

5 October 2017

**MAYOR
COUNCILLORS
CITY OF MOUNT GAMBIER**

NOTICE is given that the Strategic Standing Committee will meet in the following Meeting Room on the day, date and time as follows:

Strategic Standing Committee
(Committee Room - Level 4):

Monday, 9 October 2017 at 5:30 p.m.

An agenda for the meeting is enclosed.



Barbara CERNOVSKIS
ACTING CHIEF EXECUTIVE OFFICER

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AGENDA OF ORDINARY STRATEGIC STANDING COMMITTEE MEETING

Meeting to be held in the Committee Room, Civic Centre, 10 Watson Terrace, Mount Gambier
on Monday, 9 October 2017 at 5:30 p.m.

PRESENT

Mayor Andrew Lee

Cr Josh Lynagh
Cr Sonya Meziniec
Cr Frank Morello
Cr Hanna Persello
Cr Penny Richardson

COUNCIL OFFICERS

General Manager Community Wellbeing
General Manager Council Business Services
General Manager City Growth
General Manager City Infrastructure
Administration Officer

- Ms B Cernovskis
- Mrs P Lee
- Dr J Nagy
- Mr N Serle
- Ms A Lavia

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.

1. APOLOGY(IES)

Apology(ies) received from Cr

That the apology from Cr be received.

Moved:

Seconded:

2. CONFIRMATION OF STRATEGIC STANDING COMMITTEE MINUTES

Meeting held on 11 September 2017.

That the minutes of the Strategic Standing Committee meeting held on 11 September 2017 be confirmed as an accurate record of the proceedings of that meeting.

Moved:

Seconded:

3. QUESTIONS

3.1. With Notice

Nil submitted.

3.2. Without Notice

4. DEPUTATIONS

Nil



5. COMMITTEE MINUTES AND RECOMMENDATIONS – Audit Committee

5.1. Confirmation Of Audit Committee Minutes

That the minutes of the Ordinary Audit Committee meeting held on 28 September 2017 be confirmed as an accurate record of the proceedings of that meeting.

Moved:

Seconded:

5.2. GOVERNANCE - Audit Committee - Resignation, Mr Jeroen Zwijnenburg – Ref. AF11/863

COMMITTEE RECOMMENDATION

Mr Jeroen Zwijnenburg has advised due to an acceptance of a position with the City of Mount Gambier, he is unable to continue his role as an independent member of Council's Audit Committee and as such has tendered his resignation effective immediately 28th September, 2017.

- (a) The report be received;
- (b) Mr Zwijnenburg's resignation be received and he be thanked for his services to the Audit Committee over the past years.

Moved: Cr Mezinec

Seconded: Vanessa McDonald

Carried

5.3. Internal Financial Controls – Budget and Procedure Update – Report No. AR17/39233

COMMITTEE RECOMMENDATION

- (a) That Audit Committee Report No. AR17/39233 titled '*Internal Financial Controls – Budget and Procedure Update*' as presented to the Audit Committee on 28 September 2017 be noted.

Moved: Vanessa McDonald

Seconded: Cr Mezinec

Carried

5.4. Annual Financial Statements for 2016/2017 - Report No. AR17/39210

COMMITTEE RECOMMENDATION

- (a) That Audit Committee Report No. AR17/39210 titled '*Annual Financial Statements for 2016/2017*' as presented to the Audit Committee on 28 September 2017 be noted.
- (b) That in accordance with Section 126 of the Local Government Act 1999 the Audit Committee advises that it has reviewed the Draft Annual Financial Statements of the Council for the financial year 2016/2017 and is satisfied they present fairly the state of affairs of Council as at 30 June 2017.



- | |
|--|
| <p>(c) That the Audit Committee recommends to the Council that for the financial year ended 30 June 2017:</p> <ul style="list-style-type: none"> i. Council adopts the Annual Financial Statements as final subject to any refinements recommended by Council's Auditor; and ii. The Chief Executive Officer and the Mayor of the City of Mount Gambier be authorised to certify the Financial Statement. <p>(d) The Acting Presiding Member of the Audit Committee and the Chief Executive Officer of the City of Mount Gambier be authorised to sign Council's Certification of Auditor Independence Statement that will accompany the Financial Statements for the financial year ended 30 June 2017.</p> |
|--|

Moved: Cr Meziniec

Seconded: Vanessa McDonald

Carried

5.5. Local Government Risk Services Member Update – 2017 Special Distribution Payments and New Member Risk Fund - Report No. AR17/39227

COMMITTEE RECOMMENDATION

- | |
|---|
| <p>(a) That Audit Committee Report No. AR17/39227 titled '<i>Local Government Risk Services member Update – 2017 Special Distribution Payments and New Member Risk Fund</i>' as presented to the Audit Committee on 28 September 2017 be noted.</p> |
|---|

Moved: Vanessa McDonald

Seconded: Cr Meziniec

Carried

5.6. Commonwealth Financial Assistance Grants for 2017/2018 – Report No. AR17/39226

COMMITTEE RECOMMENDATION

- | |
|---|
| <p>(a) That Audit Committee Report No. AR17/39226 titled '<i>Commonwealth Financial Assistance Grants for 2017/2018</i>' as presented to the Audit Committee on 28 September 2017 be noted.</p> |
|---|

Moved: Cr Meziniec

Seconded: Vanessa McDonald

Carried

5.7. 2017/2018 Council Insurance Policies Overview – Report No. AR17/39439

COMMITTEE RECOMMENDATION

- | |
|---|
| <p>(a) That Audit Committee Report No. AR17/39439 titled '<i>2017/2018 Council Insurance Policies Overview and Premiums</i>' as presented to the Audit Committee on 28 September 2017 be noted.</p> |
|---|

Moved: Vanessa McDonald

Seconded: Cr Meziniec

Carried



6. STRATEGIC STANDING COMMITTEE REPORTS

Strategic Standing Committee Reports commence on the following page.



6.1. Policy Review - S115 Fencing of Stormwater Retention Basins - Report No. AR17/39535

COMMITTEE	Strategic Standing Committee
MEETING DATE:	9 October 2017
REPORT NO.	AR17/39535
RM8 REFERENCE	AF11/1951
AUTHOR	Daryl Morgan
SUMMARY	This report presents a reviewed policy for fencing of stormwater retention basins.
COMMUNITY PLAN REFERENCE	Goal 2: Our Location

REPORT RECOMMENDATION

- (a) That Strategic Standing Committee Report No. AR17/39535 titled '*Policy Review - S115 Fencing of Stormwater Retention Basins*' as presented to the Strategic Standing Committee on 9 October 2017 be noted.
- (b) That the updated Council Policy '*S115 Fencing of Stormwater Retention Basins*' as attached to the Strategic Standing Committee Report No. AR17/39535 be adopted.

Moved:

Seconded:



Background

Council periodically reviews its policies over the term of the Council to ensure they remain up to date with legislative requirements, Council and community expectation and emerging practices in local government.

Discussion

Council Policy '*S115 Fencing of Stormwater Retention Basins*' has been reviewed and is presented with minor changes to wording, including the removal of 'animals' from Section 2 - (d) and (e).

It is recommended that any reference to animals be removed from this Policy, as animals cannot be controlled from entering such enclosures.

Conclusion

The reviewed and updated Council Policy '*S115 Fencing of Stormwater Retention Basins*' is presented for consideration.

It is proposed that the policy be next scheduled for review from October 2021.

Attachments

[*Attachment 1 \(AR17/39612\): Draft Council Policy 'S115 Fencing of Stormwater Retention Basins'*](#)



Daryl MORGAN
MANAGER ENGINEERING DESIGN & CONTRACTS



Nick SERLE
GENERAL MANAGER CITY INFRASTRUCTURE

26 September 2017
SW



6.2. Policy Review - C355 Council Land - Irrigation - Report No. AR17/39634

COMMITTEE	Strategic Standing Committee
MEETING DATE:	9 October 2017
REPORT NO.	AR17/39634
RM8 REFERENCE	AF11/1957
AUTHOR	Nick Serle
SUMMARY	This report presents a reviewed policy for irrigation on Council land.
COMMUNITY PLAN REFERENCE	Goal 2: Our Location

REPORT RECOMMENDATION
<p>(a) That Strategic Standing Committee Report No. AR17/39634 titled '<i>Policy Review - C355 Council Land - Irrigation</i>' as presented to the Strategic Standing Committee on 9 October 2017 be noted.</p> <p>(b) That the updated Council Policy '<i>C355 Council Land - Irrigation</i>' as attached to the Strategic Standing Committee Report No. AR17/39634 be adopted.</p>

Moved:

Seconded:



Background

Council periodically reviews its policies over the term of the Council to ensure they remain up to date with legislative requirements, Council and community expectation and emerging practices in local government.

Discussion

Council Policy '*C355 Council Land - Irrigation*' has been reviewed and is presented with minor changes to wording and the addition of "Railway Lands" to Section 4 - Table 1.

Conclusion

The reviewed and updated Council Policy '*C355 Council Land - Irrigation*' is presented for consideration.

It is proposed that the policy be next scheduled for review from October 2020.

Attachments

Attachment 1 (AR17/39636): Draft Council Policy 'C355 Council Land - Irrigation'



Sinaway Georgiou
ENGINEERING TECHNICAL OFFICER



Nick SERLE
GENERAL MANAGER CITY INFRASTRUCTURE

29 September 2017
SW



6.3. Community Plan - Quarterly Summary KPI Report - September 2017 - Report No. AR17/37140

COMMITTEE	Strategic Standing Committee
MEETING DATE:	9 October 2017
REPORT NO.	AR17/37140
RM8 REFERENCE	AF14/461
AUTHOR	Manager Business and Strategic Planning
SUMMARY	This report provides Council with the September 2017 quarterly report on the achievement and progress of the Key Performance Indicators developed to report on the <i>Community Plan – The Futures Paper 2016-2020</i> .
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	
(a)	Strategic Standing Committee Report No. AR17/37140 titled ' <i>Community Plan Summary KPI Report - September</i> ' as presented to the Strategic Standing Committee on 9 October 2017 be noted.
(b)	The September 2017 Quarterly Summary KPI report be endorsed by Council.

Moved:

Seconded:



Background

The Local Government Act 1999 (the Act) Section 122 prescribes that councils must have a suite of Strategic Management Plans in place including:

- Strategic Community Plan – some councils refer to this as a ‘Community Plan’, as is the case for the City of Mount Gambier
- Long Term Financial Plan (LTFP)
- Infrastructure and Asset Management Plan (IAMP)
- Annual Business Plan and Budget.

Council's Community Plan, together with the Futures Paper are the key strategic guiding documents for the Council; and are supported by the LTFP, the IAMP and the Annual Business Plan and Budget. Collectively, the suite of management plans identify the direction, strategies, infrastructure, services and facilities that Council will provide for the Community. The LTFP and IAMP must cover a period of at least ten years.

In addition to these Strategic Management Plans, Council has a number of other themed and supporting strategies (e.g. Youth Strategy, Digital Strategy) addressing particular areas of focus for Council. The themed and supporting strategies align in both direction and timeframes to Council's Community Plan and inform the allocation of Council resources and the delivery of services to its Community.

Discussion

New Key Performance Indicators (KPIs) have been developed to enable reporting on the *Community Plan – The Futures Paper 2016-2020*. Council endorsed the KPIs at its meeting in July 2017.

The Community Plan was a significant departure from Council's previous strategic plan as the former involved an organisational structure and an extensive process of review of Council's Services to ensure the aspirations identified within the Community Plan are delivered efficiently, effectively and sustainably.

The current Community Plan KPIs have been updated in Council's Performance Manager system, with reporting on achievement and progress against the KPIs for the first quarter of the 2017/2018 financial year now available.

Conclusion

This report provides the quarterly report as at 30 September 2017 on Council's Community Plan KPI achievements and progress.

Attachments

[*Attachment 1 \(AR17/40597\): September 2017 Quarterly KPI report – Community Plan*](#)



Tracy TZIOUTZIOUKLARIS
MANAGER BUSINESS AND STRATEGIC PLANNING





Pamela LEE
GENERAL MANAGER BUSINESS SERVICES

28 September 2017



6.4. City Growth Strategies - Prioritisation Workshops - Report No. AR17/39704

COMMITTEE	Strategic Standing Committee
MEETING DATE:	9 October 2017
REPORT NO.	AR17/39704
RM8 REFERENCE	AF17/253
AUTHOR	Judy Nagy
SUMMARY	From the 118 recommendations noted in 5 City Growth reports, Members have prioritised recommendations and the priorities are presented for endorsement.
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
<p>(a) That Strategic Standing Committee Report No. AR17/39704 titled '<i>City Growth Strategies – Prioritisation Workshops</i>' as presented to the Strategic Standing Committee on 9 October 2017 be noted.</p> <p>(b) That Council endorse the Prioritised City Growth Strategy Recommendations contained in 'Recommendations Listed in City Growth Portfolio Reports' – Ref. AR17/37250[v2].</p>



Background

City Strategy Reports commissioned over the last 12 months provide a foundation for action with the need for a planning and implementation framework to be developed in accordance with identified priorities.

Each of the reports individually makes important recommendations and analysis has highlighted that there are strong synergies between them making it logical to consider the reports as a collective for implementation purposes. Outcomes from this process will be significant with consequences flowing over a number of years as resources are allocated to achieving prioritized projects.

Two Member workshops were held on 4th and 18th September to prioritize recommendations. The first workshop engaged Members in identifying which of the recommendations were deemed to be important and those Members who were unable to attend the workshop, were also provided with an opportunity to submit their choices via an email or directly to the General manager City Growth. At the second workshop, Members were provided with a spreadsheet that aggregated the selections made by Members, listing all recommendations prioritized in descending order according to the number of votes received. This document was also circulated to Members.

The various reports contain many recommendations with the table below noting;

- the total number of recommendations made in each report,
- the recommendations receiving one or more votes
- the percentage of recommendation in each report that were prioritized by Members

REPORT	No	Prioritised	%
City Growth Strategy	32	18	56
Digital Strategy	24	8	33
Visitor Information Servicing	31	16	52
Signage Strategy	13	6	46
Tourism Data Collection	18	8	44
TOTAL	118	56	47

Discussion

The recommendations prioritized by Members have many inter-relationships and implementation of each recommendation individually would be impractical. We also need to acknowledge that the Digital Strategy is now almost one year old with a number of initiatives already in progress (Innovation Hub, WiFi costing, Tourism website development in collaboration with Tourism Mount Gambier, digital capability development with NBN rollout, etc) as Council staff have continued to engage in core business while the various reports were being developed, presented and analysed.

An implementation framework for the prioritized recommendations will reflect resource challenges and place limitations on the number of recommendations that can be activated at one time. The projects that can be progressed/achieved concurrently need to be considered within the overall framework of Council business and financial operations to ensure that core business continues as project plans are developed and implemented.

Implementation plans will require cross portfolio collaboration to conceptualize and require at least the following for each plan



1. Determine the outcomes to be achieved
2. Identify key enablers required including
 - a. Human resources
 - b. Budget
 - c. Infrastructure
 - d. Technology and
 - e. Systemic processes
3. Analyze and assess the options for activation
4. Prepare a detailed timeline for activation
5. Prepare a detailed budget for approval including
 - a. Project management
 - b. Capital costs
 - c. Operating expenses into the future.

Conclusion

Elected Members have engaged in robust discussions during the prioritization process with the Strategic Standing Committee now being presented with the results. Staff will develop a number of implementation plans for the prioritized recommendations to be considered at the November meeting of the Strategic Standing Committee.

