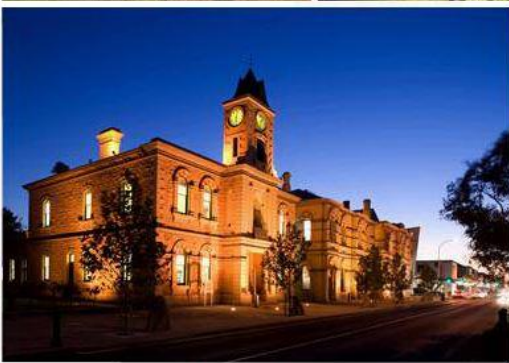




City of
Mount Gambier



Annual Business Plan and Budget 2018/2019

FINAL

2018/2019 BUSINESS PLAN AND BUDGET

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2018/2019 ANNUAL BUSINESS PLAN AND BUDGET

FROM THE MAYOR

The 2018/2019 Annual Business Plan and Budget reflects the work of Council in preparing for the 2018/2019 financial year. It is a statement of the City's intended program and outcomes for the upcoming financial year and has been developed with reference to the Community Plan - The Futures Paper 2016-2020, Long Term Financial and Infrastructure and Asset Management Plans.

The 2018/2019 Annual Business Plan and Budget outlines our objectives for the year, how they will be achieved and the methods used to monitor and measure performance. It also includes a summary of revenue and expenditure required to deliver the program, developed within the context of our commitment to financial sustainability and longer term financial planning. Importantly, it also describes the impact on rates and implications for ratepayers.

To ensure our priorities reflect the needs of our community, our short term financial planning and budgeting is undertaken with our long term goals in mind. Key elements of the ten (10) year Long Term Financial Plan now reflected in the 2018/2019 Annual Business Plan and Budget, include major capital projects to be completed, required rate revenue, in addition to annual operating expenses.

Other key influences on the 2018/2019 Annual Business Plan and Budget include:

- Continuing focus on achieving the vision expressed in Council's Community Plan - The Futures Paper 2016/2020 and delivery of prioritised actions from a number of other key strategic documents
- Major focus on economic development including tourism and employment opportunities
- Continuing investment to promote Mount Gambier as a visitor destination, a regional retail and commercial hub as well as a quality destination to host major events and conferences
- Continuing development of Council's Infrastructure and Asset Management Plan
- Capital program of approximately \$8.1M
- Maintaining our extensive public realm assets and infrastructure
- Maintaining the wide range of community support programs and initiatives
- Retaining and developing Council's workforce to ensure capacity in service delivery
- Delivery of Arts, Culture and Heritage supported by the Riddoch Art Gallery.

The 2018/2019 Annual Business Plan and Budget provides for a materially balanced budget position at years end. Council's Long Term Financial Plan predicts a 4.5% increase in rate revenue, including a growth factor (new assessments) of 0.42% which will result in an average residential rate increase of approximately 3.28% for 2018/2019.

Following the community engagement process, Council formally considered all feedback before adoption of the final 2018/2019 Annual Business Plan and Budget in early July 2018.

Andrew LEE
MAYOR

OUR CITY

The City of Mount Gambier located equal distance between the capital cities of Adelaide and Melbourne, is South Australia's second largest city and is home to a population of more than 26,000 citizens. Mount Gambier is the regional centre for the Limestone Coast region of South Australia, the western district of Victoria and is widely known as the home of Australia's softwood timber industry and the wine regions of Coonawarra and Pathaway. Mount Gambier services the commercial, retail, social, tourism, sporting, arts and cultural needs of its 70,000+ regional population.

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

Mount Gambier's estimated population as at the 2016 Census was 26,993 persons living in 12,328 dwellings with an average household size of 2.3. This represents an increase in population from 25,773 persons as at the 2011 Census. 2,842 people who were living in the City of Mount Gambier in 2016 were born overseas and 18% arrived in Australia within the last 5 years. Aboriginal and Torres Straight Islanders comprise 591 persons (or 2.2%) of Mount Gambier's population. 11,614 people living in the City are employed, of which 55.1% work full time and 36.7% work part time.

The majority of City of Mount Gambier residents are employed in the retail and services sectors including health care, financial and social assistance and the manufacturing sector. Further information on Mount Gambier's demographics are available in the 'Council Identity (Profile)' area on the Council's website www.mountgambier.sa.gov.au

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

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

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

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

Transport and logistics are key employers in Mount Gambier. The geographic location of Mount Gambier, midway between Adelaide and Melbourne and one hour from Portland's major deep sea port, ensures the City remains a key transport hub. The transport sector remains strong, with growing demand in the forestry sector.

OVERVIEW

Our 2018/2019 Annual Business Plan and Budget is an important part of Council's suite of Strategic Management Plans and Integrated Planning and Budgeting Framework. It links our:

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

with our annual budgeting process to ensure that we optimise the mix of services, programs, infrastructure and facilities for the benefit of our community.

The 2018/2019 Budget provides for:

- \$8.1M in capital expenditure projects, the majority of which are drawn from Council's detailed Infrastructure and Asset Management Plan
- \$328,000 operating surplus as at 30 June 2019
- Overall increase in total rate revenue of 4.5% (individual assessments should anticipate an increase of approximately 4% when growth of 0.42% is taken into account).

Key initiatives for 2018/2019 are detailed in the Budget section of the Annual Business Plan.

Council's Rating Policy for 2018/2019 is based on the same rates structure that applied in the previous financial year, that is:

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

Rates income accounts for approximately 70% of Council's operating income.

Council's Rate Rebate Policy for 2018/2019 remains unchanged from the previous year.

BUDGET INFLUENCES

In developing the 2018/2019 Annual Business Plan and Budget, Council identified pressures and potential impacts on our financial budget and performance.

Operating and Economic Influences

We live and operate in a dynamic environment with increasing pressure from economic, operating and political influences on the 2018/2019 Annual Business Plan and Budget including:

- Pressure from China banning the import of unprocessed recyclable materials (e.g. soft plastics) and an associated decrease in the price paid for the materials (reduction from \$130/tonne to \$0/tonne)
- Increase in the Environmental Protection Authority's (EPA) Solid Waste Levy
- Increase in insurance premiums
- Potential increase in rate rebates for community housing properties
- Increase in utility costs i.e. electricity charges particularly street lighting
- New strategies aligned to Council's Community Plan e.g. Youth Strategy, Culture and Heritage Strategy, GigCity Strategy, Signage Strategy, Tourism Strategy some of which have yet to be determined and costed
- Council's focus on economic development and tourism opportunities
- Implementation of a major Reuse Centre necessitating both capital and operating expenditure
- Upgrading of infrastructure to enable NBN connectivity and monitoring
- SA Electoral Commission Local Government Election expense - \$121k once in four years

- Employee costs – 2% increase linked to EBAs
- Rate capping.

