION EXPENDITURE	1	1	1	1	2	

Appendix A - Page 3 of 17



2019/2020

6104	OTHER PUBLIC ORDER AND SAFETY EXPENDITURE	1	1	1	1	1	
6111	HEALTH - PEST CONTROL EXPENDITURE	1	1	-	-	-	
6112	IMMUNISATION EXPENDITURE	-	-	0	0	0	
6114	PREVENTATIVE HEALTH SERVICES EXPENDITURE	4	4	10	10	-	
6115	OTHER HEALTH SERVICES EXPENDITURE	6	6	4	4	8	
6121	SENIOR CITIZENS EXPENDITURE	33	33	40	40	34	
6125	CHILDREN AND YOUTH SERVICES EXPENDITURE	6	6	7	7	8	
6126	COMMUNITY ASSISTANCE EXPENDITURE	153	153	158	158	155	
6129	OTHER COMMUNITY SUPPORT EXPENDITURE	393	393	328	328	111	
6131	BUS SHELTER EXPENDITURE	2	2	3	3	3	
6132	LAKE TERRACE CEMETERY	106	106	31	31	30	
6133	CARINYA GARDENS CEMETERY (ex 8100)	-	-	-	572	573	
6134	PUBLIC CONVENIENCES EXPENDITURE	266	266	284	284	327	
6135	CARPARK EXPENDITURE	19	19	124	124	126	
6138	OTHER COMMUNITY AMENITIES EXPENDITURE	663	663	221	221	215	
8100	CARINYA CEMETERY OPERATING (new a/c 6133)	-	-	-	-	-	
8120	CARINYA CEMETERY DEVELOPMENT		-	-			
	TOTAL OPERATING EXPENDITURE	1,700	1,700	1,227	1,800	1,827	-



2019/2020

3.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7560	OTHER COMMUNITY SUPPORT	50	50	120	140	110	
7570	BUS SHELTERS	-	29	30	30	31	
7580	CEMETERIES (ex 8400)	-	-	-	40	8	
7600	PUBLIC CONVENIENCES	-	-	50	50	-	
7620	CAR PARKS	30	30	10	34	10	
8400	CARINYA CEMETERY (new a/c 7580)	-	-	-	-	-	
	TOTAL CAPITAL EXPENDITURE	80	109	210	294	159	-

3.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	COMMUNITY SERVICES REVENUE						
4130	PUBLIC ORDER AND SAFETY REVENUE	2	2	-	-	2	
4132	HEALTH SERVICES REVENUE	-	-	0	0	1	
4133	COMMUNITY SUPPORT REVENUE	21	21	1	1	1	
4134	COMMUNITY AMENITIES REVENUE	85	85	86	86	36	
4135	LAKE TERRACE CEMETERY	3	3	4	4	10	
4136	CARINYA GARDENS CEMETERY	-	-	-	731	701	
	TOTAL OPERATING REVENUE	111	111	92	823	751	-



2019/2020

4. Function: Cultural

4.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	CULTURAL EXPENDITURE						
6200	LIBRARY SERVICES EXPENDITURE	1,886	1,886	1,970	1,970	2,278	
6202	OTHER LIBRARY SERVICES	13	13	17	17	17	
6210	CULTURAL VENUES EXPENDITURE	241	241	392	392	385	
6220	HERITAGE EXPENDITURE	425	425	534	534	538	
6225	HERITAGE RESTORATION EXPENDITURE (ex 6220)	-	-	-	-	-	
6230	MUSEUMS/ART GALLERY EXPENDITURE	377	377	974	974	996	
6240	CULTURAL EVENTS EXPENDITURE	198	198	150	150	194	
6250	OTHER CULTURAL SERVICES EXPENDITURE	-	-	37	37	28	
	TOTAL OPERATING EXPENDITURE	3,140	3,140	4,074	4,074	4,436	-

4.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7470	LIBRARY BOOKS/MATERIALS	136	136	136	148	136	
7640	CULTURAL	15	27	25	35	100	
7650	HERITAGE	10	10	12	12	10	
	TOTAL CAPITAL EXPENDITURE	161	173	173	203	246	-