Attachments

[Attachment 1 \(AR17/37250\[v2\]\):](#) *Recommendations – Tourism Strategies – Post Workshop*



Judy NAGY
GENERAL MANAGER CITY GROWTH



Mark McSHANE
CHIEF EXECUTIVE OFFICER

27 September 2017
MJT



6.5. Financial Statement and Analysis 2016/2017 – Report No. AR17/40586

COMMITTEE	Strategic Standing Committee
MEETING DATE:	9 October 2017
REPORT NO.	AR17/40586
RM8 REFERENCE	AF16/323
AUTHOR	Kahli Rolton
SUMMARY	<p>The purpose of this report is to provide Council with an overview of the Draft Annual Financial Statements for the year ended 30 June 2017, including comparison to the original budget and five year analysis of actual results. The outcome requested from this report is for Council to:</p> <ul style="list-style-type: none"> • Consider and accept the Draft Financial Statements for the year ended 30 June 2017 as presenting fairly the state of affairs of Council and • Endorse the Statements be marked as finalised in accordance with the Auditor's opinion and Audit Committee recommendation.
COMMUNITY PLAN REFERENCE	Goal 3: Our Diverse Economy

REPORT RECOMMENDATION
<p>(a) That Strategic Standing Committee Report No. AR17/40586 titled '<i>Financial Statement and Analysis 2016/2017</i>' as presented to the Strategic Standing Committee on 9 October 2017 be noted.</p> <p>(b) That Council:</p> <ol style="list-style-type: none"> Endorse the Draft Annual Financial Statements 2016/2017 as presenting fairly and accurately the financial state of affairs of Council for the financial year ended 30 June 2017; Adopt the Draft Annual Financial Statements 2016/2017 as FINAL. Authorise the Chief Executive Officer and the Mayor of the City of Mount Gambier to certify the Financial Statements on behalf of Council.



Background

Section 127 of the Local Government Act 1999 (the Act) requires Council to prepare financial statements and notes for each financial year in accordance with relevant standards and regulations. The statements must be audited by Council's appointed auditor, Galpins. It is the Auditor's responsibility under Section 129 of the Act to provide to the Council with an audit opinion with respect to the financial statements and internal controls.

In accordance with Section 126 of the Act, the Audit Committee must review the Annual Financial Statements (AFS) to ensure that they present fairly the state of affairs of the Council.

Discussion

The City of Mount Gambier's AFS for 2016/2017 have been prepared in accordance with the Local Government Act, the South Australian Local Government Association (Financial Management) Regulations, the Australian Accounting Standards and the Local Government Model Financial Statements for South Australia. A copy of the Draft Financial Reports for the year ended 30 June, 2017 are attached at Attachment 1 of this report.

Council is reporting a net operating surplus of \$1.851 million for the 2016/2017 year. However, due to the forward payment of grant funding, this operating surplus includes an advance payments of:

- \$1.328 million for the Financial Assistance Grants and
- \$130,000 for other grants.

This has resulted in an adjusted operating surplus of \$393,000 for the financial year ended 30 June 2017. Please refer to Attachment 2, Financial Statement Five Year Analysis 2016/2017 for details of the adjusted operating surplus compared to the past five financial years.

As shown in Attachment 2, Council's rates revenue accounts for 65% of its total income, decreased from 72% as reported for the 2015/2016 year. This is due to an increase in grant funding received, which has risen from 9% in 2015/2016 to 16% in 2016/2017. This grant funding was one off and not sustainable or able to be reliably estimated in the long term. Attachment 3, End of Year Actual vs Original Budget 2016/2017, provides details of the \$2.174 million variance in extra grant funding received.

It should be noted that there was a significant change in how Council accounts for its landfill fixed assets in the 2016/2017 financial year. This resulted in an increase in depreciation of approximately \$581,000 for the waste management fixed asset category and recognition of provisions to more accurately reflect Council's future reinstatement liabilities when a landfill cell is initially constructed (please refer to Attachment 3 for further details).

The City of Mount Gambier's Senior Audit Partner, Mr Tim Muhlhausler of Galpins has completed the audit of the AFS and provided a detailed summary for Council's review (refer to Attachment 4, Galpins – Summary of Financial Statement Audit 2016/2017). This summary concludes Mr Muhlhausler has issued an unmodified controls opinion and an unmodified financial statement opinion. It also provides a benchmarking report which shows the City of Mount Gambier positioned in top place at 96% compliance level compared to the 16 other Councils audited by Galpins.



The Audit Committee has reviewed the AFS on 28 September 2017 and recommended that Council adopt the AFS as 'final' subject to any refinements recommended by Council's Auditor, of which there were none (see Attachment 5 for Audit Committee Recommendation).

Conclusion

The AFS are general purpose statements to state the financial performance and position of the Council for the year ended 30 June 2017. The AFS have been audited in accordance with Division 4 of the Act and resulted in an unmodified conclusion.

The AFS have been reviewed by Audit Committee in accordance with section 126 of the Act and the Audit Committee recommends to Council they are satisfied the AFS present fairly the state of affairs of Council for the year ended 30 June 2017.

Attachments

[*Attachment 1 \(AR17/39918\): Draft Financial Reports 30/06/2017 – Print Version*](#)

[*Attachment 2 \(AR17/40623\): Financial Statement five year Analysis 2016/2017*](#)

[*Attachment 3 \(AR17/40622\): End of Year Actual vs Original Budget 2016/2017*](#)

[*Attachment 4 \(AR17/40247\): Galpins – Summary of financial Statement Audit 2016/2017*](#)

[*Attachment 5 \(AR17/39210\): Annual Financial Statements for 2016/2017 \(Audit Committee Report\)*](#)



Kahli ROLTON
MANAGEMENT ACCOUNTANT



Jeroen ZWIJNENBURG
MANAGER FINANCE AND CUSTOMER SERVICE



Pamela LEE
GENERAL MANAGER COUNCIL BUSINESS SERVICES

4 October 2017
KR



7. MOTION(S)

7.1. With Notice

Nil Submitted

7.2. Without Notice

Meeting closed at p.m.

AR17/23868



8. REPORT ATTACHMENTS



 City of Mount Gambier	COUNCIL POLICY S115 FENCING OF STORMWATER RETENTION BASINS	Version No:	2
		Issued:	October, 2017
		Next Review:	October, 2021

1. INTRODUCTION

This document sets out the policy of the City of Mount Gambier ("Council") for the fencing of stormwater retention basins within the Council area.

In the established areas of the City, the primary purpose of a retention basin is to assist with the control of localised flooding. In areas of restricted drainage bore capacity and to comply with latest Codes of Practice for stormwater disposal in Mount Gambier, the only option available is to store stormwater above ground (which gives an environmental benefit) and allows the water to discharge over time. Roadways can be used to store stormwater during major rain events, but this has implications for road safety. Retrofitting stormwater retention basins to established areas is usually done when properties experience flooding and Council has to make a judgement call in the works necessary to protect property.


Where practical, retention basins should be constructed to a relatively shallow depth with side slopes generally restricted to 1 vertical to 6 horizontal to allow for mowing. If this can be achieved, then the retention basin is not fenced. It should be noted that mowing can occur on steeper slopes and this does occur on occasions. In this instance professional judgement is required to ascertain the need for fencing.

2. RETENTION BASINS

- (a) Retention basins are an important and necessary asset in controlling both stormwater quality and stormwater quantity.
- (b) Stormwater retention basins are used firstly as an environmental control to improve the quality of stormwater prior to its entry into the underground aquifer (which is the source of the City's drinking water). A secondary purpose of these basins in new developing areas is to ensure that there are no localised flooding issues due to limited bore drainage capacity.
- (c) Retention basins are to be constructed over a large area to ensure that depth is minimised and that the side slopes are restricted to a maximum grade of 1 vertical to 6 horizontal, to allow for mowing by a ride on mower.
- (d) In circumstances where land area is restricted and it is necessary to construct the basin relatively deep and with side slopes exceeding the safe mowing slope, the retention basin shall be adequately fenced (or barricaded through the planting of suitable vegetation) to provide a physical barrier to prevent people accidentally falling into the basin (noting that the steep side slopes will make exiting the basin extremely difficult).
- (e) Council will fence retention basins in instances where a side slope steeper than 1 vertical to 6 horizontal exists, with such fencing or barricading to form a physical barrier to prevent the accidental entry to the retention basin area by people.

3. REVIEW & EVALUATION

This Policy is scheduled for review by Council in October 2021; however, will be reviewed as required by any legislative changes which may occur.

 City of Mount Gambier	COUNCIL POLICY S115 FENCING OF STORMWATER RETENTION BASINS	Version No:	2
		Issued:	October, 2017
		Next Review:	October, 2021

4. 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. 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.

 City of Mount Gambier	COUNCIL POLICY S115 FENCING OF STORMWATER RETENTION BASINS	Version No:	2
		Issued:	October, 2017
		Next Review:	October, 2021

File Reference:	AF11/1741
Applicable Legislation:	
Reference: Strategic Plan – Beyond 2015	Goal 2: Our Location
Related Policies:	L130 Land Divisions
Related Procedures:	
Related Documents:	

DOCUMENT DETAILS

Responsibility:	General Manager City Infrastructure
Version:	2.0
Last revised date:	October, 2017
Effective date:	17 th October, 2017
Minute reference:	17 th October, 2017 Strategic Standing Committee, Item #
Next review date:	October, 2021
<u>Document History</u> First Adopted By Council: Reviewed/Amended:	20 th September, 2011 17 th January 2012, 19 th August, 2014, 17 th October, 2017

 City of Mount Gambier	COUNCIL POLICY C355 COUNCIL LAND - IRRIGATION	Version No:	2
		Issued:	October, 2017
		Next Review:	October, 2020

1. INTRODUCTION

This document sets out the policy of the City of Mount Gambier ("Council") for the irrigation of Council land.

Council appreciates the need to both preserve and conserve the valuable water resource available to the Council and surrounding districts.

Permanent water conservation measures were introduced in 2003 by the State Government and Council will endeavour, by way of this Policy, to embrace the spirit and intent of the measures in its own operations (as well as meeting all legislative requirements).

Council has a significant financial and social investment in its Parks, Gardens and Reserves. This investment needs to be integrated with an environmental investment that delivers water conservation outcomes and still meets the needs of the wider community.

2. MEASURING WATER USAGE

- (a) Council will measure all water usage (whether from mains supply or bores). The bulk of water usage by Council is through the irrigation of parks, gardens and reserves. This policy recognises the social benefit of ensuring that sports fields and key garden areas of the City (i.e. Cave Garden, Vansittart Park Gardens and Umpherston Sinkhole) are adequately watered.
- (b) Council will identify areas where irrigation can be either reduced or eliminated.
- (c) Elimination where appropriate should be the first preference. Options that require little or no irrigation should be explored and implemented. Where appropriate such options may include the utilisation of indigenous species and/or Water Sensitive Urban Design (WSUD).

3. AUTOMATED WATER SYSTEMS

This policy recognises that automated watering systems at the Cave Garden, Frew Park, Vansittart Park Oval, Umpherston Sinkhole, Vansittart Park Gardens, Blue Lake Sports Park, Marist Park and Carinya Gardens Cemetery have been installed. These automated watering systems have moisture monitoring as part of the system, which ensures that watering will occur during the night time, for the shortest time, to conserve water and maximise the benefit of irrigation.

Roundabouts are a key feature within the Council area, and a minimalist approach to watering is to be adopted. This will include, as a minimum, a time clock operated water system that will only water during the night time.

Any proposed 'greenfield' development of a reserve, where irrigation is desirable, should consider sub-surface watering systems or if surface irrigation is accepted, the use of modern technology which will optimise water usage (including time clocks and in-situ moisture measurement).

If and when financial resources are available, Council will consider the retro-fitment provision of automated watering systems to Council reserves.

 City of Mount Gambier	COUNCIL POLICY C355 COUNCIL LAND - IRRIGATION	Version No:	2
		Issued:	October, 2017
		Next Review:	October, 2020

4. IRRIGATION OF PUBLIC GREEN SPACES

Key Council staff and curators of Council owned sporting facilities have been provided with 'waterwise' training which references State Government regulation and policy, this City of Mount Gambier Policy and best practice watering and irrigation techniques for urban parks, gardens and reserves.

Sports grounds in Mount Gambier are predominately Kikuyu/Couch grass (*Rhizomatous sp.*). Council promotes this species of grass because of its resilience during summer.

The SA Water 'Code of Practice for Irrigated Public Open Space' outlines that turf should be maintained to meet quality and risk management standards appropriate for its intended use – that is, it should be 'fit for purpose'.

Accordingly, five different categories of public green space are identified, for the classification of sites:

- Premier Sports Turf: State/regional competition
- Local Sports Turf: Local competition
- Premier Recreation Reserve: High profile recreational area
- Passive Recreation Reserve: Non-sports turf recreational area
- Verges and Stormwater Retention Basins: Functional spaces for stormwater events.

The annual performance targets for irrigation from Council bores are as follows (see table 1):

Table 1: Annual Performance Targets for irrigation

Classification	Site	Performance Target l per m ²
Premier Sports Turf	West Gambier	300
Premier Sports Turf	South Gambier	300
Premier Sports Turf	Frew Park	300
Premier Sports Turf	McDonald Park	300
Premier Sports Turf	Blue Lake Sports Park	300
Premier Sports Turf	Malseed Park (Soccer)	300
Local Sports Turf	Marist Park	250
Local Sports Turf	Reidy Park	250
Premier Recreation Reserve	Cave Gardens	320
Premier Recreation Reserve	Vansittart Park	320
Premier Recreation Reserve	Railway Lands	320
Passive Recreation Reserve	Aquatic Centre	160
Passive Recreation Reserve	Umpherston Sinkhole	160
Passive Recreation Reserve	Carinya Gardens	160
Verges & Stormwater Retention Basins	Various	0

The 'Code of Practice for Irrigated Public Open Space' has been used as a guide, in developing these performance standards and consideration has been given to average annual rainfall, evapotranspiration, local climate etc.

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Where performance targets are greatly exceeded and/or there is consistent poor performance, Council may impose penalties upon lessees of Council owned facilities (such as turning off taps / financial penalties), for excess water use.

It is recognised that application rates may rise during exceptionally dry summers and that extra irrigation may be required to prepare 'fit for purpose' turf for one-off elite sporting events at State/National level.

It is recommended that an annual review of this irrigation policy and the actual irrigation levels achieved, be undertaken. The annual review should also identify Council Officers who need training.

All users of Council irrigation bores are to be advised of this policy and be requested to comply with the performance targets as listed in Table 1.

7. REVIEW & EVALUATION

This Policy is scheduled for review by Council in October 2020, however, will be reviewed as required by any legislative changes which may occur.