STRATEGIC DIRECTIONS

The City Development Framework Project

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

<i>Our People</i>	<i>How do we ensure a highly skilled and educated population for the future challenges facing our community? A community reflecting good health, connectedness and wellbeing.</i>
<i>Our Location</i>	<i>How do we take advantage of our location and expand our potential as a regional hub? Building on our regional centre for the provision of services, shopping, tourism, cultural, sporting and recreation.</i>
<i>Our Diverse Economy</i>	<i>How do we build on and diversify our existing economy? We have existing high quality and skilled industry sectors including fabrication, manufacturing, forest products, agriculture, health and education. We also have emerging opportunities for digital technology and related industries.</i>
<i>Our Climate, Natural Resources and Heritage</i>	<i>How do we promote and preserve our climate, natural resources and environment? We have a temperate climate, the Crater Lakes Volcanic Complex incorporating the world renowned Blue Lake, a unique natural environment and enviable natural resources. We also have a remarkable wealth of Indigenous and European heritage.</i>

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

The Community Plan

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

The Community Plan together with the Futures Paper are Council’s key strategic documents and are supported by its Long Term Financial Plan, Infrastructure and Asset Management Plan and the Annual Business Plan and Budget. These plans identify the direction, services, programs, infrastructure and facilities that Council wishes to provide for its Community, specifically for the next four years but also for the future.

Our Vision

Within the Community Plan, Council describes its vision as:

“An inclusive city where people lead fulfilling lives.”

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

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

These elements contribute strongly towards the future growth and development of the City and form the goals of Council's Community Plan.

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

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

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

Long Term Financial Plan

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

Council's Long Term Financial Plan is reviewed regularly (and at a minimum within two years of each Local Government Council election) and acts as a reference point in the formulation of future Annual Business Plans and Budgets.

The Long Term Financial Plan is driven by Council's Strategic Management Plan and includes Council's future revenue and expenditure estimates particularly focusing on the financing and scheduling of major projects, loan indebtedness, rating level, asset replacement/renewal and impact on operating expenditure.

Council's Long Term Financial Plan assumes:

- The continuation of existing services and infrastructure at current service standards
- No internal changes to services or investment in new or upgraded assets other than what is already resolved and planned.

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

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

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

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

Financial Sustainability

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

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

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

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

Key Financial Indicators	2013	2014	2015	2016	2017	2018	2019
Operating Surplus Ratio (Target: 0% - 15% over 5 years)	2%	3%	(1%)	3%	6%	(3%)	1%
Net Financial Liabilities Ratio (Target: Not to exceed 100%)	23%	31%	26%	25%	28%	45%	41%
Asset Sustainability Ratio (Target: 90% - 100% over 3 years)	85%	107%	53%	57%	62%	74%	74%

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

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

SERVICES

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

- Regulatory activities such as maintaining the voters roll, property ownership data and supporting the elected Council
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area
- Management of infrastructure including roads, footpaths, parks, public open spaces, street lighting and storm-water drainage
- Street cleaning, rubbish collection and recycling
- Development planning and control, including building safety assessment
- Various environmental health services including food safety, public health
- Protection of natural resources
- Inspectorial services (parking, animal control).

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

- Libraries and associated facilities and programs
- The Main Corner Complex and room hire
- Youth development
- Economic development
- Environmental programs

- Public parks and gardens
- Community programs
- Sporting and recreational facilities
- Lifelong learning
- Community engagement and social inclusion
- Tourism and visitor services
- Attracting major events to the City
- Community events programs
- Events, sponsorship and grants
- Free public Wi-Fi
- Cemeteries
- Advocating on behalf of the community to Federal/State Governments
- Citizenship ceremonies.

In accordance with the Long Term Financial Plan, Council's 2018/2019 Annual Business Plan and Budget will provide for existing service levels to be maintained.

2018/2019 ANNUAL BUSINESS PLAN AND BUDGET

The 2018/2019 Annual Business Plan and Budget proposes to spend a total of \$38.4M (\$30.2 operating expenditure, including depreciation plus \$8.2M capital expenditure) on the delivery of services and programs, maintenance of assets and development of new or upgraded assets (operating/capital expenditure).

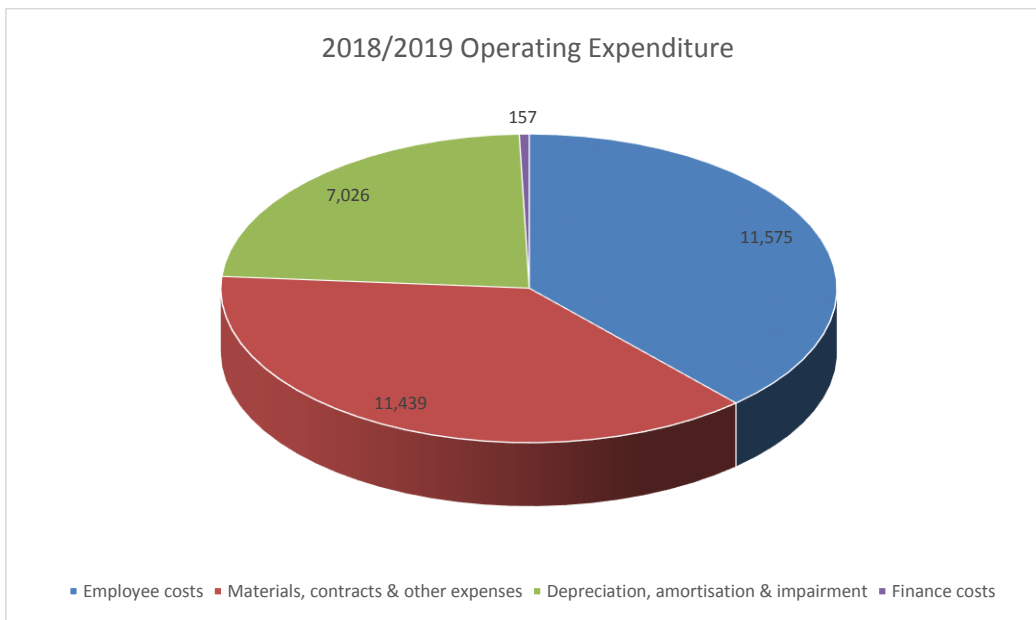
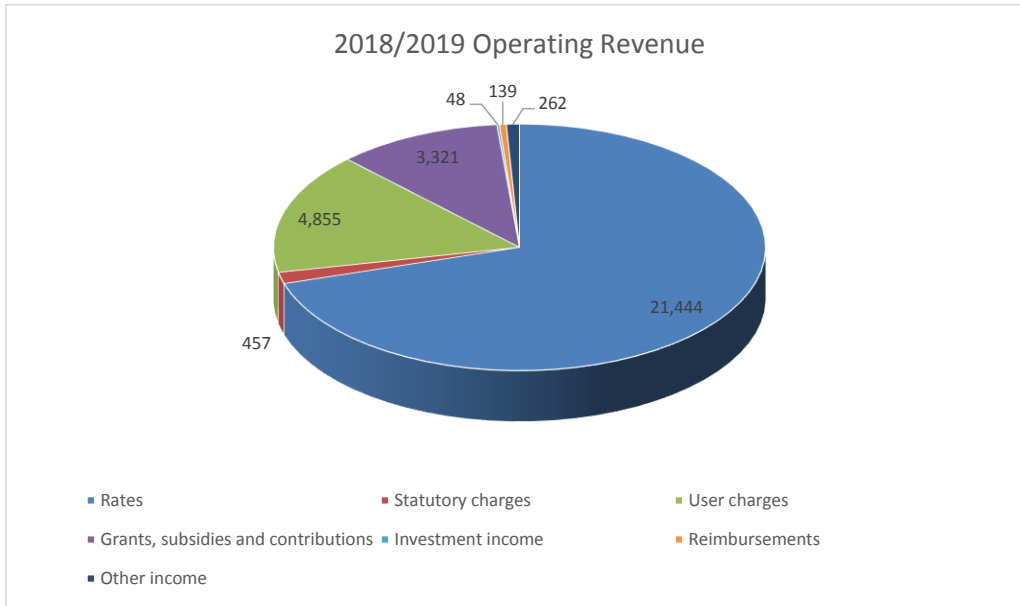
Budgeted operating expenditure is estimated to increase by 9.0% or \$2.5M on the 2017/2018 budget and in comparison, operating revenue is anticipated to increase by 8.7% or \$2.4M, attributable to increased rate revenue and environmental revenue.