Appendix A - Page 6 of 17



2019/2020

4.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	CULTURAL REVENUE						
4140	LIBRARY SERVICES REVENUE	212	212	209	209	220	
4142	CULTURAL SERVICES REVENUE	144	144	128	128	130	
4143	ART GALLERY	200	200	140	140	111	
4145	CULTURAL EVENTS REVENUE	-	-	-	-	-	
	TOTAL OPERATING REVENUE	556	556	476	476	461	-

5. Function: Economic Development

5.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	ECONOMIC DEVELOPMENT EXPENDITURE						
6300	CITY GROWTH EXPENDITURE	-	-	-	-	213	
6320	REGIONAL DEVELOPMENT EXPENDITURE	548	548	406	406	434	
6340	OTHER ECONOMIC DEVELOPMENT EXPENDITURE	-	-	-	-	100	
6350	TOURISM EVENTS EXPENDITURE	718	718	448	448	574	
6360	TOURISM - "THE LADY NELSON" EXPENDITURE	864	864	846	846	915	
6370	TOURISM GENERAL EXPENDITURE	-	-	336	336	347	
	TOTAL OPERATING EXPENDITURE	2,130	2,130	2,036	2,036	2,583	-

Appendix A - Page 7 of 17



2019/2020

5.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7660	TOURISM	-	90	330	345	154	
	TOTAL CAPITAL EXPENDITURE	-	90	330	345	154	-

5.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	ECONOMIC DEVELOPMENT REVENUE						
4151	ECONOMIC - SUNDRY GRANTS/CONTRIBUTIONS	-	-	-	-	-	
4152	TOURISM GENERAL REVENUE	-	-	-	-	-	
4153	TOURISM - "THE LADY NELSON" REVENUE	313	313	263	263	221	
	TOTAL OPERATING REVENUE	313	313	263	263	221	-

6. Function: Environment

6.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	ENVIRONMENT EXPENDITURE						
6410	WASTE MANAGEMENT EXPENDITURE	3,768	567	30	30	31	
6411	GARBAGE COLLECTION	-	620	751	751	797	
6412	GREENWASTE OPERATIONS	-	328	253	253	316	



2019/2020

6413	KERBSIDE RECYCLING	-	630	1,085	1,085	974	
6414	RE-USE MARKET OPERATIONS	-	-	194	194	272	
6415	WASTE TRASFER CENTRE OPERATIONS	-	193	214	214	234	
6416	E-WASTE COLLECTION	-	20	22	22	24	
6418	CAROLINE LANDFILL OPERATIONS	-	1,400	2,320	2,320	2,661	
6419	ORCHARD ROAD WASTE MANAGEMENT	-	10	17	17	34	
6420	STORMWATER AND DRAINAGE EXPENDITURE	220	220	146	146	165	
6430	STREET CLEANING EXPENDITURE	343	343	147	147	253	
6440	STREET LIGHTING EXPENDITURE	525	525	526	526	536	
6450	STREETSCAPING EXPENDITURE	195	195	212	212	230	
6460	ENVIRONMENTAL SUSTAINABILITY	147	147	168	168	244	
	TOTAL OPERATING EXPENDITURE	5,198	5,198	6,085	6,085	6,772	-

6.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7665	STREETSCAPING	-	40	40	52	100	
7668	ENVIRONMENTAL SUSTAINABILITY	50	-	50	78	50	
7670	WASTE MANAGEMENT	1,256	1,401	1,139	1,386	738	
7800	INFRASTRUCTURE STORMWATER	80	130	85	105	108	
	TOTAL CAPITAL EXPENDITURE	1,386	1,571	1,314	1,621	995	-



2019/2020

6.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	ENVIRONMENT REVENUE						
4155	ENVIRONMENT REVENUE	-	-	-	-	-	
4162	WASTE MANAGEMENT REVENUE	2,760	2,760	3,405	3,405	3,933	
4163	STORMWATER DRAINAGE	50	50	50	50	30	
4164	ENVIRONMENTAL SUSTAINABILITY	-	-	-	-	-	
	TOTAL OPERATING REVENUE	2,810	2,810	3,455	3,455	3,963	-