8. 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. 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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File Reference:	AF11/1747
Applicable Legislation:	Water Industry Regulations 2012
Reference: Strategic Plan – Beyond 2015	Goal 2: Our Location
Related Policies:	
Related Procedures:	
Related Documents:	Code of Practice - Irrigated Public Open Space (SA Water)

DOCUMENT DETAILS

Responsibility:	General Manager City Infrastructure
Version:	2.0
Last revised date:	October, 2017
Effective date:	17 th October, 2017
Minute reference:	17 th October, 2017 Strategic Standing Committee, Item #
Next review date:	October, 2020
<u>Document History</u> First Adopted By Council: Reviewed/Amended:	19 th April 2005 19 September 2006, 17 th February 2009, 16 th March 2010, 17 th July 2014, 17 th October 2017

For the month ending 30/09/2017

Description	Freq.	Comment
Community Plan - The Futures Paper 2016 - 2020		
1. Our People		
1.1 Encourage the relevant service providers to support the wellbeing of the community.		
1.1.1 Engagement undertaken identifying opportunities and activities by relevant service providers to support and improve the wellbeing of the community.	Qtr	Liaison with the NDIS to provide information sessions for program participants over a 5 week period commencing late October. The sessions are designed to assist participants to recognise their needs and negotiate the pathways to access and funding for services.
1.2 Lobby for improved and appropriate health services to be delivered in the city.		
1.2.1 Appropriate action conducted to lobby for improved health services. Attendance on external committees by Council.	Qtr	
1.3 Create opportunities for all citizens to be involved in community life.		
1.3.1 Create a Volunteering Strategy for the City of Mount Gambier by 30 June, 2018.	Qtr	This is scheduled to commence in January 2018.
1.3.2 Conduct a structural review of the Community Grants Program by 30 June 2018.	Qtr	Work has commenced to establish consistency regarding eligibility, particularly with sporting clubs/groups. The evaluation process is also under review with a focus on sustainability and return to the community.
1.4 Support social awareness and inclusion in society, business and cultural activities.		
1.4.1 Conduct an Accessibility Audit of Council facilities by 30 June, 2018.	Qtr	A desktop review of all Council facilities is currently being undertaken. The data collection fields and process has been refined in preparation for a physical audit.
1.4.2 Develop a Disability Discrimination Act Action Plan and implement by June 2019.	Qtr	The development of a Disability Discrimination Act Action Plan will be guided by the Accessibility Audit.
1.5 Create pathways to lifelong education and training.		
1.5.1 Embed STEM across Council programs and activities within Library/RAG/Sustainability initiatives.	Qtr	Planning has commenced. The Library is delivering a number of STEM related programs via their Makers program. The Riddoch Art Gallery has incorporated Art meets Science exhibitions in their programming and the Main Corner hosted 'Science Alive', an event that attracted in excess of 4,000 participants.
1.6 Develop opportunities for young people to live a rewarding life.		
1.6.1 Complete the Youth Plan.	Qtr	An extensive Youth engagement process has commenced and will conclude mid-October. In excess of 680 youth have actively participated in the process.
1.6.2 Commence implementation of at least three key findings from the Youth Plan by March 2018.	Qtr	Engagement process in progress.
1.6.3 Develop evaluation strategy for Early Childhood initiatives.	Qtr	Research has commenced to identify potential evaluation models.
1.7 Build a Council culture focused on teamwork, innovation, customer service, efficient business and		

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Community Plan 2016 - 2020

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<p>continuous improvement,</p> <p>1.7.1 Best People Best Community drives continual improvement. All Council Business Units analyse at least two service activities and two processes annually to enhance productivity.</p> <p>1.7.2 Review and implement staff cultural survey to identify improvements.</p> <p>1.7.3 Review Policy register and updated with policy owner, frequency of reviews and review date.</p> <p>1.7.4 Review policies in line with Policy Register review schedule and as required legislatively.</p>	<p>Qtr Business Unit Planning for 2017/2018 incorporated identifying at least 2 services reviews and 2 process improvements for each business unit.</p> <p>Qtr The staff culture survey is conducted every two years to gauge a range of matters related to the culture of the Council and to seek staff feedback. This is then used to implement improvement programs that have as their basis staff engagement. Previously Council has used an external survey program and we are currently reviewing this to determine if this is the most appropriate tool and value for money. Given the large number of projects and programs it is envisaged that the survey will be conducted early 2018.</p> <p>Qtr Policy Review rolled out across Portfolios with each policy allocated to a General Manager or to CEO/Manager Governance & Policy. Review Schedule set up across term of current and next Council for each policy. Review dates entered into Forward Plan. Policy Register (System) identified as further process improvement to provide a reporting and monitoring tool</p> <p>Qtr Policy Register reviewed in July 2017 by the General Managers and Manager Governance and Property. Policies owner reviewed and confirmed for each policy. Policy review scheduled reviewed and updated. Policy reviews are proceeding in line with the revised Policy Register scheduled of reviews.</p>
<p>2. Our Location</p> <p>2.1 Provide and advocate for appropriate and accessible services and facilities.</p> <p>2.1.1 Develop by 30 June 2018 an Open Space and Asset Management Strategy focusing on the long term provision of recreational facilities and public open space.</p> <p>2.1.2 Commence implementation from August 2018 an Open Space and Asset Management Strategy focusing on the long term provision of recreational activities and public open space.</p> <p>2.1.3 Complete Stage 2 of the Rail Trail and add to stage 1 via enhanced community facilities including shelter, seating and interpretive signage. (linked to the Tourism Signage Strategy)</p> <p>2.1.4 Commence implementation of the Signage Strategy and associated digital links in accordance with</p>	<p>Qtr Planning commenced with the existing "Community space audit report" template (created in 2014) being modified to match this task.</p> <p>Qtr No action at this stage. Waiting on the development of the Open Space and Asset management Strategy (to be developed by others) before it can be implemented</p> <p>Qtr Stage 2 (White Ave to Jubilee Hwy) physical construction will commence early in 2018. Funding has been sourced to the value of \$290,000 from council's budget and also \$40,000 from State Grant funds.</p> <p>DPTI have agreed for Council to occupy (under extension of the existing lease) the rail corridor for the trail extension to occur</p> <p>Qtr</p>

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<p>the Tourism Signage Strategy.</p> <p>2.2 Provide infrastructure and services that are well planned, accessible, efficient, financially sound and sustainable.</p> <p>2.2.1 Review and endorse annually Council's Asset & Infrastructure Management Plan ensuring that over any 5 year period asset maintenance is within the range recommendation by the LGA.</p> <p>2.2.2 95% of annual infrastructure and asset budget is expended within the approved budget year.</p>		<p>Qtr Council's asset and infrastructure management plan will be reviewed in Q1 2018 as part of the 2018/2019 budget process</p> <p>Qtr The annual infrastructure and asset works program is on track to be completed by the end of the financial year.</p>
<p>3. Our Diverse Economy</p> <p>3.1 Build a diverse and resilient economy through collaboration and partnerships.</p> <p>3.1.1 External agencies engaged to deliver programs to support the local economy. (Education Institutions, Federal and State Agencies and Private Sector).</p> <p>3.1.2 Work with key stakeholders to develop a business innovation hub.</p> <p>3.10 Council operates in accordance with relevant legislation, policies, governance and business practice and ensure professional and ethical standards, focusing on continuous improvement.</p> <p>3.10.1 Number of process improvement reviews and service reviews identified and completed per each portfolio.</p> <p>3.10.2 Adherence to Mandatory Code of Conduct.</p> <p>3.10.3 Code of Conduct refresher delivered 30 October 2017 to all staff.</p> <p>3.2 Support existing traditional industries to diversify and create value added opportunities.</p> <p>3.2.1 Continue implementation of the China Engagement Strategy (a) outbound business delegation by December 2017 and (b) inbound delegation from friendship cities in 2018.</p>		<p>Qtr CEO and GMCG attended numerous meetings hosted by the Department of State Development in Adelaide with various stakeholders to progress AARNet high speed internet connectivity through the Gig City Program for the city. Timelines for this initiative are tight with issues being complex.</p> <p>Qtr Collaboration with the New Venture Institute of Flinders University to establish an Innovation Hub are ongoing. Requests for additional information have come from AusIndustry seeking further information to support the funding application to the Australian Government's Incubator Support Initiative. Department of State Development have confirmed a commitment of \$150,000 to support the bid with ongoing lobbying through MP Tony Pasin and with Ministerial staff in Canberra to demonstrate COMG's commitment to the project.</p> <p>Qtr The Best People Best Community program included all staff engaged with service reviews and SWOTs. This formed the basis of continuous improvement with all Business Units now developing their respective process improvement projects to be delivered in the next year. These will reported on quarterly.</p> <p>Qtr No breaches of the mandatory Code of Conduct for staff have been reported year to date</p> <p>Qtr Code of conduct training delivered to General Managers in August 2017. Training scheduled for delivery to remaining staff TBC.</p> <p>Qtr A Regional Business delegation is occurring in October 2017 let by the City of Mount Gambier. This will include business meetings in Council's two Friendship Cities, Baotou and Lu'an. A range of business are involved including red meat exports, sheep genetics and animal herd improvement, on farm tourism, sheep exports, manufacturing and education.</p> <p>Inbound delegations from both Baotou and Lu'an were scheduled for later 2017 but may be deferred until early</p>

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3.3 Encourage and attract appropriate investment opportunities to support business growth and diversification.

3.3.1 Lobby and advocate for investment attraction for Greater Mount Gambier and surrounding area.

3.3.2 Investment and attraction prospectus developed by 30 June 2018.

3.3.3 Lobby for ongoing government support.

3.4 Improve business skills and training to support a more responsive workforce.

3.4.1 Lead the development of opportunities for businesses including programs delivered that support NBN literacy and take up.

3.5 Develop innovative practices and solutions to encourage and facilitate local business growth and sustainability.

3.5.1 Implement Council's key priorities for a Smart City Digital Strategy.

3.6 Partner with local tourism industry to grow Mount Gambier as a "year round" tourism destination.

3.6.1 Implement actions identified in the Arts, Culture & Heritage Plan.

2018. This is outside of our specific control however we are encouraging both cities to arrange delegations to continue our cooperation.

Qtr Successfully lobbied the Department of State Development to extend GiG City high speed internet connectivity to businesses. This will provide an economic drawcard for businesses as few other regions have such connectivity and capital city based entities can effectively move to regions and enjoy fast internet capability.

Qtr Joint meetings between LCLGA and RDALC have established that a business prospectus is being commissioned by the RDA with tenders being shortlisted in September 2017. The prospectus will be regional and COMG can use the forthcoming report, augmented by additional data from the recently delivered EconSearch report, to prepare a City of Mount Gambier prospectus.

Qtr Met with the Commissioner for Public Sector Employment from the Department of Premier and Cabinet to commence discussions about having more Public Sector employees in Mount Gambier. Discussions are in very early stages. Prepared a submission to the Select Committee on Regional Development and Decentralisation to promote the COMG as a viable and prepared destination for regional development and decentralisation.

Qtr A successful collaboration with NBN to deliver a Business Expo was attended by Minister Kyam Maher and 50 other community members. The expo sought to build digital capabilities and assist businesses to better understand their processes through a business audit service and through the expertise shared by technology providers.

Qtr Submitted an application to the Smart Cities and Suburbs Program Department of Industry, Innovation and Science for the Recycle and Reuse Centre (salvage yard). The Smart Cities Grant Application focusses on the incorporation of smart technologies to become a pilot site for technological and environmental waste applications as both a practical and educative facility. Emerging data will be shared with the public, community agencies local businesses and other regional councils.

Qtr Signage strategies that support Tourism and wayfinding, will incorporate QR codes that will be used to provide historical, interpretive and cultural information in consultation with appropriate groups as part of the Arts Culture and Heritage Plan.
Work to develop a teacher cultural exchange program as part of richer relationships with collaborating Chinese cities is progressing as a community wide high school based initiative in Mount Gambier.

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<p>3.6.2 Partner with and support Tourism Mount Gambier to implement the Tourism Strategy as well as tourism products, signage and visitor attraction.</p> <p>3.7 To develop and implement strategies and actions and partner with relevant stakeholders to increase professional service delivery opportunities.</p> <p>3.7.1 Develop a strategy for the implementation of the Visitor Services Review by 30 October, 2017.</p> <p>3.8 Promote and attract new business opportunities in the local, national and international markets.</p> <p>3.8.1 Refer to Key Performance Indicators identified within strategy 3.2</p> <p>3.9 Council to provide leadership and engage with the community in driving economic opportunities.</p> <p>3.9.1 Complete City Growth Strategy and commence implementation from September 2017.</p>	<p>Qtr Appointment of Tourism and Economic Development Manager has seen nearly all of her time devoted to working with Tourism Mount Gambier to further their objectives. Feedback has been positive about the progress of website development activities and preparation of the next stage of the Tourism Mount Gambier Strategy document.</p> <p>Qtr The implementation plan for Visitor Information Services has been delayed pending outcomes from Elected Member workshops that will prioritize recommendations made in a number of recent City Growth reports. This delay was endorsed by the Strategic Standing Committee at the September meeting.</p> <p>Qtr Supporting existing and traditional industries to diversify and create value adding opportunities will be enhanced through the planned Business Innovation Hub. Creating a supply chain of opportunities that encourage businesses at various stages of maturity through appropriate training and mentorship and to provide development pathways for emerging entrepreneurs, are key outcomes desired from the Innovation Hub. The China Engagement Strategy continues with an outbound business delegation to China planned for October 2017.</p> <p>Qtr The implementation plan for City Growth Strategies has been delayed pending outcomes from Elected Member workshops that will prioritize recommendations made in a number of recent City Growth reports. Individually each report makes important conclusions and recommendations for action based on wide research. However, the strong synergies between the findings in the reports suggest that reports would more appropriately be assessed as a collective to tease out the linkages between recommendations and across the reports.</p>
<p>4. Our Climate, Natural Resources, Arts, Culture and Heritage.</p> <p>4.10 Improve the sustainability of Council operations.</p> <p>4.10.1 Develop and deliver initiatives to influence behavioral change of employees to reduce energy consumption and to diminish waste to landfill.</p> <p>4.10.1 Develop and deliver initiatives to influence behavioral change of employees to reduce energy consumption and to diminish waste to landfill.</p> <p>4.2 Generate pride in our environment, culture and heritage by actively learning about, promoting and preserving our heritage.</p> <p>4.2.1 Catalogue the Library Heritage and the Riddoch</p>	<p>Qtr Research has commenced and initiatives will be presented to the Environmental Sustainability subcommittee.</p> <p>Qtr General Managers booked to attend the Wellbeing and Resilience program on 8 and 9 November 2017. This program was delivered to all staff between 2016 and early 2017 prior to 3 of the four General Managers commenced. Planning for initiatives to influence organisational culture and behavioral change including to reduce energy consumption and diminish waste to landfill.</p> <p>Qtr Planning underway.</p>

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<p>Art Gallery Collections by 30 June 2018,</p>	
<p>4.3 Boandik culture is a visible part of community life.</p>	
<p>4.3.1 Consolidate Council's Reconciliation Action Plan by 31st December 2017.</p>	<p>Qtr The Reconciliation Action Plan (RAP) will be a process designed to deliver a dynamic document that allows relevant actions to be delivered. The recent actions from the RAP include Cultural Awareness training, acknowledgement for inclusion on Council website is under review and sites of cultural significance are currently being mapped/sourced for the City of Mount Gambier.</p>
<p>4.3.2 Implement key findings of the Reconciliation Action Plan including Boandik Art/Culture in public spaces and signage.</p>	<p>Qtr Findings will be implemented when reconciliation action plan is finalised</p>
<p>4.4 Celebrate cultural diversity through awareness and participation.</p>	
<p>4.4.1 Complete the Arts, Culture and Heritage Plan by 31st December, 2017.</p>	<p>Qtr Extensive engagement process has been undertaken and will conclude at the end of September. Analysis of feedback is currently underway.</p>
<p>4.4.2 Commence the implementation of key outcomes of the Arts, Culture and Heritage Plan by 30th March, 2018.</p>	<p>Qtr Still undertaking the community and stakeholder engagement.</p>
<p>4.5 Educate and support the community to reduce greenhouse gas emissions, water consumption and waste.</p>	
<p>4.5.1 Council continue to promote greenhouse gas emission and water consumption reduction and minimise waste generation through the delivery of education to the community.</p>	<p>Qtr Education initiatives are being developed for presentation to the Environmental Sustainability subcommittee.</p>
<p>4.6 Strive to make Mount Gambier a recognised environmentally sustainable place.</p>	
<p>4.6.1 Continue programs to reduce Council's resilience and cost of electricity including solar power at Council owned facilities per annum.</p>	<p>Qtr LED lighting has been installed throughout Council offices in the Civic Centre building.</p> <p>Planning for installation of solar panels at the Mount Gambier re-use market is progressing.</p>
<p>4.6.2 Partner with and support Tourism Mount Gambier to implement the Tourism Strategy as well as tourism products, signage and visitor attraction.</p>	<p>Qtr Collaboration with Tourism Mount Gambier is ongoing with the need for better signage and wayfinding an accepted recommendation from recent consultant reports. The co-location of COMG Visitor Information Servicing and Tourism staff at the Lady Nelson Centre will provide a stronger linkage between the visitor economy and the need to focus more on digital modes of service delivery.</p>
<p>4.7 Develop innovative programs to protect our environment.</p>	
<p>4.7.1 Develop a best practice sustainability focused Material Recovery Centre to reduce and recycle waste by 31st December 2018.</p>	<p>Qtr Aaron Izzard will be the Project Manager overseeing the implementation of the Reuse Market. Regular progress reports will be provided to Council via the Environmental Sustainability subcommittee.</p>
<p>4.8 Use place making strategies to promote public spaces and enhance community life.</p>	
<p>4.8.1 Active identified priority spaces and places via the Cultural Development Fund by June 2018.</p>	<p>Qtr The 2017/18 round of the Cultural Development Fund will be released mid-October. Submissions will be presented to Council for consideration by December 2017.</p>

