



City of  
Mount Gambier

# Annual Business Plan and Budget 2017/2018

Adopted: 5<sup>th</sup> July, 2017

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

# 2017/2018 BUSINESS PLAN AND BUDGET

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# **2017/2018 ANNUAL BUSINESS PLAN AND BUDGET**

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## **FROM THE MAYOR**

The 2017/2018 Annual Business Plan and Budget reflects the work of Council in preparing for the third budget of a four year Council term.

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 Asset Management Frameworks.

The 2017/2018 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. Council's Community Plan - The Futures Paper 2016 - 2020 is its key strategic document which is supported by the Long Term Financial Plan, the Asset and Infrastructure Management Plan and the Annual Business Plan and Budget.

Key elements of the ten (10) year Long Term Financial Plan now reflected in the 2017/2018 Annual Business Plan and Budget, include major capital projects to be completed, required rate revenue and borrowings to fund those major capital works projects, in addition to annual operating expenses.

Other key influences on the 2017/2018 Annual Business Plan and Budget include:

- Continued focus on achieving the vision expressed in Council's adopted Community Plan - The Futures Paper 2016/2020;
- A major focus on economic development including tourism and employment opportunities;
- Continued 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 the development of Council's infrastructure and asset management framework;
- Capital infrastructure program of approximately \$6.883M (new and renewal);
- 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; and
- Delivery of Arts, Culture and Heritage supported by the Riddoch Art Gallery.

The 2017/2018 Annual Business Plan and Budget provides for a balanced Budget position at years end. Council's Long Term Financial Plan predicts a 5% increase in rate revenue, however the Budget is able to be balanced with a lesser 4.5% rate revenue increase, including a growth factor (new assessments) estimated to be in the order of 0.5% which is anticipated to result in an average residential rate increase of approximately 4% for 2017/2018.

Following the community engagement process, that concluded on Friday, 9<sup>th</sup> June, 2017, Council formally considered all feedback before adoption of the final 2017/2018 Annual Business Plan and Budget on Wednesday 5<sup>th</sup> July, 2017.

**Andrew LEE**  
**MAYOR**



## OUR CITY

The City of Mount Gambier located equally distanced between the major capital cities of Adelaide and Melbourne, is South Australia's second largest City and is home to a population of over 26,000 citizens. Mount Gambier is the regional centre for the Limestone Coast Region of South Australia and much of the Western Districts of Victoria and is widely known as the home of Australia's softwood timber industry.

Mount Gambier was sighted and named, in honour of Lord James Gambier, Admiral of the Fleet, by Lieutenant James Grant in December 1800 whilst 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 known in its early years 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.

As the regional centre for Limestone Coast Region of South Australia and Western Districts of Victoria, Mount Gambier services the commercial, retail, social, sporting and cultural needs of a regional population of over 70,000.

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 and local income.

The multi million dollar softwoods timber industry continues to be a key contributor to the local economy and has heavily influenced the social and cultural heritage of the City and the region.

Mount Gambier's population as at the 2011 Census was recorded as 25,247 persons living in 11,670 dwellings with an average household size of 2.31.

This represented an increase of population from 23,922 persons as at the 2006 Census (+1,325). 2,599 (or 10.3%) people living in the City of Mount Gambier were born overseas and of which 545 (or 21%) arrived in Australia within the last 5 years.

Aboriginal and Torres Strait Islanders comprise 576 persons (or 2.3%) of Mount Gambier's population.

11,471 people living in the City of Mount Gambier are employed, of which 61% are working full time and 38% are working part time.

The majority of City of Mount Gambier residents are employed in the manufacturing and retail sectors followed by the health care and social assistance sectors.

The 2016 estimated resident population is 26,317.

Detailed information on Mount Gambier's demographics can be found in the 'Community Profile' on the Council website [www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au).



## OVERVIEW

The development of our 2017/2018 Annual Business Plan and Budget is an important part of our overall planning. It links our Community Plan, The Futures Paper 2016 - 2020, our strategies, initiatives, services and projects, our Long Term Financial Plan, and Asset and Infrastructure Management Plans with our annual budget process to ensure that we optimise the mix of services, infrastructure and facilities for the benefit of our Community.

The 2017/2018 Budget provides for a total of \$6.883M in capital expenditure projects, the majority of which are drawn from Council's detailed ten (10) year Long Term Financial Plan that is reviewed on a regular basis.