7. Function: Recreation

7.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	RECREATION EXPENDITURE						
6500	PARKS/GARDENS/RESERVES EXPENDITURE	1,731	1,731	2,614	2,614	2,508	
6520	SPORTS FACILITIES - INDOOR EXPENDITURE	20	20	104	24	24	
6530	SPORTS FACILITIES - OUTDOOR EXPENDITURE	478	478	508	508	535	
6545	COMMUNITY AND RECREATION HUB EXPENDITURE	-	-	-	89	-	
6550	AQUATIC CENTRE (OUTDOOR) EXPENDITURE	373	373	377	377	356	
6560	OTHER RECREATION EXPENDITURE	96	96	100	100	95	
	TOTAL OPERATING EXPENDITURE	2,698	2,698	3,703	3,712	3,519	-

Appendix A - Page 10 of 17



2019/2020

7.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7680	PARKS/GARDENS/RESERVES	345	523	670	845	891	
7690	SPORTS FACILITIES (INDOOR)	-	-	-	10	37	
7700	SPORTS FACILITIES (OUTDOOR)	26	26	130	130	157	
7730	AQUATIC CENTRE (OUTDOOR)	26	26	26	26	65	
7735	COMMUNITY AND RECREATION HUB	-	-	-	26	2,580	
	TOTAL CAPITAL EXPENDITURE	397	575	826	1,037	3,731	-

7.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	RECREATION REVENUE						
4170	RECREATION REVENUE - LEASE/HIRE/RENTAL	82	82	96	96	80	
4175	RECREATION REVENUE - AQUATIC CENTRE	-	-	-	-	-	
	TOTAL OPERATING REVENUE	82	82	96	96	80	-

8. Function: Regulatory Services

8.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	REGULATORY SERVICES EXPENDITURE						

Appendix A - Page 11 of 17



2019/2020

6600	DOG CONTROL EXPENDITURE	307	307	298	298	306	
6620	BUILDING CONTROL EXPENDITURE	295	295	395	395	307	
6630	CITY PLANNING EXPENDITURE	283	283	353	353	371	
6660	HEALTH INSPECTION EXPENDITURE	213	213	218	218	232	
6670	PARKING CONTROL EXPENDITURE	16	16	17	17	15	
	TOTAL OPERATING EXPENDITURE	1,114	1,114	1,281	1,281	1,231	-

8.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000

8.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	REGULATORY SERVICES REVENUE						
4180	REGULATORY SERVICES REVENUE	388	388	416	416	368	
	TOTAL OPERATING REVENUE	388	388	416	416	368	-

9. Function: Transport

9.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	TRANSPORT EXPENDITURE						

Appendix A - Page 12 of 17



2019/2020

6720	BRIDGES EXPENDITURE	4	4	4	4	-	
6730	FOOTPATHS AND KERBING EXPENDITURE	593	593	748	748	1,115	
6740	ROADS SEALED EXPENDITURE	2,635	2,635	1,908	1,908	1,759	
6780	TRAFFIC MANAGEMENT EXPENDITURE	140	140	60	60	75	
	TOTAL OPERATING EXPENDITURE	3,372	3,372	2,720	2,720	2,949	-

9.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7830	FOOTPATHS/KERBING	848	848	912	917	417	
7900	ROADS INFRASTRUCTURE	2,157	2,736	2,310	2,597	2,992	
	TOTAL CAPITAL EXPENDITURE	3,005	3,584	3,222	3,514	3,409	-

9.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	TRANSPORT REVENUE						
4193	ROADS REVENUE	358	358	240	240	344	
	TOTAL OPERATING REVENUE	358	358	240	240	344	-



2019/2020

10. Function: City Infrastructure

10.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
CITY INFRASTRUCTURE EXPENDITURE							
6800	ENGINEERING DEPARTMENT EXPENDITURE	992	992	1,137	1,137	1,138	
6810	ASSET MANAGEMENT	-	-	30	30	51	
6820	ENGINEERING - AWU EMPLOYEES EXPENDITURE	1,209	1,174	1,376	1,376	1,459	
6830	INDIRECT EXPENDITURE	480	480	720	720	669	
6840	INDIRECT EXPENDITURE - LABOUR ONCOSTS	(1,250)	-	(1,540)	(1,540)	(1,124)	
6850	PLANT AND MACHINERY EXPENDITURE	1,671	1,671	1,469	1,469	1,382	
6860	PLANT AND MACHINERY - INTERNAL HIRE	(1,850)	(1,850)	(1,625)	(1,625)	(1,347)	
	TOTAL OPERATING EXPENDITURE	1,252	2,467	1,568	1,568	2,227	-