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<p>4.9 Build a creative City that encourages artistic expression and celebrates cultural diversity.</p> <p>4.9.1 Develop a forward plan for the operation, programming and exhibitions of the Riddoch Art Gallery by December 2017.</p>	Qtr	<p>Additionally, in a recent EOI, the Ripley Arcade carpark, Percy St footpath and the Percy St laneway have been identified as suitable sites for one or more multi participatory public art pieces to be installed in March 2018.</p> <p>Planning has commenced with exhibitions leading into 2019. Planning for integration of the Main Corner and Riddoch Art Gallery as one programmable space has also commenced to deliver operational efficiencies.</p>
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Item 6.4 - City Growth Strategies - Prioritisation Workshop AR17/37250 (v2)
Recommendations Listed in City Growth Portfolio Reports
August 2017

Key

City Growth Strategy	24
Digital Strategy	32
Visitor Information Service	31
Signage Strategy	13
Tourism Data Collection	18

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Prioritised in the report

Column definitions

No = consecutive number assigned (not from source report)

Page reference = in the source document

Cross reference = to other similar or related recommendations

Timeframes = Short , Medium, Long

Budget = Small, Medium, Large

Indicative relationships

Source Document	No	Page Ref	Recommendation	Cross Reference	People	Location	Economy	Place, Arts & Culture	Number of votes (maximum of 7)	Timeframes S, M, L	Budget M, L	S,	Comments
City Growth Strategy	18	22	Implement the Digital Strategy and Action Plan for the City of Mount Gambier to better promote tourism opportunities in Mount Gambier, develop content and connectivity with key domestic and international markets.	25 - 56, 65, 66, 113, 114, 115,	√	√	√	√	6				
Digital Strategy	50	38	Develop Visitor App			√	√	√	6				New media response as part of website development
VIS	57	16	Create content and distribute via multiple digital channels that appeal to existing and potential visitors enabling them to find the information they want, when and how they want it.	17, 18, 36, 48, 49, 64, 86, 104, 109, 112,113,114, 115,	√	√	√	√	6				
			a. Collaborate with Tourism Mount Gambier (TMG) in the development of core digital material that reinforces the appeal and brand of Mount Gambier; and make this available via online distribution channels used by current and potential visitors.							S	S-M		
			b. Working with TMG, encourage the transition of print collateral (operator and association promotional material) to digital. Discontinue hard copy brochures and local and regional guides (in association with SATC).							S	M		
			c. Work with TMG to encourage local operators to improve their overall digital skills and knowledge, their representation on the Discover Mount Gambier website and capacity to provide easy digital booking.							M	S-M		
VIS	75	24	Repurpose the Lady Nelson building in its entirety:	25, 26, 72,	√	√	√		6				Each of the 4 sub recommendations have different timeframes and budget needs
			a. Reduce and adapt the existing VIC space to a more open-plan public VIS function (similar to the VIS space at the Library). Ensure free wifi encourages use of visitor's own technology and also add a touch sensitive computer console system to provide additional visitor access to the Discover Mount Gambier website and online tourism resources such as trip aggregators and allow volunteers to easily use these mechanisms to support VIS delivery.							S-M	M		
			b. Decommission the Lady Nelson Discovery Centre and repurpose the available space for office, meeting and training facilities.							M-L	L		
			c. Refit office, service and meeting spaces to accommodate the entire Economic Development Division.							S	S-M		
			d. Maintain the small function/ training room, but significantly increase its usage, particularly around the upskilling of the tourism industry in digital technologies, customer service and information servicing.							S-M	S-M		
Signage Strategy	103	4	Maximise use of technology through smartphones via QR codes and NFC chips, 'beacons' and social media	88,	√	√	√	√	6				
VIS	64	22	Create a central portal that is visitor-centric, engaging, experiential and motivates people to visit and spend time in, and around, Mount Gambier.	17, 57, 112, 113, 114, 115,		√	√	√	5				
			a. Review the functionality of the existing website under development (through TMG) and develop a detailed content and marketing strategy to ensure the final single website is fit-for-purpose and can deliver the goals of this Review.										Done
			b. Clarify management of the single website and establish a set of clear, agreed principles and stakeholder responsibilities including resourcing.										Done
Signage Strategy	88	4	Focus on information signage that directs tourists to and informs them about local attractions	73, 102,103, 83	√	√	√	√	5				

Recommendations Listed in City Growth Portfolio Reports
August 2017

Source Document	No	Page Ref	Recommendation	Cross Reference	People	Location	Economy	Place, Arts & Culture	Number of votes (maximum of 7)	Timeframes S, M, L	Budget M, L	S,	Comments
Tourism Data Collection	107	19	It is recommended that a destination brand is developed for the Mount Gambier area that relates specifically to the geographic region of the City of Mount Gambier and the surrounding area and the unique attributes of the region – in particular the Blue Lake, caves and volcanic formations.	97,		√	√	√	5				
City Growth Strategy	5	13	Develop with the private sector new models of urban design under a Smart Cities program which allows older people to live independently at home longer.		√	√			4				
City Growth Strategy	24	28	Develop a comprehensive and targeted China, India and ASEAN engagement strategy with the community, business, tourism and education sectors aimed at increasing trade, migration, investment and bilateral relations in culture and the arts.				√	√	4				
Digital Strategy	25	17	Develop Free Wi-Fi Hotspot Network	72,	√	√	√	√	4				
Digital Strategy	56	38	Re-imagine and redevelop Visitor Centres as 'digital first' channels to market	57, 58,		√	√		4				
VIS	68	23	Co-locate tourism, economic development, festivals and events, VIS and TMG support to foster innovation, collaboration and better allocation of team resources.	59,		√	√	√	4				
VIS	86	28	Review opportunities for tourism experiences and create a long-term plan to help activate priorities that build on Mount Gambier's brand and destination appeal.	15, 57,		√	√		4				
Tourism Data Collection	106	19	While the Blue Lake is the iconic natural feature that will provide the focus for destination branding it is recommended that the positioning of Mount Gambier is broadened to reflect the volcanic history of the region and to also include the hygiene factors that will encourage the touring market to stop over.	90, 92,		√	√	√	4				
Tourism Data Collection	112	21	It is recommended that consideration is given to the further development of crater lakes area to create a 'must see' experience for the touring markets. At minimum this will include improved signage and interpretation and development of walking trails. If funding is available a new café could be considered overlooking the lake and including interpretation of the volcanic history of the region. Further development of water based activities could also be considered on the Valley Lake and Little Blue Lake. The lack of tour operators was identified by industry stakeholders as a weakness and it is recommended that the development of multiday tour itineraries is encouraged.	90, 57,64,	√	√	√	√	4				
Tourism Data Collection	117	22	It is recommended that communication developed for the touring market emphasises the benefits of staying overnight in Mount Gambier including hygiene factors such as range of accommodation, shopping, services etc.	57, 64		√	√		4				
City Growth Strategy	2	11	Investigate with the South Australian Government the opportunity to increase public sector employment in the City of Mount Gambier by 500 people over the next ten years.			√	√		3				
City Growth Strategy	3	13	Increase opportunities through Adult and Community Education, TAFE SA and the University of SA for the upskilling of mature age workers.	32,	√		√		3				
City Growth Strategy	12	20	Develop a comprehensive marketing campaign including prospectuses and materials that promotes the many competitive strengths of the City and opportunities for business, migration, tourism and future investment.	31,	√		√		3				
City Growth Strategy	13	20	Undertake a targeted digital and online campaign that underpins the migration strategy to promote the affordability of housing and quality lifestyle to both young families and mature age workers	36,	√	√			3				
City Growth Strategy	17	22	Provide leadership and support to the implementation of the Tourism Mount Gambier Strategy.	64,			√	√	3				
VIS	74	24	Investigate complementary usage of the Lady Nelson building: a. Investigate the potential for co-location by initiatives such as Gig-city and entrepreneurial start-ups that support tourism or economic development goals. b. Test commercial interest in complementary commercial enterprises such as a café (potentially incorporating provision of the VIS service at the Lady Nelson). c. Explore revenue and co-location benefits from leasing of office space for key tourism and economic development stakeholders (such as TMG, Chamber of Commerce, RDALC, LCLGA). d. Based on the findings of these investigations, develop a masterplan for the site.			√	√		3				

Recommendations Listed in City Growth Portfolio Reports
August 2017

Source Document	No	Page Ref	Recommendation	Cross Reference	People	Location	Economy	Place, Arts & Culture	Number of votes (maximum of 7)	Timeframes S, M, L	Budget M, L	S,	Comments
City Growth Strategy	4	13	In consultation with the health and aged care sector determine future needs and identify potential barriers and facilitators of growth including ensuring the supply of appropriately zoned land and other infrastructure and services.		√	√		√	2				
City Growth Strategy	9	17	Undertake a comprehensive review of “red-tape” and regulation on business in the City and, where appropriate, look to reduce the regulatory impact and cost of doing business in Mount Gambier			√	√		2				
City Growth Strategy	15	22	In partnership with local wine and tourism bodies develop a marketing campaign to promote the regions food and wine tourism and be in a position to leverage funds through the Commonwealth Government's proposed \$50 million Export and Regional Wine Support Package.	86,		√	√		2				In progress
City Growth Strategy	20	24	Continue to actively participate and monitor developments in the State's energy policy, advocating for Mount Gambier's as a potential incubator and pilot site for new ventures in renewables, including battery storage.		√		√	√	2				
VIS	83	28	Images on the highway entry point signage should be updated to promote the key visitor attractions of Mount Gambier (e.g. natural attractions and culture) to better motivate and attract potential visitors, encouraging them to stop rather than drive through.	98, 89, 88,		√	√	√	2				Part of 88
VIS	87	28	Develop an 'open for business' approach to new investment ideas, including procurement processes that allow for co-creation of ideas and co-investment in commercial initiatives, and case management of specific initiatives.	22,			√		2				
Tourism Data Collection	109	20	It is recommended that an independent web portal is established for the region. Operators should be encouraged to enable the portal as a booking channel through which Mount Gambier Tourism can receive commission.	57, 64,	√		√		2				TMG to determine relevance
City Growth Strategy	1	10	Implement a comprehensive migration strategy with a focus on increasing inter-State, intra-State and overseas migration			√	√		1				
City Growth Strategy	6	15	The City of Mount Gambier lead an Outcomes Based Accountability change process with key stakeholders to improve school and tertiary education outcomes in the City.		√		√		1				
City Growth Strategy	8	17	Work with business, government and universities to strengthen the connections between existing businesses and universities and better access existing programs such as Innovation Vouchers and other supports for collaboration and innovation.				√		1				
City Growth Strategy	10	18	Undertake a detailed feasibility study on the costs, funding and business model for the establishment of a Mount Gambier Business Hub and where possible leverage of State and Commonwealth support and services provided by Universities.	34,			√		1				
City Growth Strategy	16	22	Enhance the facilities, services and infrastructure that supports visitation to the Blue Lake and work with the arts sector to sponsor and develop an iconic event/performance focussed on increasing visitation to the Blue Lake and City.	57, 59,		√	√	√	1				In progress.
City Growth Strategy	22	25	Develop a Mount Gambier Economic Development Fund to invest in key economic development projects and infrastructure over the next 10 years.	87,		√	√		1				
Digital Strategy	26	17	Extend Free Wi-Fi Hotspots to Socially Disadvantaged Areas		√	√			1				In progress. More WiFi will mean all have access
Digital Strategy	27	17	Extend and Invest in Community Assets to Enable Digital Access Progams	28,	√	√	√	√	1				Done and on going through library and Biz Expo
Digital Strategy	35	22	Provide Digital Leadership from Council	18,	√		√	√	1				On going for building capcity and capabilities
Digital Strategy	45	31	Establish a Digital Youth Hub	59,	√		√	√	1				Part of Community Engagement and Social Inclusion engagement strategies
Digital Strategy	46	32	Create and Foster a “Start-up Mount Gambier” Network		√	√	√	√	1				
VIS	58	17	Review face-to-face visitor information needs and prioritise delivery improvements:	56,	√	√	√		1				Done as part of website development
			a. Continue the provision of printed tear off maps while these are in demand by visitors.										Done
			b. Monitor and adapt to shifting visitor information needs.										Done

Recommendations Listed in City Growth Portfolio Reports
August 2017

Source Document	No	Page Ref	Recommendation	Cross Reference	People	Location	Economy	Place, Arts & Culture	Number of votes (maximum of 7)	Timeframes S, M, L	Budget M, L	S,	Comments
			c. Identify the face-to-face and digital information needs and interests of event and festival patrons (which can be quite varied) and target information services that better provide for these visitors.										On going as part of website development
VIS	60	7	Be highly focussed on improving the effectiveness of Mount Gambier VIS operations. Cease activities that are resource-intensive but deliver minimal tourism benefit such as bus ticketing, souvenir sales. Do not introduce direct bookings currently but review needs with industry in a couple of years.		√		√	√	1				VIS staff now report to TEDM
VIS	61	17	Establish and monitor clear and realistic digital KPIs (using digital analytics) to monitor results for content, uptake via digital channels and activity at physical sites.		√	√	√	√	1				
VIS	65	22	Review the content already developed by TMG and prioritise the replacement of VIS printed collateral with digital bites of information.	18, 57,		√	√		1				On going as part of website development
VIS	69	23	Develop a new volunteer program that delivers the VIS model as well as recognising and integrating with existing volunteer roles, particularly at the Riddoch Art Gallery and around festivals and events.		√	√	√	√	1				In progress - establish volunteer strategy.
VIS	77	25	Establish a Tier 1 VIS approach in the foyer at The Main Corner. Ensure early stage digital FAQ information includes retail, hospitality and attractions in the immediate vicinity of The Main Corner.		√	√	√	√	1				Plans for integration are in process
VIS	81	26	Refresh and better utilise the Kings Floor space. Improved interpretation, particularly indigenous, would be appealing to visitors and the space could also be used more engagingly for creative community use.			√		√	1				Integration of Main Corner and Riddoch to one programmable space/business unit include this recommendation
VIS	82	26	Investigate the feasibility of running technology-oriented short courses for tourism operators and local photographers to create innovative video content. Also explore the capacity to improve live stream conventions and improve conference facilities.		√	√	√	√	1				Web designer will be commissioned to return and provide workshops. Main Corner/Riddoch strategies for integration are part of this recommendation.
Signage Strategy	89	4	Identify attractions that are not currently well known e.g. "top 5 places within 1 hour from here". Change these according to each location	83,	√	√	√	√	1				
Signage Strategy	94	4	Use heads-up maps, clearly marked walking trails		√	√	√	√	1				
Signage Strategy	96	4	The Council maintain a list of approved place names for consistency across the region		√	√	√	√	1				In consultation with Community Engagement and Social Inclusion
Signage Strategy	102	4	Incorporate digital links to existing signage where possible	88,		√	√		1				
Tourism Data Collection	108	20	Digital platforms however represent the most commonly cited sources of information and it is recommended that a digital communication strategy should be adopted as the primary marketing tool for the region.	17, 18, 42,	√	√	√	√	1				Done as part of website development
Tourism Data Collection	113	21	The survey identified three segments Discovers, Indulgers, Activity Seekers, on the basis of benefits sought. It is recommended that marketing strategy and product development activities are planned to address the needs of these key visitor segments.	18, 57, 64		√	√		1				As part of website development
Tourism Data Collection	118	23	To support the positioning of Mount Gambier as a key stop over for the touring markets it is recommended that the city seeks registration as an RV Friendly Town.			√	√		1				