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

Appendix A provides a summary of the 2018/2019 Annual Business Plan and Budget covering revenue and expenditure of an operating and capital nature under functional categories.

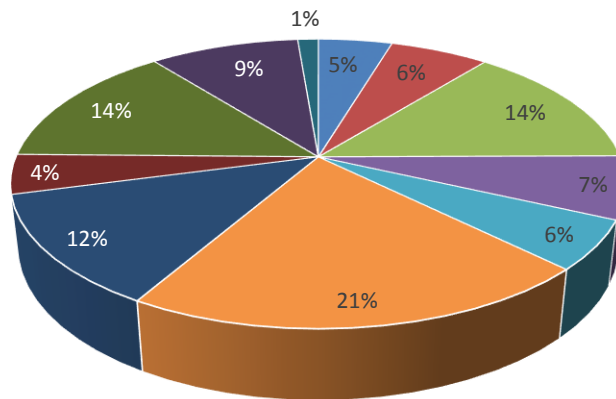
The 2018/2019 Annual Business Plan and Budget is available to be downloaded from Council's website at www.mountgambier.sa.gov.au and from Council's office.

The following graphs present Council's budgeted Income (\$) and Expenditure (\$) for 2018/2019:



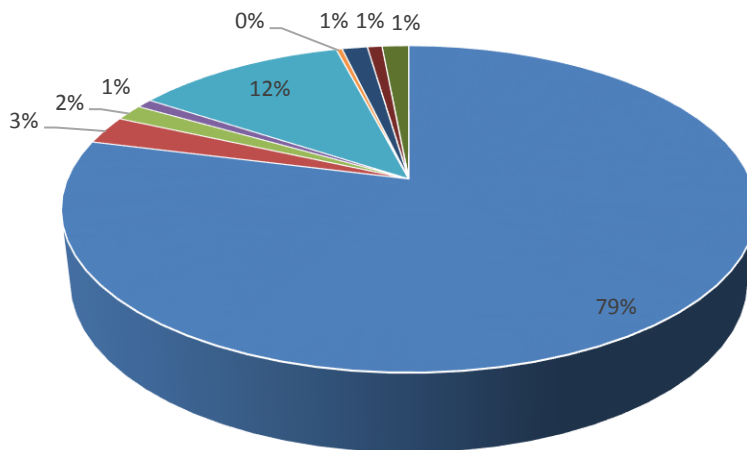
The following graphs present Council's budgeted Income (%) and Expenditure (%) by Function for 2018/2019:

2018/2019 Operating Expenses by Function



- ADMINISTRATION EXPENDITURE
- COMMUNITY SERVICES EXPENDITURE
- CULTURAL EXPENDITURE
- ECONOMIC DEVELOPMENT EXPENDITURE
- ENGINEERING/INDIRECT EXPENDITURE
- ENVIRONMENTAL EXPENDITURE
- RECREATION EXPENDITURE
- REGULATORY SERVICES EXPENDITURE
- SUPPORT SERVICES EXPENDITURE
- TRANSPORT EXPENDITURE
- UNCLASSIFIED ACTIVITIES EXPENDITURE

2018/2019 Operating Revenue by Function



- ADMINISTRATION REVENUE
- COMMUNITY SERVICES REVENUE
- CULTURAL REVENUE
- ECONOMIC DEVELOPMENT REVENUE
- ENVIRONMENTAL REVENUE
- RECREATION REVENUE
- REGULATORY REVENUE
- TRANSPORT REVENUE
- UNCLASSIFIED ACTIVITIES REVENUE

MEASURING PERFORMANCE

Measuring and monitoring our performance is fundamental to ensure our objectives are achieved and programs and services are delivered to our community to the standard in our service levels.

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

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

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

RATING STRATEGY

In 2018/2019 approximately 70% of Council's operating revenue will come from rate revenue. As a result Council's rating policies and strategies are key components of our financial planning.

The 2018/2019 Annual Business Plan and Budget includes a 4.5% rate increase due to a combination of operational costs savings and grant funding and a reduced reliance on loan borrowings. The proposed rate increase is consistent with the Council's Long Term Financial Plan.

The following increases in general rate revenue have been applied over the past five (5) years:

Year	Rate Increase	Growth Benefit	Total
2013/2014	5.6%	0.5%	6.1%
2014/2015	3.9%	0.9%	4.8%
2015/2016	3.85%	0.65%	4.5%
2016/2017	3.84%	0.66%	4.5%
2017/2018	4.02%	0.48%	4.5%
2018/2019	4.08%	0.42%	4.5%

Note: Growth is predominantly the result of new housing and property improvements as reported by the State Valuation Office.

Rate Comparisons

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

Average for all SA Metro Councils	\$1,548
Average for all SA Rural Councils	\$1,306
Average for City of Mount Gambier	\$1,145

Source: Local Government Association 2017/2018 Rates Survey

Valuation Method

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

- It is the most appropriate measure of relative wealth in the community.

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

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

Capital Valuation Comparison

Year	Rateable Land	Non Rateable Land	Total
2013/2014	3,167,914,030	199,262,010	3,367,176,040
2014/2015	3,202,252,530	203,617,310	3,405,869,840
2015/2016	3,251,510,225	205,393,515	3,456,903,740
2016/2017	3,259,233,035	212,100,805	3,471,333,840
2017/2018	3,329,622,852	217,152,488	3,546,775,340
2018/2019 ^(Note 1)	3,494,031,387	221,599,753	3,715,631,140

Note 1. Property values in the Council area (as provided by the State Valuation Office) for the 2018/2019 financial year were provided to Council up to and including Sunday 23 June 2018.