10.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7740	WORKS DEPOT	15	20	40	40	24	
7300	VEHICLE FLEET	1,369	231	254	288	89	
7320	TRUCKS	-	596	822	822	884	
7360	ROLLERS	-	160	-	-	-	
7370	LOADERS	-	-	-	-	170	

Appendix A - Page 14 of 17



2019/2020

7390	TRACTORS	-	50	-	-	-	
7400	MAJOR PLANT	-	319	482	482	217	
7450	MINOR PLANT	-	13	40	40	62	
	TOTAL CAPITAL EXPENDITURE	1,384	1,389	1,638	1,671	1,446	-

10.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000

11. Function: Unclassified

11.1 Type: Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	UNCLASSIFIED ACTIVITIES EXPENDITURE						
6900	PRIVATE WORKS EXPENDITURE	40	40	22	22	11	
6940	SUNDRY EXPENDITURE	291	291	198	198	196	
6960	FINANCE CHARGES EXPENDITURE	322	322	156	156	151	
	TOTAL OPERATING EXPENDITURE	653	653	375	375	357	-



2019/2020

11.2 Type: Capital Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
7750	UNCLASSIFIED						
	TOTAL CAPITAL EXPENDITURE						

11.3 Type: Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	UNCLASSIFIED ACTIVITIES REVENUE						
4210	PRIVATE WORKS REVENUE	60	60	60	60	49	
4230	SUNDRY REVENUE	205	205	321	368	234	
4240	INVESTMENT REVENUE	15	15	48	48	48	
	TOTAL OPERATING REVENUE	280	280	429	476	331	-

12. Function: Non Operating

12.1 Type: Non-Operating Expenditure

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	NON OPERATING EXPENDITURE						
7000	COMMUNITY LOANS EXPENDITURE	-	-	-	-	-	
7020	LOAN REPAYMENTS EXPENDITURE	690	-	-	-	-	



2019/2020

7031	APPROPRIATION TO RESERVES - GENERAL	-					
	TOTAL NON OPERATING EXPENDITURE	690	-	-	-	-	-

12.2 Type: Non-Operating Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	NON OPERATING REVENUE						
4250	LOAN FUNDS REVENUE	-	-	-	-	-	-
4260	LOAN REPAYMENT REVENUE	-	-	-	-	-	-
4270	APPROPRIATION FROM RESERVES	265	265	-	-	-	-
4275	APPROPRIATION FROM RESERVES	-	-	-	-	-	-
	TOTAL NON OPERATING REVENUE	265	265	-	-	-	-

13. Function: Capital

13.1 Type: Capital Revenue

Acct	Details	2017/2018		2018/2019		2019/2020	
		Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000	Draft Budget '000	Adopted Budget '000
	CAPITAL						
4300	DISPOSAL OF ASSETS	274	-	-	-	-	-
4480	DISPOSAL OF LAND	-	-	-	-	-	-
4500	GRANT FUNDING	295	295	-	-	175	
4280	REVENUE - OTHER SOURCES	6,815	274	399	352	349	
	TOTAL NON OPERATING EXPENDITURE	7,384	569	399	352	524	-



City of Mount Gambier

PROFORMA STATEMENT OF COMPREHENSIVE INCOME
Budget FY2020, Budget Review 2 FY2019, Budget FY2019 and Actual FY2018