Recommendations Listed in City Growth Portfolio Reports
August 2017

Key

City Growth Strategy	24
Digital Strategy	32
Visitor Information Service	31
Signage Strategy	13
Tourism Data Collection	18

Prioritised in the report

Column definitions

No = consecutive number assigned (not from source report)

Page reference = in the source document

Cross reference = to other similar or related recommendations

Timeframes = Short , Medium, Long

Budget = Small, Medium, Large

Indicative relationships												
Source Document	No	Page Ref	Recommendation	Cross Reference	People	Location	Economy	Place, Arts & Culture	Number of votes (maximum of 7)	Timeframes S, M, L	Budget M, L	Comments
City Growth Strategy	18	22	Implement the Digital Strategy and Action Plan for the City of Mount Gambier to better promote tourism opportunities in Mount Gambier, develop content and connectivity with key domestic and international markets.	25 - 56, 65, 66, 113, 114, 115,	√	√	√	√	6			
Digital Strategy	50	38	Develop Visitor App			√	√	√	6			New media response as part of website development
VIS	57	16	Create content and distribute via multiple digital channels that appeal to existing and potential visitors enabling them to find the information they want, when and how they want it.	17, 18, 36, 48, 49, 64, 86, 104, 109, 112,113,114, 115,	√	√	√	√	6			
			a. Collaborate with Tourism Mount Gambier (TMG) in the development of core digital material that reinforces the appeal and brand of Mount Gambier; and make this available via online distribution channels used by current and potential visitors.							S	S-M	
			b. Working with TMG, encourage the transition of print collateral (operator and association promotional material) to digital. Discontinue hard copy brochures and local and regional guides (in association with SATC).							S	M	
			c. Work with TMG to encourage local operators to improve their overall digital skills and knowledge, their representation on the Discover Mount Gambier website and capacity to provide easy digital booking.							M	S-M	
VIS	75	24	Repurpose the Lady Nelson building in its entirety:	25, 26, 72,	√	√	√		6			Each of the 4 sub recommendations have different timeframes and budget needs
			a. Reduce and adapt the existing VIC space to a more open-plan public VIS function (similar to the VIS space at the Library). Ensure free wifi encourages use of visitor's own technology and also add a touch sensitive computer console system to provide additional visitor access to the Discover Mount Gambier website and online tourism resources such as trip aggregators and allow volunteers to easily use these mechanisms to support VIS delivery.							S-M	M	
			b. Decommission the Lady Nelson Discovery Centre and repurpose the available space for office, meeting and training facilities.							M-L	L	
			c. Refit office, service and meeting spaces to accommodate the entire Economic Development Division.							S	S-M	
			d. Maintain the small function/ training room, but significantly increase its usage, particularly around the upskilling of the tourism industry in digital technologies, customer service and information servicing.							S-M	S-M	
Signage Strategy	103	4	Maximise use of technology through smartphones via QR codes and NFC chips, 'beacons' and social media	88,	√	√	√	√	6			
VIS	64	22	Create a central portal that is visitor-centric, engaging, experiential and motivates people to visit and spend time in, and around, Mount Gambier.	17, 57, 112, 113, 114, 115,		√	√	√	5			
			a. Review the functionality of the existing website under development (through TMG) and develop a detailed content and marketing strategy to ensure the final single website is fit-for-purpose and can deliver the goals of this Review.									Done
			b. Clarify management of the single website and establish a set of clear, agreed principles and stakeholder responsibilities including resourcing.									Done
Signage Strategy	88	4	Focus on information signage that directs tourists to and informs them about local attractions	73, 102,103, 83	√	√	√	√	5			

Recommendations Listed in City Growth Portfolio Reports
August 2017

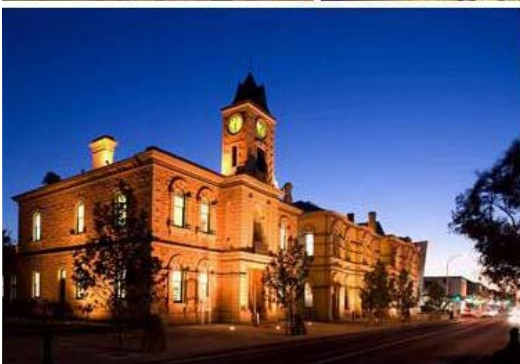
Source Document	No	Page Ref	Recommendation	Cross Reference	People	Location	Economy	Place, Arts & Culture	Number of votes (maximum of 7)	Timeframes S, M, L	Budget M, L	S,	Comments
Tourism Data Collection	107	19	It is recommended that a destination brand is developed for the Mount Gambier area that relates specifically to the geographic region of the City of Mount Gambier and the surrounding area and the unique attributes of the region – in particular the Blue Lake, caves and volcanic formations.	97,		√	√	√	5				
City Growth Strategy	5	13	Develop with the private sector new models of urban design under a Smart Cities program which allows older people to live independently at home longer.		√	√			4				
City Growth Strategy	24	28	Develop a comprehensive and targeted China, India and ASEAN engagement strategy with the community, business, tourism and education sectors aimed at increasing trade, migration, investment and bilateral relations in culture and the arts.				√	√	4				
Digital Strategy	25	17	Develop Free Wi-Fi Hotspot Network	72,	√	√	√	√	4				
Digital Strategy	56	38	Re-imagine and redevelop Visitor Centres as 'digital first' channels to market	57, 58,		√	√		4				
VIS	68	23	Co-locate tourism, economic development, festivals and events, VIS and TMG support to foster innovation, collaboration and better allocation of team resources.	59,		√	√	√	4				
VIS	86	28	Review opportunities for tourism experiences and create a long-term plan to help activate priorities that build on Mount Gambier's brand and destination appeal.	15, 57,		√	√		4				
Tourism Data Collection	106	19	While the Blue Lake is the iconic natural feature that will provide the focus for destination branding it is recommended that the positioning of Mount Gambier is broadened to reflect the volcanic history of the region and to also include the hygiene factors that will encourage the touring market to stop over.	90, 92,		√	√	√	4				
Tourism Data Collection	112	21	It is recommended that consideration is given to the further development of crater lakes area to create a 'must see' experience for the touring markets. At minimum this will include improved signage and interpretation and development of walking trails. If funding is available a new café could be considered overlooking the lake and including interpretation of the volcanic history of the region. Further development of water based activities could also be considered on the Valley Lake and Little Blue Lake. The lack of tour operators was identified by industry stakeholders as a weakness and it is recommended that the development of multiday tour itineraries is encouraged.	90, 57,64,	√	√	√	√	4				
Tourism Data Collection	117	22	It is recommended that communication developed for the touring market emphasises the benefits of staying overnight in Mount Gambier including hygiene factors such as range of accommodation, shopping, services etc.	57, 64		√	√		4				
City Growth Strategy	2	11	Investigate with the South Australian Government the opportunity to increase public sector employment in the City of Mount Gambier by 500 people over the next ten years.			√	√		3				
City Growth Strategy	3	13	Increase opportunities through Adult and Community Education, TAFE SA and the University of SA for the upskilling of mature age workers.	32,	√		√		3				
City Growth Strategy	12	20	Develop a comprehensive marketing campaign including prospectuses and materials that promotes the many competitive strengths of the City and opportunities for business, migration, tourism and future investment.	31,	√		√		3				
City Growth Strategy	13	20	Undertake a targeted digital and online campaign that underpins the migration strategy to promote the affordability of housing and quality lifestyle to both young families and mature age workers	36,	√	√			3				
City Growth Strategy	17	22	Provide leadership and support to the implementation of the Tourism Mount Gambier Strategy.	64,			√	√	3				
VIS	74	24	Investigate complementary usage of the Lady Nelson building: a. Investigate the potential for co-location by initiatives such as Gig-city and entrepreneurial start-ups that support tourism or economic development goals. b. Test commercial interest in complementary commercial enterprises such as a café (potentially incorporating provision of the VIS service at the Lady Nelson). c. Explore revenue and co-location benefits from leasing of office space for key tourism and economic development stakeholders (such as TMG, Chamber of Commerce, RDALC, LCLGA). d. Based on the findings of these investigations, develop a masterplan for the site.			√	√		3				

Recommendations Listed in City Growth Portfolio Reports
August 2017

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City Growth Strategy	15	22	In partnership with local wine and tourism bodies develop a marketing campaign to promote the regions food and wine tourism and be in a position to leverage funds through the Commonwealth Government's proposed \$50 million Export and Regional Wine Support Package.	86,		√	√		2				In progress
City Growth Strategy	20	24	Continue to actively participate and monitor developments in the State's energy policy, advocating for Mount Gambier's as a potential incubator and pilot site for new ventures in renewables, including battery storage.		√		√	√	2				
VIS	83	28	Images on the highway entry point signage should be updated to promote the key visitor attractions of Mount Gambier (e.g. natural attractions and culture) to better motivate and attract potential visitors, encouraging them to stop rather than drive through.	98, 89, 88,		√	√	√	2				Part of 88
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Tourism Data Collection	109	20	It is recommended that an independent web portal is established for the region. Operators should be encouraged to enable the portal as a booking channel through which Mount Gambier Tourism can receive commission.	57, 64,	√		√		2				TMG to determine relevance
City Growth Strategy	1	10	Implement a comprehensive migration strategy with a focus on increasing inter-State, intra-State and overseas migration			√	√		1				
City Growth Strategy	6	15	The City of Mount Gambier lead an Outcomes Based Accountability change process with key stakeholders to improve school and tertiary education outcomes in the City.		√		√		1				
City Growth Strategy	8	17	Work with business, government and universities to strengthen the connections between existing businesses and universities and better access existing programs such as Innovation Vouchers and other supports for collaboration and innovation.				√		1				
City Growth Strategy	10	18	Undertake a detailed feasibility study on the costs, funding and business model for the establishment of a Mount Gambier Business Hub and where possible leverage of State and Commonwealth support and services provided by Universities.	34,			√		1				
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Digital Strategy	26	17	Extend Free Wi-Fi Hotspots to Socially Disadvantaged Areas		√	√			1				In progress. More WiFi will mean all have access
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Digital Strategy	35	22	Provide Digital Leadership from Council	18,	√		√	√	1				On going for building capcity and capabilities
Digital Strategy	45	31	Establish a Digital Youth Hub	59,	√		√	√	1				Part of Community Engagement and Social Inclusion engagement strategies
Digital Strategy	46	32	Create and Foster a “Start-up Mount Gambier” Network		√	√	√	√	1				
VIS	58	17	Review face-to-face visitor information needs and prioritise delivery improvements:	56,	√	√	√		1				Done as part of website development
			a. Continue the provision of printed tear off maps while these are in demand by visitors.										Done
			b. Monitor and adapt to shifting visitor information needs.										Done

Recommendations Listed in City Growth Portfolio Reports
August 2017

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			c. Identify the face-to-face and digital information needs and interests of event and festival patrons (which can be quite varied) and target information services that better provide for these visitors.										On going as part of website development
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VIS	65	22	Review the content already developed by TMG and prioritise the replacement of VIS printed collateral with digital bites of information.	18, 57,		√	√		1				On going as part of website development
VIS	69	23	Develop a new volunteer program that delivers the VIS model as well as recognising and integrating with existing volunteer roles, particularly at the Riddoch Art Gallery and around festivals and events.		√	√	√	√	1				In progress - establish volunteer strategy.
VIS	77	25	Establish a Tier 1 VIS approach in the foyer at The Main Corner. Ensure early stage digital FAQ information includes retail, hospitality and attractions in the immediate vicinity of The Main Corner.		√	√	√	√	1				Plans for integration are in process
VIS	81	26	Refresh and better utilise the Kings Floor space. Improved interpretation, particularly indigenous, would be appealing to visitors and the space could also be used more engagingly for creative community use.			√		√	1				Integration of Main Corner and Riddoch to one programmable space/business unit include this recommendation
VIS	82	26	Investigate the feasibility of running technology-oriented short courses for tourism operators and local photographers to create innovative video content. Also explore the capacity to improve live stream conventions and improve conference facilities.		√	√	√	√	1				Web designer will be commissioned to return and provide workshops. Main Corner/Riddoch strategies for integration are part of this recommendation.
Signage Strategy	89	4	Identify attractions that are not currently well known e.g. "top 5 places within 1 hour from here". Change these according to each location	83,	√	√	√	√	1				
Signage Strategy	94	4	Use heads-up maps, clearly marked walking trails		√	√	√	√	1				
Signage Strategy	96	4	The Council maintain a list of approved place names for consistency across the region		√	√	√	√	1				In consultation with Community Engagement and Social Inclusion
Signage Strategy	102	4	Incorporate digital links to existing signage where possible	88,		√	√		1				
Tourism Data Collection	108	20	Digital platforms however represent the most commonly cited sources of information and it is recommended that a digital communication strategy should be adopted as the primary marketing tool for the region.	17, 18, 42,	√	√	√	√	1				Done as part of website development
Tourism Data Collection	113	21	The survey identified three segments Discovers, Indulgers, Activity Seekers, on the basis of benefits sought. It is recommended that marketing strategy and product development activities are planned to address the needs of these key visitor segments.	18, 57, 64		√	√		1				As part of website development
Tourism Data Collection	118	23	To support the positioning of Mount Gambier as a key stop over for the touring markets it is recommended that the city seeks registration as an RV Friendly Town.			√	√		1				



City of
Mount Gambier

DRAFT FINANCIAL STATEMENTS 2016/2017

CITY OF MOUNT GAMBIER
General Purpose Financial Reports
for the year ended 30 June 2017

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CITY OF MOUNT GAMBIER

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.

.....
Mark McShane
CHIEF EXECUTIVE OFFICER

.....
Andrew Lee
MAYOR

Date:

CITY OF MOUNT GAMBIER

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
INCOME			
Rates	2	19,672	18,327
Statutory charges	2	421	340
User charges	2	4,515	3,806
Grants, subsidies and contributions	2	4,858	2,250
Investment income	2	35	32
Reimbursements	2	196	274
Other income	2	650	382
Total Income		30,347	25,411
EXPENSES			
Employee costs	3	10,728	10,066
Materials, contracts & other expenses	3	10,168	8,955
Depreciation, amortisation & impairment	3	7,331	6,704
Finance costs	3	269	236
Total Expenses		28,496	25,961
OPERATING SURPLUS / (DEFICIT)		1,851	(550)
Asset disposal & fair value adjustments	4	48	(124)
Amounts received specifically for new or upgraded assets	2	2,189	585
Physical resources received free of charge	2	1,213	604
Operating result from discontinued operations	20	-	-
NET SURPLUS / (DEFICIT)		5,301	515
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	9	(13,457)	3,932
Total Other Comprehensive Income		(13,457)	3,932
TOTAL COMPREHENSIVE INCOME		(8,156)	4,447

This Statement is to be read in conjunction with the attached Notes.