General Rates

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

Fixed Charge

Council has determined that a component of the total rate will be a fixed charge on every rateable property. The fixed charge applies to all ratepayers and continues to raise slightly less than one half of total rate revenue (before rebates and remissions) required for the 2018/2019 financial year.

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

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

Fixed Charge Comparison

Year	Fixed Charge	% of Total Rates
2014/2015	\$565.50	45%
2015/2016	\$585.80	45%
2016/2017	\$606.90	45%
2017/2018	\$630.30	45%
2018/2019 ⁽¹⁾	\$655.20	45%

(1) Council anticipates that the fixed charge of Council's rating structure will continue to raise approximately 45% of Council's overall rate revenue.

Differential Rates

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

- On rateable land of category 1 (residential) use
- On rateable land of categories 2, 3 and 4 (commercial shop, commercial office or commercial other) use
- Rateable land of categories 5 and 6 (industrial light and industrial other) use
- On rateable land of category 7 (primary land) use

- (e) On rateable land of category 8 (vacant land) use
- (f) On rateable land of category 9 (other) use.

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

The main reasons for providing differential rates are:

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

Differential Rate in Dollar Comparison

Year	Residential	Commercial	Industrial	Primary Production	Vacant Land	Other
2014/2015	0.21980	0.59346	0.59346	0.21980	0.59346	0.21980
2015/2016	0.22631	0.611037	0.611037	0.22631	0.611037	0.22631
2016/2017	0.23637	0.638199	0.638199	0.23637	0.638199	0.23637
2017/2018	0.24194	0.653238	0.653238	0.24194	0.653238	0.24194
2018/2019	0.24085	0.650295	0.650295	0.24085	0.650295	0.24085

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

Separate Rates

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

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

NRM Levy Comparison

Year	NRM Levy	Total NRM Revenue
2013/2014	\$40.60 (per assessment)	\$544,445
2014/2015	\$40.90 (per assessment)	\$554,609
2015/2016	\$42.00 (per assessment)	\$578,276
2016/2017	Res/Vac/Other \$ 69.00 (per assessment)	\$1,041,246
	Commercial \$127.00 (per assessment)	
	Industrial \$156.00 (per assessment)	
	Primary Production \$290.00 (per assessment)	
2017/2018	Res/Vac/Other \$ 72.65 (per assessment)	\$1,079,041
	Commercial \$110.05 (per assessment)	
	Industrial \$174.30 (per assessment)	
	Primary Production \$323.00 (per assessment)	
2018/2019 ⁽¹⁾	Res/Vac/Other \$ 73.00 (per assessment)	\$1,086,828
	Commercial \$109.00 (per assessment)	
	Industrial \$174.00 (per assessment)	
	Primary Production \$335.00 (per assessment)	

(1) Preliminary advice received from the South Australian State government indicates there will be no significant increase in the levy for 2018/2019 to fund increased costs associated with the operations of the Board. Council has no control over the levy amount which is set by the Minister for Environment and Water.

Minimum Amount

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

RATE REBATE AND RATE RELIEF ASSISTANCE

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

Residential Rate Cap

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

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

The rebate will not apply where:

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

The rebate will only apply to:

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

Vacant Land

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

Postponement of Rates - Seniors

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

Hardship

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

Mandatory and Discretionary Rate Rebates

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

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

COMMUNITY ENGAGEMENT AND BUDGET MEETINGS

The 2018/2019 Annual Business Plan and Budget is presented in the context of Council's endorsed strategic directions for the City the Community Plan 2016-2020. The document reflects Council's continuing focus on ensuring that the physical infrastructure of the City is fit for use and maintained in a cost effective way. Through implementation of this year's Plan, we aim to deliver to residents and ratepayers a well-managed, sustainable City environment for current as well as future generations.

The community engagement process provides members of the Community with the opportunity to have input into the Annual Business Plan and Budget before the Budget and list of capital and operating projects are finalised and adopted by Council. It also enables comment on the potential distribution of rates across the City and any rate relief options Council should consider or issues Council should be aware of when modelling valuation data and determining the distribution of rates for the 2018/2019 financial year.

Members of the Community were able to take part in the community engagement on the Draft 2018/2019 Annual Business Plan and Budget.

Submissions and/or questions regarding the Draft 2018/2019 Annual Business Plan and Budget closed at 5.00 p.m. on Friday 11 May 2018 and could be made via:

- 'Have Your Say' website at www.mountgambier.sa.gov.au
- Email to: city@mountgambier.sa.gov.au mark 'Draft 2018/2019 Annual Business Plan and Budget Consultation'
- Written submissions:
Draft 2018/2019 Annual Business Plan and Budget Consultation
City of Mount Gambier
PO Box 56
MOUNT GAMBIER SA 5290

A Special Meeting of Council was held on 22 May 2018 to consider feedback and public submissions on the Draft 2018/2019 Annual Business Plan and Budget. Another Special Meeting of Council to consider the draft 2018/2019 detailed Budget was held on 13 June 2018. This Final 2018/2019 Annual Business Plan and Budget is scheduled to be finalised and adopted at a Special Council Meeting on 3 July 2018.

APPENDIX A - 2018/2019 SUMMARY BUDGET BY FUNCTION

APPENDIX B - 2018/2019 PROFORMA BUDGETED FINANCIAL STATEMENTS

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

APPENDIX A

2018/2019 SUMMARY BUDGET BY FUNCTION

1. Function: Administration

1.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
ADMINISTRATION EXPENDITURE								
6000	ELECTED MEMBERS EXPENDITURE	323	328	329	329	334	404	
6002	ORGANISATIONAL EXPENDITURE	1,440	1,571	1,182	1,069	1,097	939	
	TOTAL OPERATING EXPENDITURE	1,763	1,899	1,511	1,398	1,431	1,343	-

1.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7500	CIVIC CENTRE	20	407	200	273	273	200	
	TOTAL CAPITAL EXPENDITURE	20	407	200	273	273	200	-

1.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
ADMINISTRATION REVENUE								
4100	RATES RAISED	19,734	19,803	20,685	20,685	20,691	21,616	
4112	RATES REMITTED	(1,150)	(1,249)	(1,282)	(1,282)	(1,268)	(1,367)	
4113	FINES ON RATES	70	76	80	80	80	81	
4114	FINES REMITTED	(2)	(1)	(2)	(2)	(1)	(1)	

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	GENERAL PURPOSE REVENUE							
4120	GENERAL PURPOSE REVENUE	2,568	3,908	2,644	2,251	1,294	2,511	
4125	LOCAL ROADS REVENUE				393	198	411	
	TOTAL OPERATING REVENUE	21,220	22,538	22,125	22,125	20,994	23,250	-