	FY Budget 2020	FY Budget 2019	FY BR2 2019	2018 Actual
	\$'000	\$'000	\$'000	\$'000
INCOME				
Rates	22,446	21,496	21,481	20,607
Statutory charges	402	457	416	447
User charges	5,269	4,855	4,648	4,543
Grants, subsidies and contributions	3,909	3,321	3,659	3,906
Investment income	48	48	67	62
Reimbursements	101	97	64	24
Other income	187	252	355	513
Total Income	32,362	30,526	30,690	30,102
EXPENSES				
Employee costs	12,591	11,578	11,589	11,044
Materials, contracts & other expenses	12,530	11,431	11,330	10,013
Depreciation, amortisation & impairment	7,331	7,032	6,980	7,004
Finance costs	152	157	159	236
Total Expenses	32,604	30,198	30,058	28,297
OPERATING SURPLUS / (DEFICIT)	(242)	328	632	1,805
Asset disposal & fair value adjustments	349	399	116	(243)
Amounts received specifically for new or upgraded assets	175	-	110	445
Physical resources received free of charge	-	-	-	463
NET SURPLUS / (DEFICIT)	282	727	858	2,470
transferred to Equity Statement				
Other Comprehensive Income				
<i>Amounts which will not be reclassified subsequently to operating result</i>				
Changes in revaluation surplus - infrastructure, property, plant & equipment				22,325
Impairment (expense) / recoupments offset to asset revaluation reserve				(1,217)
Total Other Comprehensive Income	-	-	-	21,108
TOTAL COMPREHENSIVE INCOME	282	727	858	23,578



City of Mount Gambier
PROFORMA STATEMENT OF FINANCIAL POSITION
Budget FY2020, Budget Review 2 FY2019, Budget FY2019 and Actual FY2018

	FY Budget 2020	FY Budget 2019	FY BR2 2019	2018 Actual
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	431	2,954	3,243	4,587
Trade & other receivables	1,524	1,510	1,511	1,524
Inventories	304	304	304	304
Total current assets	<u>2,259</u>	<u>4,768</u>	<u>5,058</u>	<u>6,415</u>
Non-current assets				
Infrastructure, property, plant & equipment	252,201	249,200	249,038	246,964
Total non-current assets	<u>252,201</u>	<u>249,200</u>	<u>249,038</u>	<u>246,964</u>
Total assets	<u>254,460</u>	<u>253,968</u>	<u>254,096</u>	<u>253,379</u>
LIABILITIES				
Current liabilities				
Trade & other payables	2,609	2,494	2,492	2,429
Borrowings	206	195	195	218
Provisions	2,332	2,332	2,332	2,332
Total current liabilities	<u>5,147</u>	<u>5,021</u>	<u>5,019</u>	<u>4,979</u>
Non-current liabilities				
Borrowings	2,170	2,377	2,376	2,572
Provisions	3,768	3,608	3,608	3,593
Total non-current Liabilities	<u>5,938</u>	<u>5,985</u>	<u>5,984</u>	<u>6,165</u>
Total liabilities	<u>11,085</u>	<u>11,006</u>	<u>11,003</u>	<u>11,144</u>
NET ASSETS	<u>243,375</u>	<u>242,962</u>	<u>243,093</u>	<u>242,235</u>
EQUITY				
Accumulated surplus	65,908	65,495	65,626	64,768
Asset revaluation reserves	176,619	176,619	176,619	176,619
Other reserves	848	848	848	848
TOTAL EQUITY	<u>243,375</u>	<u>242,962</u>	<u>243,093</u>	<u>242,235</u>



City of Mount Gambier

PROFORMA STATEMENT OF CHANGES IN EQUITY Budget FY2020, Budget Review 2 FY2019 and Actual FY2018

	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2020	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	65,626	176,619	848	243,093
Restated opening balance	65,626	176,619	848	243,093
Net surplus / (deficit) for the year	282			282
Other Comprehensive Income				
Transfers between reserves	-		-	-
Balance at end of period	65,908	176,619	848	243,375
2019	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	64,768	176,619	848	242,235
Restated opening balance	64,768	176,619	848	242,235
Net surplus / (deficit) for the year	858			858
Other Comprehensive Income				
Transfers between reserves	-		-	-
Balance at end of period	65,626	176,619	848	243,093
2018	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	61,333	155,509	3,030	219,872
Net surplus / (deficit) for the year	1,253			1,253
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment		22,325		22,325
Impairment (expense) / recoupments offset to asset revaluation res		(1,217)		(1,217)
Other equity adjustments	(0)	2	0	2
Transfers between reserves	2,183		(2,182)	-
Balance at end of period	64,769	176,619	848	242,235