CITY OF MOUNT GAMBIER
STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,028	991
Trade & other receivables	5	1,354	1,158
Inventories	5	32	39
Total Current Assets		4,414	2,188
Non-current Assets			
Financial assets	6	35	68
Infrastructure, property, plant & equipment	7	228,257	234,422
Total Non-current Assets		228,292	234,490
Total Assets		232,706	236,678
LIABILITIES			
Current Liabilities			
Trade & other payables	8	2,951	2,092
Borrowings	8	206	239
Provisions	8	3,288	2,435
Total Current Liabilities		6,445	4,766
Non-current Liabilities			
Borrowings	8	2,790	3,675
Provisions	8	3,599	209
Total Non-current Liabilities		6,389	3,884
Total Liabilities		12,834	8,650
NET ASSETS		219,872	228,028
EQUITY			
Accumulated Surplus		61,333	54,680
Asset Revaluation Reserves	9	155,509	168,966
Other Reserves	9	3,030	4,382
TOTAL EQUITY		219,872	228,028

This Statement is to be read in conjunction with the attached Notes.

CITY OF MOUNT GAMBIER

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
2017					
Balance at end of previous reporting period		54,680	168,966	4,382	228,028
Restated opening balance		54,680	168,966	4,382	228,028
Net Surplus / (Deficit) for Year		5,301			5,301
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment			(13,457)		(13,457)
Transfers between reserves		1,352		(1,352)	-
Balance at end of period		61,333	155,509	3,030	219,872
2016					
Balance at end of previous reporting period		49,398	165,034	9,149	223,581
Restated opening balance		49,398	165,034	9,149	223,581
Net Surplus / (Deficit) for Year		515			515
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment			3,932		3,932
Transfers between reserves		4,767		(4,767)	-
Balance at end of period		54,680	168,966	4,382	228,028

This Statement is to be read in conjunction with the attached Notes

CITY OF MOUNT GAMBIER

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		19,682	18,345
Fees & other charges		454	367
User charges		4,752	4,298
Investment receipts		33	33
Grants utilised for operating purposes		5,222	2,419
Reimbursements		216	301
Other revenues		4,034	1,569
<u>Payments</u>			
Employee costs		(10,692)	(9,778)
Materials, contracts & other expenses		(13,711)	(10,766)
Finance payments		(201)	(237)
Net Cash provided by (or used in) Operating Activities		<u>9,789</u>	<u>6,551</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		2,189	585
Sale of replaced assets		407	368
Sale of surplus assets		105	-
Repayments of loans by community groups		40	46
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,253)	(4,579)
Expenditure on new/upgraded assets		(6,322)	(2,154)
Net Cash provided by (or used in) Investing Activities		<u>(6,834)</u>	<u>(5,734)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	(839)
<u>Payments</u>			
Repayments of borrowings		(874)	-
Net Cash provided by (or used in) Financing Activities		<u>(874)</u>	<u>(839)</u>
Net Increase (Decrease) in cash held		<u>2,081</u>	<u>(22)</u>
Cash & cash equivalents at beginning of period	10	<u>947</u>	<u>969</u>
Cash & cash equivalents at end of period	10	<u><u>3,028</u></u>	<u><u>947</u></u>

This Statement is to be read in conjunction with the attached Notes

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 17 October 2017.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

City of Mount Gambier is incorporated under the SA Local Government Act 1999 and has its principal place of business at 10 Watson Terrace, Mount Gambier. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

	Cash Payment Received	Annual Allocation		Difference
2014/15	\$3,911,799	\$2,594,677	+	\$1,317,122
2015/16	\$1,435,554	\$2,752,676	-	\$1,317,122
2016/17	\$3,907,937	\$2,580,055	+	\$1,327,882

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 13 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

3.1 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

6.2 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

6.5 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not assessed for impairment.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted average discount rate	1.63% (2016, 1.59%)
Weighted average settlement period	1 years (2016, 1 years)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave for ASU employees.

Council does make payment for vesting sick leave for AWU employees in accordance with the Enterprise Bargaining Agreement. The vesting sick leave provision has been increased by \$35,000 resulting in a provision totalling \$110,889.94 recorded by Council. Council is incrementally increasing this provision until the maximum vesting sick leave payable in any one year reaches the maximum payable. For the 2016/2017 financial year, the maximum payable totalled \$133,654.41.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

10 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

11 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 17	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting local government have been excluded from the above list.)

Council is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Accounting Standard AASB 16 *Leases* may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 2 - INCOME

	Notes	2017 \$'000	2016 \$'000
RATES REVENUES			
<u>General Rates</u>		18,755	17,856
Less: Discretionary rebates, remissions & write offs		<u>(197)</u>	<u>(178)</u>
		18,558	17,678
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		1,038	579
		1,038	579
<u>Other Charges</u>			
Penalties for late payment		76	70
		19,672	18,327
STATUTORY CHARGES			
Development Act fees		88	80
Town planning fees		97	98
Animal registration fees & fines		152	121
Parking fines / expiation fees		32	31
Other licences, fees, & fines		52	10
		421	340
USER CHARGES			
Cemetery/crematoria fees		969	770
Green Waste Collection		460	431
Landfill Charges		1,949	1,430
Hall & equipment hire		334	344
Recycling		131	124
Sales - general		289	374
Bus Ticketing		274	290
Sundry		109	43
		4,515	3,806
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		34	29
Banks & other		1	2
Loans to community groups		-	1
		35	32

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

NOTE 2 - INCOME (continued)

	Notes	2017 \$'000	2016 \$'000
REIMBURSEMENTS			
- for roadworks		44	16
- for private works		98	86
- other		54	172
		<u>196</u>	<u>274</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		473	241
Donations		28	25
Sundry		149	116
		<u>650</u>	<u>382</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		2,189	585
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		3,908	1,261
Roads to Recovery		763	806
Library & Communications		179	174
Sundry		8	9
		<u>4,858</u>	<u>2,250</u>
		<u>7,047</u>	<u>2,835</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
Sources of grants			
Commonwealth government		763	806
State government		6,284	2,024
Other		0	5
		<u>7,047</u>	<u>2,835</u>

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

NOTE 2 - INCOME (continued)

	Notes	2017 \$'000	2016 \$'000
Conditions over grants & contributions			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>			100
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
<i>Railway Lands Artwork</i>		-	(100)
<i>Subtotal</i>		-	(100)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Bicycle Funding Program</i>		40	-
<i>Salvage Yard</i>		90	-
<i>Subtotal</i>		130	-
<i>Unexpended at the close of this reporting period</i>		130	-
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		130	(100)
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
Land & Improvements		127	81
Roads & Footpaths		1,086	523
TOTAL PHYSICAL RESOURCES RECEIVED		1,213	604

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 3 - EXPENSES

	Notes	2017 \$'000	2016 \$'000
EMPLOYEE COSTS			
Salaries and Wages		9,493	8,931
Employee leave expense		146	372
Superannuation - defined contribution plan contributions	16	966	871
Workers' Compensation Insurance		420	263
Other		61	46
Less: Capitalised and distributed costs		(358)	(417)
Total Operating Employee Costs		10,728	10,066
Total Number of Employees		123	120
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		21	20
Elected members' expenses		310	311
Election expenses		8	-
Subtotal - Prescribed Expenses		339	331
<u>Other Materials, Contracts & Expenses</u>			
Contractors		3,023	3,044
Contributions / Donations		763	902
<u>Individually Significant Items</u>			
Energy		718	803
Insurance		324	324
Levies paid to government - EPA, ESL & Dog Levies		987	662
- NRM Levy		1,041	578
Materials		1,345	1,791
Training		195	240
Sundry		1,433	280
Subtotal - Other Materials, Contracts & Expenses		9,829	8,624
		10,168	8,955

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 3 - EXPENSES (cont)

	Notes	2017 \$'000	2016 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Land		-	-
Buildings & Other Structures		2,873	2,999
<u>Infrastructure</u>			
- Waste Management		581	-
- Stormwater Drainage		99	108
- Bridges		3	3
- Footpaths		263	254
- Pavement		699	731
- Seals		1,054	1,205
- Kerb & Channel		406	353
- Carparks		248	-
Plant & Equipment		699	674
Office Equipment		143	131
Riddoch Collection		-	-
Other		263	246
		<u>7,331</u>	<u>6,704</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		19	35
Interest on Loans		182	201
Unwinding of present value discounts		68	-
		<u>269</u>	<u>236</u>

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 4 - GAIN (LOSS) ON ASSET DISPOSAL

	Notes	2017 \$'000	2016 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		407	368
Less: Carrying amount of assets sold		403	492
Gain (Loss) on disposal		<u>4</u>	<u>(124)</u>
<i>Assets surplus to requirements</i>			
Proceeds from disposal		105	-
Less: Carrying amount of assets sold		61	-
Gain (Loss) on disposal		<u>44</u>	<u>-</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		<u>48</u>	<u>(124)</u>

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 5 - CURRENT ASSETS

	2017	2016
	\$'000	\$'000
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	152	63
Deposits at Call	2,876	928
	<u>3,028</u>	<u>991</u>
TRADE & OTHER RECEIVABLES		
Rates - General & Other	433	443
Accrued Revenues	6	4
Debtors - general	761	646
GST Recoupment	141	45
Loans to community organisations	33	40
Total	<u>1,374</u>	<u>1,178</u>
Less: Allowance for Doubtful Debts	20	20
	<u>1,354</u>	<u>1,158</u>
INVENTORIES		
Stores & Materials	18	20
Trading Stock	14	19
	<u>32</u>	<u>39</u>

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 6 - NON-CURRENT ASSETS

	2017	2016
FINANCIAL ASSETS	\$'000	\$'000
Notes		
Receivables		
Loans to community organisations	35	68
TOTAL FINANCIAL ASSETS	35	68

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2016 \$'000				2017 \$'000			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	2	7,371	-	-	7,371	10,199	-	-	10,199
Land	3	34,246	-	-	34,246	41,453	128	-	41,581
Buildings & Other Structures	2	58,820	799	(7,734)	51,885	1,388	9	(58)	1,339
Buildings & Other Structures	3	68,085	768	(32,733)	36,120	98,067	1,123	(32,562)	66,628
Infrastructure		-	-	-	-	-	-	-	-
- Waste Management	3	4,622	254	(891)	3,985	7,678	1,169	(5,446)	3,401
- Stormwater Drainage	3	6,928	60	(2,126)	4,862	6,953	96	(1,887)	5,162
- Bridges	3	164	-	(67)	97	164	-	(70)	94
- Footpaths	3	14,726	912	(2,171)	13,467	14,755	1,247	(2,348)	13,654
- Pavement	3	45,614	2,063	(11,825)	35,852	45,660	1,412	(11,912)	35,160
- Seals	3	25,834	665	(7,723)	18,776	16,871	823	(4,953)	12,741
- Kerb & Channel	3	26,943	166	(6,242)	20,867	28,467	4	(7,180)	21,291
- Carparks	3	-	-	-	-	9,955	29	(2,299)	7,685
Plant & Equipment		-	6,523	(1,618)	4,905	-	7,030	(1,909)	5,121
Office Equipment		-	1,829	(1,354)	475	-	1,909	(1,490)	419
Riddoch Collection		-	-	-	-	-	2,059	-	2,059
Other		-	2,458	(944)	1,514	-	2,944	(1,221)	1,723
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		293,353	16,497	(75,428)	234,422	281,610	19,982	(73,335)	228,257
Comparatives		295,748	2,430	(67,829)	230,349	293,353	16,497	(75,428)	234,422

This Note continues on the following pages.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016	CARRYING AMOUNT MOVEMENTS DURING YEAR								2017
	\$'000	\$'000								\$'000
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				In	Out		
Land	7,371	-	-	-	-	-	-	-	2,828	10,199
Land	34,246	222	-	-	-	-	-	-	7,113	41,581
Buildings & Other Structures	51,885	9	-	-	(41)	-	-	(51,187)	673	1,339
Buildings & Other Structures	36,120	475	648	-	(2,832)	-	51,187	(485)	(18,485)	66,628
Infrastructure	-	-	-	-	-	-	-	-	-	-
- Waste Management	3,985	5,469	-	-	(581)	-	-	-	(5,472)	3,401
- Stormwater Drainage	4,862	54	42	-	(99)	-	-	-	303	5,162
- Bridges	97	-	-	-	(3)	-	-	-	-	94
- Footpaths	13,467	686	698	-	(263)	-	-	-	(934)	13,654
- Pavement	35,852	741	1,061	-	(699)	-	-	-	(1,795)	35,160
- Seals	18,776	496	490	-	(1,054)	-	-	(7,206)	1,239	12,741
- Kerb & Channel	20,867	265	3	-	(406)	-	-	-	562	21,291
- Carparks	-	-	30	-	(248)	-	7,392	-	511	7,685
Plant & Equipment	4,905	42	1,337	(464)	(699)	-	-	-	-	5,121
Office Equipment	475	70	17	-	(143)	-	-	-	-	419
Riddoch Collection	-	2,059	-	-	-	-	-	-	-	2,059
Other	1,514	33	140	-	(263)	-	299	-	-	1,723
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	234,422	10,621	4,466	(464)	(7,331)	-	58,878	(58,878)	(13,457)	228,257
Comparatives	230,349	2,154	5,183	(492)	(6,704)	-	-	-	3,932	234,422

This Note continues on the following pages.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

General Valuation Principles

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are restated such that the difference represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, revaluations are recorded per the Valuer General's annual valuation listing.

Highest and best use: For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

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

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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets: There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 – Property, Plant & Equipment (cont)

Sidelines & household connections	\$5,000
Artworks	\$5,000

Estimated Useful Lives: Useful lives are estimated for each individual asset. In estimating useful lives, regard is given to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years
Landfill Assets	1 to 75 years
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1997 at current replacement cost. Additions are recognised at cost.

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2016 by Richard Wood, AAPI CPV, of Opteon Property Group. Additions are recognised at cost.

Infrastructure

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2016, based on actual costs incurred during the reporting periods ended 30 June 2016. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Council officers as at 30 June 2017 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 – Property, Plant & Equipment (cont)

Landfill remediation and cell development assets are amortised on a consumption basis over the individual landfill cell's capacity to receive waste. Council has altered its accounting treatment for the costs associated with capping a cell. At the time of construction of a cell, Council will increase the cost of the cell by the present value of estimated costs to cap and close the cell. This estimate is offset by recognition of a provision. This recognition of the capping costs are amortised in line with the consumption of airspace used in the cell in any one year.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 8 - LIABILITIES

		2017 \$'000		2016 \$'000	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		2,066	-	1,391	-
Payments received in advance		163	-	263	-
Accrued expenses - employee entitlements		292	-	132	-
Accrued expenses - other		9	-	9	-
Deposits, Retentions & Bonds		249	-	193	-
Other		172	-	104	-
		<u>2,951</u>	<u>-</u>	<u>2,092</u>	<u>-</u>
BORROWINGS					
Bank Overdraft		-	-	44	-
Loans		206	2,790	195	3,675
		<u>206</u>	<u>2,790</u>	<u>239</u>	<u>3,675</u>

All interest bearing liabilities are secured over the future revenues of the Council.