2. Function: Support Services

2.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	SUPPORT SERVICES EXPENDITURE							
6005	GOVERNANCE AND STRATEGY		-	475	475	491	274	
6010	STRATEGIC FINANCE & ACCOUNTABILITY				-	-	320	
6011	ACCOUNTING/FINANCE EXPENDITURE	450	450	456	456	533	301	
6012	PAYROLL EXPENDITURE	450	470	480	480	331	118	
6013	HUMAN RESOURCES EXPENDITURE	274	384	178	178	226	159	
6014	INFORMATION TECHNOLOGY EXPENDITURE	621	626	639	639	700	662	
6015	COMMUNICATION EXPENDITURE	33	19	27	27	27	68	
6016	RATES ADMINISTRATION EXPENDITURE	273	280	284	284	297	303	
6017	RECORDS MANAGEMENT EXPENDITURE	203	177	196	196	198	211	



6018	OCCUPANCY EXPENDITURE	783	722	546	546	444	402	
6020	CUSTOMER SERVICE EXPENDITURE	173	164	182	182	219	558	
6021	OTHER SUPPORT SERVICES EXPENDITURE	180	167	188	188	201	185	
6022	COMMUNITY ENGAGEMENT	390	325	271	136	150	244	
6023	MEDIA AND COMMUNICATIONS				248	262	284	
	TOTAL OPERATING EXPENDITURE	3,830	3,784	3,922	4,035	4,083	4,086	-

2.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7460	OFFICE EQUIPMENT (PURCHASES)	95	63	220	220	220	235	
	TOTAL CAPITAL EXPENDITURE	95	63	220	220	220	235	-

3. Function: Community Services

3.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	COMMUNITY SERVICES EXPENDITURE							
6100	CRIME PREVENTION EXPENDITURE	20	14	13	13	13	14	
6102	EMERGENCY SERVICES EXPENDITURE	34	2	33	33	-	-	
6103	OTHER FIRE PROTECTION EXPENDITURE	1	2	1	1	1	1	



6104	OTHER PUBLIC ORDER AND SAFETY EXPENDITURE	1	0	1	1	1	1	
6111	HEALTH - PEST CONTROL EXPENDITURE	1	1	1	1	1	-	
6112	IMMUNISATION EXPENDITURE	-	0	-	-	0	0	
6114	PREVENTATIVE HEALTH SERVICES EXPENDITURE	5	(1)	4	4	4	10	
6115	OTHER HEALTH SERVICES EXPENDITURE	32	4	6	6	6	4	
6121	SENIOR CITIZENS EXPENDITURE	35	30	33	33	38	40	
6125	CHILDREN AND YOUTH SERVICES EXPENDITURE	13	9	6	6	6	7	
6126	COMMUNITY ASSISTANCE EXPENDITURE	146	174	153	153	145	158	
6129	OTHER COMMUNITY SUPPORT EXPENDITURE	293	312	393	393	410	328	
6131	BUS SHELTER EXPENDITURE	4	3	2	2	2	3	
6132	CEMETERIES/CREMATORIA EXPENDITURE	128	96	106	106	59	31	
6134	PUBLIC CONVENIENCES EXPENDITURE	290	244	266	266	293	284	
6135	CARPARK EXPENDITURE	18	36	19	19	138	124	
6138	OTHER COMMUNITY AMENITIES EXPENDITURE	802	639	663	663	696	221	
8100	CARINYA CEMETERY OPERATING							
8120	CARINYA CEMETERY DEVELOPMENT				-	7	-	
	TOTAL OPERATING EXPENDITURE	1,823	1,565	1,700	1,700	1,820	1,227	-



3.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7560	OTHER COMMUNITY SUPPORT	25	25	50	50	50	120	
7570	BUS SHELTERS	30	1	-	29	29	30	
7580	CEMETERIES	-		-				
7600	PUBLIC CONVENIENCES				-	-	50	
7620	CAR PARKS	10	13	30	30	30	10	
8400	CARINYA CEMETERY							
	TOTAL CAPITAL EXPENDITURE	65	39	80	109	109	210	-

3.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	COMMUNITY SERVICES REVENUE							
4130	PUBLIC ORDER AND SAFETY REVENUE	2	3	2	2	2	-	
4132	HEALTH SERVICES REVENUE	-	0	-	-	-	0	
4133	COMMUNITY SUPPORT REVENUE	21	28	21	21	21	1	
4134	COMMUNITY AMENITIES REVENUE	99	98	85	85	85	86	
4135	CEMETERY REVENUE	-	7	3	3	7	4	
8000	CARINYA CEMETERY							
	TOTAL OPERATING REVENUE	122	136	111	111	115	92	-



4. Function: Cultural

4.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
CULTURAL EXPENDITURE								
6200	LIBRARY SERVICES EXPENDITURE	1,955	1,892	1,886	1,886	1,851	1,970	
6202	OTHER LIBRARY SERVICES	16	15	13	13	15	17	
6210	CULTURAL VENUES EXPENDITURE	373	489	241	241	424	392	
6220	HERITAGE EXPENDITURE	451	558	425	425	541	534	
6230	MUSEUMS/ART GALLERY EXPENDITURE	291	267	377	377	396	974	
6240	CULTURAL EVENTS EXPENDITURE	159	180	198	198	129	150	
6250	OTHER CULTURAL SERVICES EXPENDITURE				-	46	37	
	TOTAL OPERATING EXPENDITURE	3,245	3,402	3,140	3,140	3,403	4,074	-

4.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7470	LIBRARY BOOKS/MATERIALS	130	140	136	136	136	136	
7640	CULTURAL	15	2,063	15	27	27	25	
7650	HERITAGE	65	42	10	10	10	12	
	TOTAL CAPITAL EXPENDITURE	210	2,245	161	173	173	173	-



4.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	CULTURAL REVENUE							
4140	LIBRARY SERVICES REVENUE	115	226	212	212	212	209	
4142	CULTURAL SERVICES REVENUE	307	169	144	144	144	128	
4143	ART GALLERY		155	200	200	200	140	
	TOTAL OPERATING REVENUE	422	549	556	556	556	476	-

5. Function: Economic Development

5.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	ECONOMIC DEVELOPMENT EXPENDITURE							
6320	REGIONAL DEVELOPMENT EXPENDITURE	476	595	548	548	493	406	
6350	TOURISM EVENTS EXPENDITURE	664	539	718	718	444	448	
6360	TOURISM - "THE LADY NELSON" EXPENDITURE	920	844	864	864	840	846	
6370	TOURISM GENERAL EXPENDITURE				-	330	336	
	TOTAL OPERATING EXPENDITURE	2,060	1,977	2,130	2,130	2,107	2,036	-



5.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7660	TOURISM	-	-	-	90	90	330	
	TOTAL CAPITAL EXPENDITURE	-	-	-	90	90	330	-