City of Mount Gambier

STATEMENT OF CASH FLOWS

Budget FY2020, Budget Review 2 FY2019, Budget FY2019 and Actual FY2018

	FY Budget 2020 \$'000	FY Budget 2019 \$'000	FY BR2 2019 \$'000	2018 Actual \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
<u>Receipts</u>				
Rates - general & other	21,280	20,370	20,369	19,522
Fees & other charges	402	457	416	447
User charges	5,238	4,835	4,627	4,381
Investment receipts	-	-	-	62
Grants utilised for operating purposes	3,909	3,321	3,659	3,906
Reimbursements	101	97	64	24
Other revenues	187	252	355	587
<u>Payments</u>				
Employee costs	(13,013)	(12,748)	(12,809)	(12,781)
Materials, contracts & other expenses	(10,665)	(9,055)	(8,921)	(8,468)
Finance payments	(152)	(157)	(159)	(172)
Net cash provided by (or used in) Operating Activities	7,287	7,372	7,601	7,508
CASH FLOWS FROM INVESTING ACTIVITIES				
<u>Receipts</u>				
Amounts specifically for new or upgraded assets	175	-	110	445
Sale of replaced assets	349	399	69	146
Sale of surplus assets	-	-	-	71
Repayments of loans by community groups	18	34	34	35
<u>Payments</u>				
Expenditure on renewal/replacement of assets	(7,493)	(6,610)	(6,261)	(4,660)
Expenditure on new/upgraded assets	(2,953)	(2,610)	(2,679)	(1,780)
Net cash provided by (or used in) Investing Activities	(9,904)	(8,787)	(8,727)	(5,743)
CASH FLOWS FROM FINANCING ACTIVITIES				
<u>Payments</u>				
Repayments of borrowings	(195)	(218)	(218)	(206)
Net cash provided by (or used in) Financing Activities	(195)	(218)	(218)	(206)
Net increase / (decrease) in cash held	(2,812)	(1,633)	(1,344)	1,559
Cash & cash equivalents at beginning of period	3,243	4,587	4,587	3,028
Cash & cash equivalents at end of period	431	2,954	3,243	4,587

City of Mount Gambier

PROFORMA NOTES Budget FY2020, Budget Review 2 FY2019, Budget FY2019 and Actual FY2018

Note 13 - Financial indicators

These financial indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

	FY Budget 2020	FY Budget 2019	FY BR2 2019	2018 Actual
Operating surplus ratio				
<u>Operating surplus</u>				
Total operating revenue	(0.7%)	1.1%	2.1%	6.0%

This ratio expresses the operating surplus as a percentage of total operating revenue.

Net financial liabilities ratio

<u>Net financial liabilities</u>				
Total operating revenue	34%	36%	36%	17%

Net financial liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Adjustments to ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The adjusted operating surplus ratio adjusts for the resulting distortion in the disclosed operating result for each year.

Adjusted operating surplus ratio	(0.9%)	0.7%	2.1%	6.5%
----------------------------------	--------	------	------	------

Asset sustainability ratio

<u>Net asset renewals</u>				
Infrastructure & Asset Management Plan required expenditure	86%	111%	74%	72%

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.



City of Mount Gambier

**PROFORMA NOTES
Budget FY2020, Budget Review 2 FY2019, Budget FY2019 and Actual FY2018**

Note 14 - Uniform presentation of finances

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	FY Budget 2020 \$'000	FY Budget 2019 \$'000	FY BR2 2019 \$'000	2018 Actual \$'000
Income	32,362	30,525	30,690	30,102
less Expenses	<u>32,604</u>	<u>30,197</u>	<u>30,058</u>	<u>28,296</u>
Operating surplus / (deficit)	(242)	328	632	1,805
<i>less</i> Net outlays on existing assets				
Capital expenditure on renewal and replacement of existing assets	7,493	6,610	6,261	4,660
Depreciation, amortisation and impairment	(7,331)	(7,032)	(6,980)	(7,004)
Proceeds from sale of replaced assets	<u>(349)</u>	<u>(399)</u>	<u>(69)</u>	<u>(146)</u>
	(187)	(821)	(788)	(2,490)
<i>less</i> Net outlays on new and upgraded assets				
Capital expenditure on new and upgraded assets <i>(including investment property & real estate developments)</i>	2,953	2,610	2,679	1,780
Amounts received specifically for new and upgraded assets	(175)	-	(110)	(445)
Proceeds from sale of surplus assets <i>(including investment property and real estate developments)</i>	-	-	-	(71)
	<u>2,778</u>	<u>2,610</u>	<u>2,569</u>	<u>1,264</u>
Net lending / (borrowing) for financial year	(2,833)	(1,461)	(1,149)	3,031