PROVISIONS

Employee entitlements (including oncosts)	2,288	232	2,435	209
Future reinstatement / restoration, etc	1,000	3,367	-	-
	<u>3,288</u>	<u>3,599</u>	<u>2,435</u>	<u>209</u>

Council has recently reviewed and improved data collection from carrying out it's Landfill operations. Due to this, Council has for the first time recognised a future reinstatement provision for capping and restoration costs associated with operating the Landfill. This provision should have been incorporated in a prior accounting period. The prior period errors have been adjusted through the revaluation reserve.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2016	Net Increments (Decrements)	Transfers, Impairments	30/6/2017
Notes	\$'000	\$'000	\$'000	\$'000
Land	31,370	9,941	-	41,311
Buildings & Structures	75,418	(17,812)	-	57,606
Infrastructure *	57,758	(5,586)	-	52,172
Plant & Equipment	769	-	-	769
Minor Plant	34	-	-	34
Other	3,617	-	-	3,617
TOTAL	168,966	(13,457)		155,509
<i>Comparatives</i>	165,034	3,932		168,966

OTHER RESERVES	1/7/2016	Transfers to Reserve	Transfers from Reserve	30/6/2017
Long Service Leave	724	-	-	724
Downstream Drainage	264	95	(140)	219
Work in Progress	2,640	1,314	(2,640)	1,314
Mount Gambier Cemetery Trust	685	11	-	696
Junior Sporting Assistance Fund	69	8	-	77
TOTAL OTHER RESERVES	4,382	1,428	(2,780)	3,030
<i>Comparatives</i>	9,149	2,752	(7,519)	4,382

PURPOSES OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets (less any subsequent impairment losses, where applicable).

* \$5.472m of this net decrement relates to prior period error.

Other Reserves

Long Service Leave

Established to fund City of Mount Gambier employee long service leave entitlements.

Ongoing Reserve Fund.

Transfers from the Fund are made as required.

Transfers to the Fund include Council budgetary allocations, interest received and funds from other employers in respect of transferred employees.

Downstream Drainage

Funds contributed by developers and held by Council to complete drainage obligations.

Ongoing Reserve Fund.

Transfers from the Fund are made as and when required.

Transfers to the Fund are developer contributions and interest received.

Work in Progress

Established to fund Council works and projects that are carried over from one budgetary year to the next.

Ongoing Reserve Fund.

Transfers from the Fund are made as and when required with works and projects normally completed in the year following.

Transfers to the Fund include funds for work and projects that have been allocated in one budget year but not completed in that year.

Mount Gambier Cemetery Trust

Established to fund any development works or projects that may be required at the Carinya Gardens Cemetery and Crematorium.

Ongoing Reserve Fund.

Transfers from the Fund are made as and when required.

Transfers to the Fund include Cemetery Trust budgetary allocations and interest received.

Junior Sporting Fund

Established to fund the operations of the Mount Gambier Junior Sporting Fund.

Ongoing Reserve Fund.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	5	3,028	991
Less: Short-term borrowings	8	-	(44)
Balances per Cash Flow Statement		<u>3,028</u>	<u>947</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)		5,301	515
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		7,331	6,704
Net increase (decrease) in unpaid employee benefits		36	288
Premiums & discounts recognised & unwound		68	-
Non-cash asset acquisitions		(1,213)	(604)
Grants for capital acquisitions treated as Investing Activity		(2,189)	(585)
Net (Gain) Loss on Disposals		(48)	124
		<u>9,286</u>	<u>6,442</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(203)	404
Net (increase) decrease in inventories		7	1
Net increase (decrease) in trade & other payables		699	(296)
Net Cash provided by (or used in) operations		<u>9,789</u>	<u>6,551</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	2	1,213	604
		<u>1,213</u>	<u>604</u>

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Bank Overdrafts	250	250
Corporate Credit Cards	29	21
LGFA Cash Advance Debenture facility	10,000	10,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 11 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administration / Support Services	23,580	19,492	6,724	5,347	16,856	14,145	3,908	1,261	12,846	18,934
Community Support	1,111	117	2,113	2,207	(1,002)	(2,090)	4	10	10,198	9,467
Culture	549	555	3,402	2,898	(2,853)	(2,343)	179	278	37,801	42,602
Economic Development	317	365	1,977	1,625	(1,660)	(1,260)	-	-	4,735	4,734
Environment	2,892	2,318	5,315	3,740	(2,423)	(1,422)	4	-	11,179	11,834
Recreation	73	116	2,837	2,586	(2,764)	(2,470)	-	300	54,361	40,235
Regulatory Services	430	398	1,036	1,157	(606)	(759)	-	-	-	-
Transport	807	1,646	3,439	3,247	(2,632)	(1,601)	763	-	90,662	92,305
Engineering / Indirect	-	-	1,230	2,331	(1,230)	(2,331)	-	981	7,524	7,100
Unclassified Activities	588	404	423	823	165	(419)	-	-	3,400	9,467
					-	-				
TOTALS	30,347	25,411	28,496	25,961	1,851	(550)	4,858	2,830	232,706	236,678

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 11 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Private Works and Landfill Facility.

Community Services

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, Streetscaping, 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

Bridges, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management and Other Transport.

Unclassified Activities

Finance charges and investment revenue, private works and sundry property maintenance.

Council Administration

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.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 12 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1.5% and 2.15% (2016: 2.15% and 2.35%). Short term deposits have an average maturity of 1 days and an average interest rates of 1.5% (2016: 1days, 2.00%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 0.583% (2016: 0.604%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. However certain charges can be secured to a property where legislative criteria is met. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council Boundaries and Council properties immediately surrounding Council Boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Receivables - Retirement Home Contributions	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms or in line with the specific</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Retirement Home Contributions	<p>Accounting Policy: To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p>Terms & conditions: Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p>Carrying amount: approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (2 repayments per year with fixed terms of between 10-15 years); interest is charged at fixed (or variable 3.75% as at 30 June 2017) rates between 5.05% and 5.97% (2016: 5.05% and 5.97%).</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 12 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	3,028	-	-	3,028	3,028
Receivables	767	-	-	767	767
Other Financial Assets	33	35	-	68	68
Total	3,828	35	-	3,863	3,863
Financial Liabilities					
Payables	2,605	-	-	2,605	2,605
Current Borrowings	206	-	-	206	206
Non-Current Borrowings	-	838	1,952	2,790	2,790
Total	2,811	838	1,952	5,601	5,601

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	991	-	-	991	991
Receivables	650	-	-	650	650
Other Financial Assets	40	68	-	108	108
Total	1,681	68	-	1,749	1,749
Financial Liabilities					
Payables	1,951	-	-	1,951	1,951
Current Borrowings	239	-	-	239	239
Non-Current Borrowings	-	825	2,850	3,675	3,675
Total	2,190	825	2,850	5,865	5,865

The following interest rates were applicable to Council's borrowings at balance date:

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Overdraft	3.03	-	3.03	44
Other Variable Rates	3.84	-	4.19	679
Fixed Interest Rates	5.51	2,996	5.51	3,191
		2,996		3,914

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 13 - FINANCIAL INDICATORS

	2017	2016	2015
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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.

Operating Surplus Ratio

<u>Operating Surplus</u>	6.0%	(2.0%)	4.0%
Total Operating Revenue			

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

Adjusted Operating Surplus Ratio

	2.0%	3.0%	(1.0%)
--	------	------	--------

*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.*

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	28%	25%	26%
Total Operating Revenue			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	62%	57%	53%
Infrastructure & Asset Management Plan required expenditure			

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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

	2017 \$'000	2016 \$'000
Income	30,347	25,411
less Expenses	<u>28,496</u>	<u>25,961</u>
Operating Surplus / (Deficit)	1,851	(550)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,253	4,579
Depreciation, Amortisation and Impairment	(7,331)	(6,704)
Proceeds from Sale of Replaced Assets	<u>(407)</u>	<u>(368)</u>
	(4,485)	(2,493)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	6,322	2,154
Amounts received specifically for New and Upgraded Assets	(2,189)	(585)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>(105)</u>	<u>-</u>
	4,028	1,569
Net Lending / (Borrowing) for Financial Year	<u>2,308</u>	<u>374</u>

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 15 - OPERATING LEASES

Lease payment commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

Contingent rental payments exist in relation to the lease of one grader if utilisation exceeds 250 hours during any month. No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2017 \$'000	2016 \$'000
Not later than one year	86	86
Later than one year and not later than 5 years	45	102
Later than 5 years	-	-
	<u>131</u>	<u>188</u>

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 16 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16) and enterprise bargaining agreement (1% in 2016/17; 1% in 2015/16). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account plus an additional 1% per enterprise bargaining agreement. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 17 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported elsewhere in these Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 227.5 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of buildings, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$110,000 (2016: \$210,000) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

4. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council has not received notice of any appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 18 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 18 persons were paid the following total compensation:

	2017 \$'000
Salaries, allowances & other short term benefits	1,194
Post-employment benefits	-
Long term benefits	27
Termination benefits	-
TOTAL	1,221

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

	2017 \$'000
Contributions for fringe benefits tax purposes	-
Planning and building applications fees	-
Rentals for Council property	-
TOTAL	-

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. These purchases were made on normal commercial terms on an arms's length basis. No individual purchases from these businesses exceeded \$600 during the year.

One Key management personnel or close family member (including related parties) lodged a planning application during the year. No fees were applicable to Council due to the nature of the application. The application remains to be finalised at the end of the year.

CITY OF MOUNT GAMBIER

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the City of Mount Gambier for the year ended 30 June 2017, the Council's Auditor, Galpins Accountants, Auditors & Business Consultants., has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

.....
Mark McShane
CHIEF EXECUTIVE OFFICER

.....
Jeroen Zwijnenburg
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date:



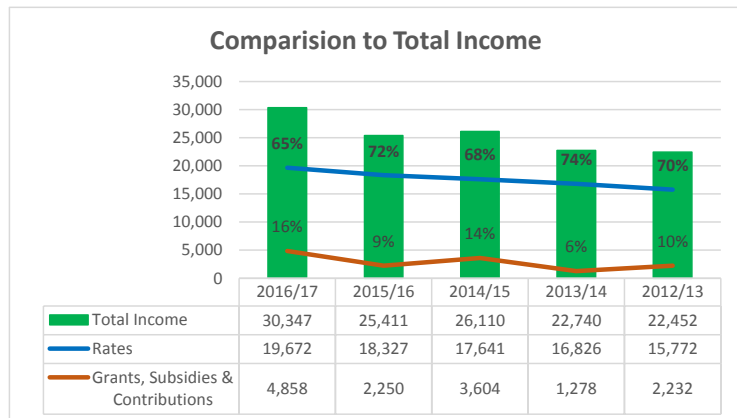
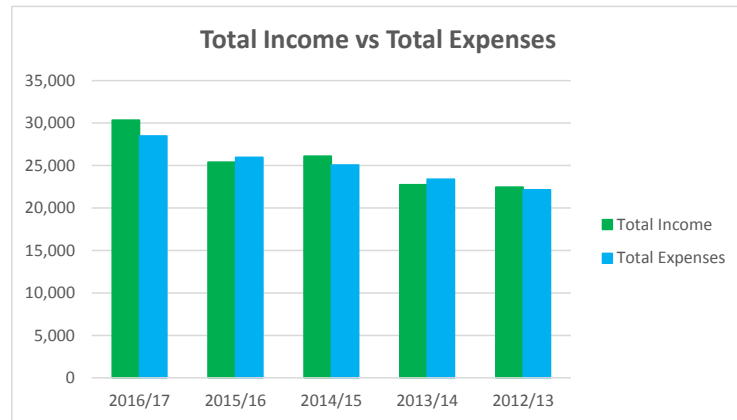
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www.mountgambier.sa.gov.au

City of Mount Gambier
5 year Comparison

Summary of Financial Results	2016/17	2015/16	2014/15	2013/14	2012/13	
INCOME						
Rates	19,672	18,327	17,641	16,826	15,772	
Statutory Charges	421	340	417	378	357	
User Charges	4,515	3,806	3,706	3,530	3,393	
Grants, Subsidies & Contributions	4,858	2,250	3,604	1,278	2,232	
Investment Income	35	32	29	32	31	
Reimbursements	196	274	350	229	191	
Other Income	650	382	363	467	476	
Total Income	30,347	25,411	26,110	22,740	22,452	
EXPENSES						
Employee Costs	10,728	10,066	9,197	8,772	8,318	
Materials, Contractors & Other	10,168	8,955	8,920	8,467	7,837	
Depreciation, Amortisation & Impairment	7,331	6,704	6,649	5,907	5,662	
Finance Costs	269	236	299	262	336	
Total Expenses	28,496	25,961	25,065	23,408	22,153	
Operating Surplus (Deficit)	1,851	(550)	1,045	(668)	299	Note 1
Asset Disposal & Fair Value Adjustments	48	(124)	58	(3,227)	(1,838)	
Amounts for New or Upgraded Assets	2,189	585	796	3,064	835	
Physical Resources Received Free of Charge	1,213	604	0	0	0	
Net Surplus (Deficit)	5,301	515	1,899	(831)	(704)	
Other Comprehensive Income	(13,457)	3,932	33,460	0	0	
Changes in Revaluation Surplus						
Total Other Comprehensive Income	(13,457)	3,932	33,460	0	0	
Total Comprehensive Income	(8,156)	4,447	35,359	(831)	(704)	
Note 1	2016/17	2015/16	2014/15	2013/14	2012/13	
Operating Surplus (Deficit)	1,851	(550)	1,045	(668)	299	
adjustment for Financial Assistance Grants						
advance payments	(1,328)	1,317	(1,317)	1,267	(1,267)	
adjustment for other Grants	(130)	100	(100)	1,000	(1,000)	
Adjusted Operating Surplus (Deficit)	393	867	(372)	1,599	(1,968)	

Comparison to Total Income	2016/17	2015/16	2014/15	2013/14	2012/13
Rates	19,672	18,327	17,641	16,826	15,772
Grants, Subsidies & Contributions	4,858	2,250	3,604	1,278	2,232
Total Income	30,347	25,411	26,110	22,740	22,452
Rates % of Total Income	65%	72%	68%	74%	70%
Grants, Subsidies & Contributions % of Total Income	16%	9%	14%	6%	10%



City of Mount Gambier
Statement of Comprehensive Income
for the year ended
30th June 2017

	Actual \$ '000	Original Budget \$ '000	Variance \$ '000	Reason for Variance
INCOME				
Rates	19,672	18,652	1,020	Note 1
Statutory Charges	421	402	19	
User Charges	4,515	2,952	1,563	Note 2
Grants, Subsidies & Contributions	4,858	2,684	2,174	Note 3
Investment Income	35	11	24	
Reimbursements	196	1,059	(863)	Note 4
Other Income	650	162	488	Note 5
Total Income	30,347	25,922	4,425	
EXPENSES				
Employee Costs	10,728	9,660	1,068	Note 6
Materials, Contracts & Other Expenses	10,168	9,371	797	Note 7
Finance Costs	269	472	(203)	Note 8
Depreciation, Amortisation & Impairment	7,331	6,498	833	Note 9
Total Expenses	28,496	26,001	2,495	
Operating Surplus (Defecit)	1,851	(79)	1,930	
Asset disposal & fair value adjustments	48	0	48	
Amounts received specifically for new or upgraded assets	2,189	0	2,189	
Physical resources received free of charge	1,213	0	1,213	
Net Surplus (Defecit)	5,301	(79)	5,380	

Note 1

Natural Resource Management Levy increased by 79.3% from the prior year

Rating increase of 4.5% from prior year

Increased capital values from prior year

NRM levy has been netted off in the original budget figures

Note 2

increase
\$ '000

Cemetery

38 more cremations from prior year. Price Increase of approx 2% from prior year.

199

Landfill

increase in charges of \$9 per tonne (incl GST). Increase of 3,301 tonnes of waste to landfill by 3rd parties.