5.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	ECONOMIC DEVELOPMENT REVENUE							
4151	ECONOMIC - SUNDRY GRANTS/CONTRIBUTIONS	-	-	-				
4152	TOURISM GENERAL REVENUE	-	-	-				
4153	TOURISM - "THE LADY NELSON" REVENUE	310	317	313	313	308	263	
	TOTAL OPERATING REVENUE	310	317	313	313	308	263	-

6. Function: Environment

6.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	ENVIRONMENT EXPENDITURE							
6410	WASTE MANAGEMENT EXPENDITURE	2,678	3,894	3,768	567	29	30	
6411	GARBAGE COLLECTION		-		620	604	751	
6412	GREENWASTE OPERATIONS		-		328	353	253	



6413	KERBSIDE RECYCLING		-		630	669	1,085	
6414	RE-USE MARKET OPERATIONS		1		-	15	194	
6415	WASTE TRASFER CENTRE OPERATIONS		3		193	246	214	
6416	E-WASTE COLLECTION		0		20	20	22	
6418	CAROLINE LANDFILL OPERATIONS		69		1,400	2,067	2,320	
6419	ORCHARD ROAD WASTE MANAGEMENT		-		10	51	17	
6420	STORMWATER AND DRAINAGE EXPENDITURE	424	259	220	220	211	146	
6430	STREET CLEANING EXPENDITURE	375	337	343	343	320	147	
6440	STREET LIGHTING EXPENDITURE	490	431	525	525	525	526	
6450	STREETSCAPING EXPENDITURE	196	162	195	195	203	212	
6460	ENVIRONMENTAL SUSTAINABILITY	145	159	147	147	145	168	
	TOTAL OPERATING EXPENDITURE	4,308	5,315	5,198	5,198	5,459	6,085	-

6.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7665	STREETSCAPING	40	85	-	40	20	40	
7668	ENVIRONMENTAL SUSTAINABILITY	50	-	50	-	-	50	
7670	WASTE MANAGEMENT	735	5,509	1,256	1,401	1,401	1,139	
7800	INFRASTRUCTURE STORMWATER	200	96	80	130	130	85	
	TOTAL CAPITAL EXPENDITURE	1,025	5,690	1,386	1,571	1,551	1,314	-



6.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	ENVIRONMENT REVENUE							
4155	ENVIRONMENT REVENUE	-	4	-	-	-	-	
4162	WASTE MANAGEMENT REVENUE	2,142	2,783	2,760	2,760	2,760	3,405	
4163	STORMWATER DRAINAGE		91	50	50	50	50	
4164	ENVIRONMENTAL SUSTAINABILITY		15	-	-	0	-	
	TOTAL OPERATING REVENUE	2,142	2,888	2,810	2,810	2,810	3,455	-

7. Function: Recreation

7.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	RECREATION EXPENDITURE							
6500	PARKS/GARDENS/RESERVES EXPENDITURE	1,778	1,821	1,731	1,731	2,066	2,614	
6520	SPORTS FACILITIES - INDOOR EXPENDITURE	43	25	20	20	39	104	
6530	SPORTS FACILITIES - OUTDOOR EXPENDITURE	499	437	478	478	717	508	
6550	AQUATIC CENTRE (OUTDOOR) EXPENDITURE	383	422	373	373	388	377	
6560	OTHER RECREATION EXPENDITURE	96	133	96	96	96	100	
	TOTAL OPERATING EXPENDITURE	2,799	2,837	2,698	2,698	3,306	3,703	-



7.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7680	PARKS/GARDENS/RESERVES	705	502	345	523	513	670	
7690	SPORTS FACILITIES (INDOOR)	-	-	-				
7700	SPORTS FACILITIES (OUTDOOR)	6	-	26	26	52	130	
7730	AQUATIC CENTRE (OUTDOOR)	89	80	26	26	26	26	
	TOTAL CAPITAL EXPENDITURE	800	582	397	575	591	826	-

7.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	RECREATION REVENUE							
4170	RECREATION REVENUE	81	73	82	82	82	96	
	TOTAL OPERATING REVENUE	81	73	82	82	82	96	-

8. Function: Regulatory Services

8.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	REGULATORY SERVICES EXPENDITURE							
6600	DOG CONTROL EXPENDITURE	304	299	307	307	294	298	



6620	BUILDING CONTROL EXPENDITURE	315	313	295	295	298	395	
6630	CITY PLANNING EXPENDITURE	373	257	283	283	314	353	
6660	HEALTH INSPECTION EXPENDITURE	185	153	213	213	219	218	
6670	PARKING CONTROL EXPENDITURE	21	14	16	16	17	17	
	TOTAL OPERATING EXPENDITURE	1,198	1,036	1,114	1,114	1,141	1,281	-

8.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000

8.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	REGULATORY SERVICES REVENUE							
4180	REGULATORY SERVICES REVENUE	402	389	388	388	388	416	
	TOTAL OPERATING REVENUE	402	389	388	388	388	416	-

9. Function: Transport

9.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	TRANSPORT EXPENDITURE							



6720	BRIDGES EXPENDITURE	4		4	4	3	4	
6730	FOOTPATHS AND KERBING EXPENDITURE	536		593	593	872	748	
6740	ROADS SEALED EXPENDITURE	2,128		2,635	2,635	1,948	1,908	
6780	TRAFFIC MANAGEMENT EXPENDITURE	160		140	140	80	60	
	TOTAL OPERATING EXPENDITURE	2,828	-	3,372	3,372	2,902	2,720	-

9.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7830	FOOTPATHS/KERBING	301	550	848	848	848	912	
7900	ROADS INFRASTRUCTURE	2,590	3,607	2,157	2,736	2,710	2,310	
	TOTAL CAPITAL EXPENDITURE	2,891	4,157	3,005	3,584	3,558	3,222	-

9.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	TRANSPORT REVENUE							
4193	ROADS REVENUE	965	807	358	358	358	240	
	TOTAL OPERATING REVENUE	965	807	358	358	358	240	-



10. Function: City Infrastructure

10.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	CITY INFRASTRUCTURE EXPENDITURE							
6800	ENGINEERING DEPARTMENT EXPENDITURE	740	795	992	992	781	1,137	
6810	ASSET MANAGEMENT	61	27	-	-	-	30	
6820	ENGINEERING - AWU EMPLOYEES EXPENDITURE	1,138	1,209	1,209	1,174	1,004	1,376	
6830	INDIRECT EXPENDITURE	528	510	480	480	552	720	
6840	INDIRECT EXPENDITURE - LABOUR ONCOSTS	(1,158)	(1,132)	(1,250)	-	(1,250)	(1,540)	
6850	PLANT AND MACHINERY EXPENDITURE	1,607	1,577	1,671	1,671	1,665	1,469	
6860	PLANT AND MACHINERY - INTERNAL HIRE	(1,654)	(1,757)	(1,850)	(1,850)	(1,850)	(1,625)	
	TOTAL OPERATING EXPENDITURE	1,262	1,230	1,252	2,467	902	1,568	-