4.2 CONSULTATION APPROACH - 2019/2020 DRAFT ANNUAL BUSINESS PLAN AND BUDGET – REPORT NO. AR19/21203

Committee:	Council
Meeting Date:	13 May 2019
Report No.:	AR19/21203
CM9 Reference:	AF18/441
Author:	Pamela Lee, General Manager Council Business Services
Authoriser:	Graeme Maxwell, Chief Executive Officer
Summary:	This report presents the proposed approach and timeline for community consultation on the Draft 2019/2020 Annual Business Plan and Budget.
Community Plan Reference:	Goal 1: Our People Goal 2: Our Location Goal 3: Our Diverse Economy

REPORT RECOMMENDATION

1. That Council Report No. AR19/21203 titled 'Consultation Approach - 2019/2020 Draft Annual Business Plan and Budget' as presented on 13 May 2019 be noted.
2. That Council adopts the Consultation Approach set out in the Council Report No. AR19/21203 titled 'Consultation Approach - 2019/2020 Draft Annual Business Plan and Budget.



BACKGROUND

Under Section 123 of the Local Government Act 1999 (the Act), councils are required to adopt a draft Annual Business Plan (ABP) on an annual basis. Once adopted, the Draft Annual Business Plan is required to be circulated for the purposes of public consultation.

The Local Government Act 1999 Chapter 8, Part 2 Annual Business Plans and Budget, Section 3 (b) states that councils must:

Follow the relevant steps set out in its public consultation policy, taking into account the requirements of subsection (4).

Section 123(5) of the Act requires the Council to:

- *'Publish in a newspaper circulating within the area of the council and on a website a notice informing the public of the preparation of the draft Annual Business Plan; and*
- *Consult with its community for at least 21 days on its Annual Business Plan; and*
- *Invite interested persons to attend a public meeting or a meeting of the council the date of which is to be included in the notice at which members of the public may ask questions and make submissions in relation to the Annual Business Plan.*
- *That a copy of the draft Annual Business Plan be available at the meeting.*
- *That a copy of the draft Annual Business Plan be available for inspection (without charge) and purchase (on payment of a fee fixed by the council) at the principal office of the council and on the website at least 21 days before the date of the meeting.'*

Council's Policy P195 Community Consultation and Engagement Policy sets out the policy the Council for Community Public Consultation and Engagement. This Policy affirms Council's commitment to effective, ongoing and timely community engagement as an integral part of local governance and key decision making.

DISCUSSION

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 proposed approach to community consultation on the Draft 2019/2020 Annual Business Plan and Budget includes:

Step	Description	Timeline
1	Council considers the Community Consultation approach for the Draft 2019/2020 ABP&B	13 May 2019
2	Community Consultation opens Promotion of the consultation to include: Council's social media platforms, <i>Have Your Say</i> site and a link from Council's website to <i>Have Your Say</i> will be provided	Thursday 16 May 2019
3	Notice in the Boarder Watch	Friday 17 May and Tuesday 4 June 2019
4	Community Consultation closes	Thursday 6 June 2019
5	Council meeting: - Report on submissions received during consultation period - Time allowed for members of the public to present their submission if they indicated they want to present.	Tuesday 18 June 2019



6	Council Meeting to consider and adopt the 2019/2020 ABP&B either at the normal June monthly Council meeting or a special meeting.	Tuesday 18 June or Tuesday 25 June 2019
---	---	--

CONCLUSION

The Community Consultation approach set out in this report and recommended to Council for consultation on the Draft 2019/2020 Annual Business Plan and Budget complies with the requirements of the Local Government Act 1999 and Council's Policy P195 Community Consultation and Engagement Policy.

A report on the submissions and feedback received through the consultation process will be prepared and presented to Council following the conclusion of the consultation period.

An opportunity will be available to persons who indicate with their submission that they want to present their submission to Council at a date and time to be confirmed.

ATTACHMENTS

Nil



5 MEETING CLOSE