481

Other

29

Original Budget Underestimate

Variance from 2015/16 actual to original budget for the 2016/17

854

1,563

Note 3

additional
funding
\$ '000

Riddoch Art Gallery - to purchase art collection	2,059
Green Industries - Salvage Yard	90
State Bicycle Fund	40
Other	(15)
	<u>2,174</u>

Note 4	variance
	\$ '000
Reallocation of joint roadwork reimbursement	(30)
Original budget overestimate - this is offset by the budget underestimate in User Charges (see Note 2).	893
	<u>863</u>

Note 5	variance
	\$ '000
<u>Workers Compensation Rebates</u>	
previously entered as a contra to the expense account & not separately identified as revenue	183
Sundry Income Increase	33
<u>Original Budget Underestimate</u>	
At the time of preparation of the 2016/17 budget, the 2015/16 financial statements were not complete. The actual variance from prior year to current was \$268k and 68% of this increase is attributable to the reallocation of rebates.	272
	<u>488</u>

Note 6	variance
	\$ '000
Riddoch Art Gallery - started 01/07/2016	112
Terminations & Redundancy payments	97
Tourism & Media - new positions	31
General Manager - appointments per restructure	120
Vehicles rolled in to salary packages (rather than listed as motor vehicle expenses)	65
Enterprise Bargaining Agreement (EBA) 3.5% increase	315
Superannuation Increase due to EBA increase	33
Workers Compensation increase due to EBA & super increase	15
Workers Compensation Rebate reallocation	183
Fringe Benefits Tax increase from prior year	16
Other	81
	<u>1,068</u>

Note 7	variance
	\$ '000
Leachate excess due to unforeseen weather	195
Riddoch Art Gallery running costs (including depreciation)	260
Strategies & Consultants	330
Other	12
	<u>797</u>

Note 8

Due to treasury management and surplus funds being diligently applied to Council's Cash Advance Debenture Facility, the amount of interest payable was far less than the amount budgeted for.

Note 9	variance
	\$ '000
First year amortisation of the Landfill	581

First year amortisation of land improvements	6
First year depreciate sub-pavement & carpark	248
Other	<u>(2)</u>
	833

Overall, whilst we saw an increase in depreciation, due to close questioning of the building & structure valuation provided by Opteon, and distinguishing Council property that would not be replaced, enabled a reduction buildings & structures depreciation of \$126 on this category.

City of Mount Gambier

2016/17 Financial Statements Audit

30 June 2017

Galpins

Local Expertise : Real Access



City of
Mount Gambier

Contents

- Audit Overview
- Interim Audit Activities
- Controls Opinion – Risk Based Approach
- Summary of Internal Control Audit Results
- Benchmarking of Internal Control Audit Results
- Internal Controls Comments
- Summary of Final Audit Activities
- Key Audit Matters
 - Fixed Assets
 - Rates Revenue
 - Grant Revenue
 - Provisions
- Other Matters
- Conclusion – Audit Opinions

Audit Overview

Purpose of this report

- The purpose of this closing report is to communicate significant matters arising from our final audit to the Council, and to communicate our intended audit opinions. This report also summarises the results of our interim audit. Detailed findings from our interim audit have previously been provided.

Scope of our audit

- We conducted our audit of the City of Mount Gambier for the year ended 30 June 2017 in accordance with the terms of our engagement letter and Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free from material misstatement.
- As per Section 125 of the *Local Government Act 1999* we are also required to provide an opinion on the internal controls established by Council to ensure financial transactions have been conducted properly and in accordance with law. This audit has been performed in accordance with Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements.

Audit Matters	Responsibility
Financial Statements	Management
Council approval of financial statements	Council
Receipt of Signed Management Representation Letter	Management
Issue of Independent Auditor's Report	Galpins
Issue of the Independent Assurance report on Internal Controls	Galpins

Interim Audit Activities

Galpins attended the City of Mount Gambier in March 2017 to perform our interim audit and review the internal control environment of Council.

Interim audit activities included

- Gaining an understanding of the business
- Performing a planning analytical review
- Understanding and documenting the internal controls in place
- Identifying audit risks
- Testing the design and effectiveness of internal controls
- Communicating findings to Management.

Controls Opinion – Risk Based Approach

Definition and Internal Control Framework

- Compliance, in all material aspects, with section 125 of the Local Government Act 1999.
- The Better Practice Model – Financial Internal Controls – prescribed, in regulations, as the standard by which auditors must assess the internal controls of Local Government in SA.
- Risk Based Approach - Identification of key business cycles and core controls as defined by the Better Practice Model

Summary City of Mount Gambier Internal Controls

Business cycles	Controls Reviewed	2015/16 Operating Effectively	2016/17 Operating Effectively	Findings			
				H	M	L	BP
Purchasing & Procurement / Contracting	7	6	7	-	-	-	-
Fixed Assets	10	10	10	-	-	-	-
General Ledger	6	5	6	-	-	-	-
Accounts Payable	11	11	11	-	-	-	-
Rates / Rates Rebates	9	7	9	-	-	-	-
Payroll	10	8	9	-	1	-	-
Banking	5	5	5	-	-	-	-
Receipting	4	4	4	-	-	-	-
Total	62	56	61	0	1	0	0

Benchmarking

Local Government Entity	Level of Compliance
City of Mount Gambier	96%
Local Government Entity 2	95%
Local Government Entity 3	92%
Local Government Entity 4	92%
Local Government Entity 5	92%
Local Government Entity 6	92%
Local Government Entity 7	91%
Local Government Entity 8	91%
Local Government Entity 9	91%
Local Government Entity 10	91%
Local Government Entity 11	83%
Local Government Entity 12	79%
Local Government Entity 13	76%
Local Government Entity 14	73%
Local Government Entity 15	72%
Local Government Entity 16	71%

Internal Controls Comments

- Most of the controls are in place (61 out of 62)
- Financial Reconciliations are in place
- Good control environment over rates, payroll and accounts payable
- Management provided appropriate responses to our findings

Final Audit Activities

As part of the final audit we perform a number of procedures including (but not limited to) the following:

- Analytical review at financial statement and account level
- Obtain bank confirmations and reperform reconciliations
- Recalculate a number of estimates including depreciation
- Verify supporting documents for all material balances
- Review notes to the Financial Statements including commitments, key management personnel and other note details
- The audit approach relating to key balances are discussed below

Account Description	Type	2017 \$'000	2016 \$'000	Decrease
Fixed Assets	Asset	\$228,257	\$234,422	\$6,165

Significant Matters

- Correction of prior period error in relation to council's landfill operation, including adjustment to current closing written down value of landfill cells
- Revaluation of land, buildings and infrastructure assets
- Transfer of buildings from fair value "level 2" to "level 3"
- Depreciation of assets

Main Audit Procedures

- Reconciliation – registers to general ledger
- Review valuation reports, including methodology
- Review unit rates and assumptions used for road valuation against other similar Councils
- Review of useful lives of assets
- Recalculation of depreciation
- Test additions
- Test disposals

Conclusion

Fixed asset amounts are fairly presented

Reasons for the decrease:

Additions	\$15,087
Revaluation increment (land)	\$9,941
Revaluation decrement - waste management error	(\$5,472)

Revaluation decrement – other infrastructure	(\$114)
Revaluation decrement – buildings	(\$17,812)
Disposals	(\$464)
Depreciation	(\$7,331)
Total movement	\$6,165

Additions

Waste management (inc. prior period error)	\$5,469
Road pavement and seals	\$2,788
Riddoch art collection	\$2,059
Footpaths, P&E, Other	\$3,417
Total additions	\$760

Depreciation & Amortisation Expense

This year	\$7,331
Last year	\$6,704

Discussion Points

- Amortisation of waste management asset class has been zero in the last 2 years, due to large amounts of works occurring and whilst correct valuation and treatment of the asset was determined. In 2017, amortisation was \$581k.
- Building decrement due to reflection of 50% ownership for Civic Centre and Varcoes Foundry, reclassification of some buildings to market value if not being replaced, more rigorous valuation (physical inspection vs desktop)

Account Description	Type	2017 \$'000	2016 \$'000	Increase
Rates Revenues	Revenue	\$ 19,672	\$ 18,327	\$1,345
Grant Revenue	Revenue	\$ 4,858	\$ 2,250	\$2,608

Significant Matters

- Material balance in the financial statements
- Accuracy of inputs used to raise rates
- Significant variances
- Timing of income recognition

Main Audit Procedures

- Review of internal controls over rates
- Reconciliation of rate modelling to general ledger
- Verification of valuations used to generate rates
- Verification of grant revenue to schedules
- Recalculation of invoices
- Analytical review

Conclusion

Rates and grant income is fairly presented

Reasons for the Increases:

Rates Revenues

- Increase of \$880k (4.98%) in general rate revenue, consistent with the Annual Business Plan 2016-17 which included general rate revenue increase equivalent to 4.5%.
- Increase of \$459k (79%) in NRM levy collected (offset by increase in NRM levy expense – zero net impact).

Grant Revenue

Increase of 116% in grant revenue

- Cash payments for Financial Assistance Grant recognised as income in 2016/17 are greater than the annual allocation – first payment for 2017/18 of \$1,327,882 received prior to 30 June
- Cash payments for Financial Assistance Grant recognised as income in 2015/16 were less than annual allocation - first payment for 2015/16 of \$ 1,317,122 received in prior year
- As per AASB 1004 Financial Assistance Grant payments are treated as revenue when Council receives control of the grant i.e. when cash is received.

Account Description	Type	2017 \$'000	2016 \$'000	Increase
Provisions	Liability	\$6,887	\$2,644	\$4,243

Significant Matters

- Prior Period Error – first time recognition of provisions for capping of cell 2 and 3 and post closure “make good” provision in relation to the Caroline Landfill
- Post closure provision is an estimate based on the best available information at the time of financial statement preparation. Work is being done to better understand the likely post closure costs, and this estimate is subject to adjustment in future years

Main Audit Procedures

- Agreement with management on required accounting treatment and proposed journals to recognise provisions and reflect prior period error
- Review of engineer’s reports
- Comparison of supporting documentation to the GL

Conclusion

Provisions are fairly presented

Reasons for the increase:

Correction of prior period error - first time recognition of provisions relating to Caroline Landfill \$4,367 (*offset by \$124 decrease in employee entitlements*)

Other Areas

- **Related Party Disclosures**

- AASB 124 applicable to Local Government for the first time in 2016/17, requires additional note disclosures.

- **Independence and ethics**

- The Partner and staff on the Council's audit engagement team for the year ended 30 June 2017 and others in the firm as appropriate have confirmed their independence. This includes compliance with the ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

- **Non-Audit Services**

- No non-audit services were provided to the Council.

- **Other Matters**

- We confirm that:
 - We noted no errors or irregularities that would cause the financial report to contain a material misstatement, and noted no apparent illegal acts.
 - There were no difficulties encountered in dealing with management relating to the performance of the audit.

Conclusion

Auditor's Report	
Controls Opinion	Unmodified
Financial Statements	Unmodified

REPORT TITLE		Annual Financial Statements for 2016/2017
COMMITTEE	Audit Committee	
MEETING DATE:	28 September 2017	
REPORT NO.	AR17/39210	
RM8 REFERENCE	AF11/863	
AUTHOR	Kahli Rolton and Pamela Lee	
SUMMARY	The purpose of this report is to provide the Audit Committee with the Annual Financial Statements for the 2016/2017 financial year prepared in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the and Opportunity to	
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
<p>(a) That Audit Committee Report No. AR17/39210 titled '<i>Annual Financial Statements for 2016/2017</i>' as presented to the Audit Committee on 28 September 2017 be noted.</p> <p>(b) That in accordance with Section 126 of the Local Government Act 1999 the Audit Committee advises that it has reviewed the Draft Annual Financial Statements of the Council for the financial year 2016/2017 and is satisfied they present fairly the state of affairs of Council as at 30 June 2017.</p> <p>(c) That the Audit Committee recommends to the Council that for the financial year ended 30 June 2017;</p> <ol style="list-style-type: none"> Council adopts the Annual Financial Statements as final subject to any refinements recommended by Council's Auditor. the Chief Executive Officer and the Mayor of the City of Mount Gambier be authorised to certify the Financial Statement. <p>(d) The Presiding Member of the Audit Committee and the Chief Executive Officer of the City of Mount Gambier be authorised to sign Council's Certification of Auditor Independence Statement that will accompany the Financial Statements for the financial year ended 30 June 2017.</p>



Background

Section 127 of the Local Government Act 1999 (the Act) requires Council to prepare a report on financial results including annual financial statements (AFS) to be audited by Council's external Auditor each financial year.

The report on financial results is an accountability document for Council to receive audited information on aggregate financial results relative to the estimated financial results set out in the original budget for the previous financial year (the latter being the basis for Council rating decisions).

Regulation 10 of the Local Government (Financial Management) Regulations 2011 requires the report on financial results to include the audited financial results for the previous financial year. The results must be presented in a manner consistent with the South Australian Local Government Association model financial statements 2017. This will be presented to Council in October 2017.

Council's AFS have been prepared in accordance with Regulation 12 of the Local Government (Financial Management) Regulations.

Section 126 of the Act requires that the Council's Audit Committee review the AFS to ensure that they present fairly the state of affairs of the Council.

Regulation 16A of the Local Government (Financial Management) Regulations 2011 requires that:

- Council's Auditor must provide a statement to certify that they have maintained their independence in accordance with this regulation.
- A statement confirming that the Auditor has maintained their independence is also required from the Chief Executive Officer and the Presiding Member of the Audit Committee. A copy of this statement is included in Attachment 2 of this report.

Pursuant to Section 131 of the Act, Council must, on or before 30 November in each year, prepare and adopt an annual report relating to the operations of the Council for the financial year ending on the preceding 30 June. A copy of the Annual Report must be submitted to the Presiding Members of both Houses of Parliament. The AFS are an integral part of the Annual Report.

Council has prepared the draft AFS of Council in accordance with the South Australian Local Government Association model set of annual financial statements. Council's external Auditor, Galpins has completed their audit for the financial year ended 30 June 2017.

Discussion

The City of Mount Gambier's AFS for 2016/2017 have been prepared in accordance with the Local Government Act, the South Australian Local Government Association (Financial Management) Regulations 2011, the Australian Accounting Standards and the Local Government Model Annual Financial Statements.

Council's audit partner, Tim Muhlhausler, will be attending the Audit Committee meeting via teleconference, to present his audit report and to receive and respond to any questions from the Audit Committee.

The draft AFS and results for the year will be provided to the Council meeting in October 2017. A copy of the report is provided as Attachment 1 for the Audit Committee's reference and review.

Council's AFS will be published in Council's Annual Report for the 2016/2017 financial year and will be provided to the Minister for Local Government, South Australian Local Government Grants Commission and other key stakeholders.

Conclusion

The AFS are general purpose statements to determine the financial performance of the Council for the 2016/2017 financial year and the financial position as at 30 June 2017. The AFS have been prepared in accordance with the Australian Accounting Standards and Local Government (Financial Management) Regulations 1999.

The AFS and financial affairs of Council have been reviewed and audited by Council's auditors, Galpins, in accordance with Section 126 of the Local Government Act 1999.

As the City of Mount Gambier has not engaged its Auditor to provide any services outside the scope of their function as auditor for the 2016/2017 financial year, it is recommended that the Chief Executive Officer and the Presiding Member of the Audit Committee co-sign the Certification of Auditor Independence Statement.

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the City of Mount Gambier for the year ended 30 June 2017, the Council's Auditor, Galpins, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.'

'This statement is prepared in accordance with the requirements of Regulation 22 (3) Local Government (Financial Management) Regulations 2011'

A copy of the Auditor's draft audit report was not available at the time of preparing this report and distributing the Audit Committee agenda ahead of the meeting. A copy will be provided to the members of the Audit Committee as soon as it is received by Council.

Contingent upon the satisfaction of the Audit Committee, the Mayor and CEO will sign Council's Certification of Auditor Independence Statement and Council's Auditor will issue their final audit report.

Attachments

Attachment 1 (AR17/39TBC): Draft Annual Financial Statements for financial year ending 30 June 2017

Attachment 2 (AR17/31TBC): Certification of Auditor Independence Statement

Kahli ROLTON
MANAGEMENT ACCOUNTANT

Pamela LEE
GENERAL MANAGER COUNCIL BUSINESS SERVICES

25 September 2017
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