10.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7740	WORKS DEPOT	38	31	15	20	20	40	
7300	VEHICLE FLEET	1,567	219	1,369	231	231	254	
7320	TRUCKS			-	596	596	822	
7360	ROLLERS			-	160	160	-	



7390	TRACTORS			-	50	50	-	
7400	MAJOR PLANT		155	-	319	319	482	
7450	MINOR PLANT		-	-	13	13	40	
	TOTAL CAPITAL EXPENDITURE	1,605	406	1,384	1,389	1,389	1,638	-

10.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Budget '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000

11. Function: Unclassified

11.1 Type: Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	UNCLASSIFIED ACTIVITIES EXPENDITURE							
6900	PRIVATE WORKS EXPENDITURE	40	24	40	40	39	22	
6940	SUNDRY EXPENDITURE	373	240	291	291	298	198	
6960	FINANCE CHARGES EXPENDITURE	472	202	322	322	325	156	
	TOTAL OPERATING EXPENDITURE	885	465	653	653	662	375	-



11.2 Type: Capital Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
7750	UNCLASSIFIED							
	TOTAL CAPITAL EXPENDITURE							

11.3 Type: Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	UNCLASSIFIED ACTIVITIES REVENUE							
4210	PRIVATE WORKS REVENUE	67	105	60	60	60	60	
4230	SUNDRY REVENUE	180	1,803	205	205	383	321	
4240	INVESTMENT REVENUE	11	25	15	15	41	48	
	TOTAL OPERATING REVENUE	258	1,933	280	280	484	429	-

12. Function: Non Operating

12.1 Type: Non-Operating Expenditure

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	NON OPERATING EXPENDITURE							
7000	COMMUNITY LOANS EXPENDITURE	-		-				
7020	LOAN REPAYMENTS EXPENDITURE	680		690				



7031	APPROPRIATION TO RESERVES - GENERAL	-		-				
	TOTAL NON OPERATING EXPENDITURE	680	-	690	-	-	-	-

12.2 Type: Non-Operating Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	NON OPERATING REVENUE							
4250	LOAN FUNDS REVENUE	-		-				
4260	LOAN REPAYMENT REVENUE	8	40	-	-	-	-	
4270	APPROPRIATION FROM RESERVES	250	2,780	265	265	-	-	
4275	APPROPRIATION FROM RESERVES				-	(25)	-	
	TOTAL NON OPERATING REVENUE	258	2,820	265	265	(25)	-	-

13. Function: Capital

13.1 Type: Capital Revenue

Acct	Details	2016/2017		2017/2018			2018/2019	
		Adopted Budget '000	Final Actual '000	Draft Budget '000	Adopted Budget '000	BR2 31/12/2017 '000	Draft Budget '000	Adopted Budget '000
	CAPITAL							
4300	DISPOSAL OF ASSETS	309		274				
4480	DISPOSAL OF LAND	-		-				
4500	GRANT FUNDING	130	2,189	295	295	295	-	
4280	REVENUE - OTHER SOURCES	6,665	(35,619)	6,815	274	97	399	
	TOTAL NON OPERATING EXPENDITURE	7,104	(33,430)	7,384	569	392	399	-



APPENDIX B

2018/2019 PROFORMA BUDGETED FINANCIAL STATEMENTS

CITY OF MOUNT GAMBIER

PROFORMA STATEMENT OF COMPREHENSIVE INCOME
Budget FY2019, Budget Review 3 FY2018, Budget FY2018 and Actual FY2017

		FY Budget 2019	FY BR3 2018	FY Budget 2018	2017
	Notes	\$'000	\$'000	\$'000	\$'000
INCOME					
Rates	2	21,444	20,537	20,548	19,672
Statutory charges	2	457	446	423	185
User charges	2	4,855	4,040	3,554	4,514
Grants, subsidies and contributions	2	3,321	3,457	3,162	4,858
Investment income	2	48	65	15	36
Reimbursements	2	139	135	105	174
Other income	2	262	487	271	531
Total Income		<u>30,525</u>	<u>29,166</u>	<u>28,078</u>	<u>29,970</u>
EXPENSES					
Employee costs	3	11,575	11,090	10,917	9,583
Materials, contracts & other expenses	3	11,439	10,369	9,833	10,937
Depreciation, amortisation & impairment	3	7,026	6,925	6,630	7,331
Finance costs	3	157	199	325	269
Total Expenses		<u>30,196</u>	<u>28,584</u>	<u>27,705</u>	<u>28,120</u>
OPERATING SURPLUS / (DEFICIT)		328	582	373	1,850
Asset disposal & fair value adjustments	4	-	(1,204)	(40)	48
Amounts received specifically for new or upgraded assets	2	-	140	295	2,189
Physical resources received free of charge	2	-	-	-	1,212
NET SURPLUS / (DEFICIT)		328	(482)	628	5,299
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)
Total Other Comprehensive Income		-	-	-	(13,457)
TOTAL COMPREHENSIVE INCOME		<u>328</u>	<u>(482)</u>	<u>628</u>	<u>(8,158)</u>
Share of Net Surplus / (Deficit)					
Council		328	(482)	628	5,299
Minority Interest					
		<u>328</u>	<u>(482)</u>	<u>628</u>	<u>5,299</u>
Share of Other Comprehensive Income					
Council		-	-	-	(13,457)
Minority Interest		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,457)</u>
TOTAL COMPREHENSIVE INCOME		<u>328</u>	<u>(482)</u>	<u>628</u>	<u>(8,158)</u>

CITY OF MOUNT GAMBIER

PROFORMA STATEMENT OF FINANCIAL POSITION
Budget FY2019, Budget Review 3 FY2018, Budget FY2018 and Actual FY2017

	Notes	FY Budget 2019 \$'000	FY BR3 - 2018 \$'000	FY Budget 2018 \$'000	2017 \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	5	1,615	2,240	246	3,028
Trade & other receivables	5	1,366	1,366	1,158	1,366
Other financial assets	5	-	-	-	-
Inventories	5	32	32	39	32
		<u>3,014</u>	<u>3,638</u>	<u>1,443</u>	<u>4,426</u>
Non-current Assets held for Sale	20	-	-	-	-
Total Current Assets		<u>3,014</u>	<u>3,638</u>	<u>1,443</u>	<u>4,426</u>
Non-current Assets					
Financial assets	6	35	35	28	35
Infrastructure, property, plant & equipment	7	228,884	228,246	239,007	228,256
Other non-current assets	6	-	-	-	-
Total Non-current Assets		<u>228,919</u>	<u>228,281</u>	<u>239,035</u>	<u>228,291</u>
Total Assets		<u>231,932</u>	<u>231,919</u>	<u>240,478</u>	<u>232,717</u>
LIABILITIES					
Current Liabilities					
Trade & other payables	8	2,962	2,962	2,092	2,962
Borrowings	8	206	206	2,405	206
Provisions	8	3,288	3,288	2,435	3,288
Other current liabilities	8	-	-	-	-
Liabilities relating to Non-current Assets held for Sale	20	-	-	-	-
Total Current Liabilities		<u>6,456</u>	<u>6,456</u>	<u>6,932</u>	<u>6,456</u>
Non-current Liabilities					
Trade & Other Payables	8	-	-	-	-
Borrowings	8	2,366	2,584	2,778	2,790
Provisions	8	3,599	3,599	209	3,599
Liability - Equity accounted Council businesses	8	-	-	-	-
Other Non-current Liabilities	8	-	-	-	-
Total Non-current Liabilities		<u>5,965</u>	<u>6,183</u>	<u>2,987</u>	<u>6,390</u>
Total Liabilities		<u>12,421</u>	<u>12,639</u>	<u>9,919</u>	<u>12,845</u>
NET ASSETS		<u>219,512</u>	<u>219,280</u>	<u>230,559</u>	<u>219,872</u>
EQUITY					
Accumulated Surplus		55,499	55,170	60,366	55,859
Asset Revaluation Reserves	9	160,983	160,983	168,966	160,983
Other Reserves	9	3,030	3,030	1,227	3,030
Total Council Equity		<u>219,512</u>	<u>219,183</u>	<u>230,559</u>	<u>219,872</u>
Minority Interest		-	-	-	-
TOTAL EQUITY		<u>219,512</u>	<u>219,183</u>	<u>230,559</u>	<u>219,872</u>

CITY OF MOUNT GAMBIER

PROFORMA STATEMENT OF CHANGES IN EQUITY Budget FY2019, Budget Review 3 FY2018 and Actual FY2017

		Accumulated Surplus	Asset Revaluation Reserve	Available for sale Financial Assets	Other Reserves	TOTAL EQUITY
2019	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period		55,170	160,983	-	3,030	219,183
Net Surplus / (Deficit) for Year		328				328
Other Comprehensive Income						
Transfers between reserves		-			-	-
Balance at end of period		55,499	160,983	-	3,030	219,512
2018	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period		55,859	160,983	-	3,030	219,872
Net Surplus / (Deficit) for Year		(689)				(689)
Other Comprehensive Income						
Transfers between reserves		-			-	-
Balance at end of period		55,170	160,983	-	3,030	219,183
2017	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period		54,680	168,966	-	4,382	228,028
Net Surplus / (Deficit) for Year		5,299				5,299
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment			(13,457)			(13,457)
Other equity adjustments		(5,472)	5,474			2
Transfers between reserves		1,352			(1,352)	-
Balance at end of period		55,859	160,983	-	3,030	219,872

CITY OF MOUNT GAMBIER

STATEMENT OF CASH FLOWS

Budget FY2019, Budget Review 3 FY2018, Budget FY2018 and Actual FY2017

	Notes	FY Budget 2019 \$'000	FY BR3 - 2018 \$'000	FY Budget 2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
<u>Receipts</u>					
Rates - general & other		21,444	20,537	19,481	19,682
Fees & other charges		457	446	388	454
User charges		4,855	4,040	3,637	4,752
Investment receipts		48	65	15	33
Grants utilised for operating purposes		3,321	3,457	3,052	5,222
Reimbursements		139	135	155	216
Other revenues		262	487	-	4,034
<u>Payments</u>					
Employee costs		(12,854)	(12,030)	(10,298)	(10,692)
Materials, contracts & other expenses		(10,159)	(9,430)	(9,440)	(13,711)
Finance payments		(157)	(199)	(322)	(201)
Net Cash provided by (or used in) Operating Activities		<u>7,354</u>	<u>7,507</u>	<u>6,668</u>	<u>9,789</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
<u>Receipts</u>					
Amounts specifically for new or upgraded assets		-	140	295	2,189
Sale of replaced assets		399	134	569	407
Sale of surplus assets		-	-	-	105
Repayments of loans by community groups		-	-	-	40
<u>Payments</u>					
Expenditure on renewal/replacement of assets		(5,013)	(5,386)	(4,273)	(3,253)
Expenditure on new/upgraded assets		(3,147)	(2,744)	(2,610)	(6,322)
Net Cash provided by (or used in) Investing Activities		<u>(7,760)</u>	<u>(7,856)</u>	<u>(6,019)</u>	<u>(6,834)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
<u>Payments</u>					
Repayments of borrowings		(218)	(206)	(425)	(874)
Net Cash provided by (or used in) Financing Activities		<u>(218)</u>	<u>(206)</u>	<u>(425)</u>	<u>(874)</u>
Net Increase (Decrease) in cash held		<u>(624)</u>	<u>(555)</u>	<u>224</u>	<u>2,081</u>
Cash & cash equivalents at beginning of period	10	<u>2,240</u>	<u>3,028</u>	<u>22</u>	<u>947</u>
Cash & cash equivalents at end of period	10	<u><u>1,615</u></u>	<u><u>2,472</u></u>	<u><u>246</u></u>	<u><u>3,028</u></u>

CITY OF MOUNT GAMBIER

PROFORMA NOTES

Budget FY2019, Budget Review 3 FY2018, Budget FY2018 and Actual FY2017

UNIFORM PRESENTATION OF FINANCES

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

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

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

	FY Budget 2019 \$'000	FY BR3 - 2018 \$'000	FY Budget 2018 \$'000	2017 \$'000
Income	30,525	29,166	28,078	29,970
less Expenses	<u>30,196</u>	<u>28,584</u>	<u>27,705</u>	<u>28,120</u>
Operating Surplus / (Deficit)	328	582	373	1,850
less Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	5,013	5,386	4,273	3,253
Depreciation, Amortisation and Impairment	(7,026)	(6,925)	(6,630)	(7,331)
Proceeds from Sale of Replaced Assets	<u>(399)</u>	<u>(134)</u>	<u>(569)</u>	<u>(407)</u>
	(2,412)	(1,674)	(2,926)	(4,485)
less Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	3,147	2,744	2,610	6,322
Amounts received specifically for New and Upgraded Assets	-	(140)	(295)	(2,189)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105)</u>
	3,147	2,604	2,315	4,028
Net Lending / (Borrowing) for Financial Year	(406)	(348)	984	2,306

CITY OF MOUNT GAMBIER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS Budget FY2019, Budget Review 3 FY2018, Budget FY2018 and Actual FY2017

Note 13 - FINANCIAL INDICATORS

	FY Budget 2019	FY BR3 - 2018	FY Budget 2018	2017
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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>	1.1%	2.0%	1.3%	6.2%
Total Operating Revenue				

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

Adjusted Operating Surplus Ratio	0.7%	2.0%	1.3%	2.0%
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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>	41%	43%	35%	28%
Total Operating Revenue				

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	84%	74%	74%	62%
Infrastructure & Asset Management Plan required expenditure				

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets. Amounts shown above an asterisk () indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure & Asset Management Plan.*