The 2017/2018 Budget provides for an operating surplus and cash surplus as at 30<sup>th</sup> June, 2018.

Total rate revenue will increase overall by 4.5% (individual assessments should anticipate an approximately a 4% increase when 'growth' is taken into account).

Key initiatives for 2017/2018 are detailed in the Budget section of the Annual Business Plan.

Council's Rating Policy for 2017/2018 is based on the same rates structure that applied for the previous 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 to remain the same as previous year).

Rate revenue continues to account for approximately 73% of Council's operating income.

Council's Rate Rebate Policy for 2017/2018 remains unchanged from the previous year.

This 2017/2018 Annual Business Plan and Budget was available in draft to enable community feedback prior to adoption of the final 2017/2018 Annual Business Plan and Budget.

Community feedback assists Council to determine the services and projects provided from year to year.

## BUDGET INFLUENCES

In developing our 2017/2018 Annual Business Plan and Budget, Council identified pressures and potential impacts on our financial performance and budgeting.

### Operating and Economic Influences

A range of operating and economic matters have influenced the preparation of the 2017/2018 Annual Business Plan and Budget including:

- The Local Government Price Index (LGPI) which is a measure of the inflationary effect on price changes in the Local Government sector. For the previous financial year this figure was recorded at 1.6%. In comparison CPI was recorded at 1.3% for the same period
- Increases in the Environmental Protection Authority (EPA) Solid Waste Levy
- Increases in mandatory rate rebates to Housing Associations as a result of changes in state legislation
- Increases in utility costs i.e. electricity charges particularly street lighting
- Operation of the Riddoch Art Gallery including the Cultural and Heritage Development Strategy and development of the City's Arts and Cultural Centre



- Council's focus on the economic development and employment opportunities in the City
- Development of the City's Tourism Strategy and potential, including increasing tourism visitor numbers to the City and region and signage
- Implementation of a Materials Recovery Centre
- Development of a Youth Strategy
- Employee costs.

## **STRATEGIC DIRECTIONS**

### **The City Development Framework Project**

The City Development Framework Project was fundamental in the development of the Futures Paper. This project commenced to ensure we have a robust and planned approach to meet the current and future challenges facing the City. The project involved the development of overall strategies for development, incorporating economic, social, environment and community opportunities and aspirations.

The Futures Paper looks forward and focuses on two key questions:

1. Is what we have done in the past going to sustain our community and economy into the future?
2. What do we need to do to change or introduce to ensure that our community and economy are sustainable into the future?

Most importantly the Futures Paper was developed entirely on the aspirations and issues raised and identified from people within the Community. To develop the Futures Paper Council asked the Community what matters and what their aspirations were for:

- Themselves;
- Their family and friends; and
- The Community as a whole.

This discussion centred on four interrelated characteristics, outlined below.

#### **Our People**

How do we ensure a highly skilled and educated population for the future challenges facing our Community? A Community reflecting good health, connectedness and well being.

#### **Our Location**

How do we take advantage of our location and expand our potential as a regional hub?

Building on our regional centre for the provision of services, shopping, tourism, cultural, sporting and recreation.

#### **Our Diverse Economy**

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





## Our Climate, Natural Resources and Heritage

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

The Futures Paper was prepared based upon all of the submissions and comments made by people invited to participate in the project and the general community. These submissions were obtained after undertaking an extensive consultation and engagement process which involved eight workshops, a launch of the Futures Paper and a 'whole of community' engagement process. At the end of this process approximately 650 people had input into the development of the Futures Paper.

The Futures Paper is a guide for the future direction and development of the City based upon the ideas and aspirations of the Community.

It is important to identify that the development of the Futures Paper is based on sound academic research that identified four key characteristics of successful cities:

- Home to a highly skilled population;
- Centrally located, at the heart of a rich market and/or well positioned for trade with expanding markets;
- A diversified economy with a significant proportion of high order services;
- A climate and/or natural setting superior to most other cities in the nation.

In using and applying the Futures Paper as a guiding strategy for the long term development of the City, Council is able to develop policies and allocate resources where the most gain can be achieved.

## 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 at its meeting in May 2016.

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

The Community Plan is a departure from the previous Strategic Plan and significant work has commenced to consider how to effectively deliver the outcomes.

## 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; and
- Our Climate, Natural Resources, Art, Culture and Heritage.



It is these elements that will contribute 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. To provide a future for our people we need more economic growth and employment as well as recreational and educational opportunities.

The Vision is supported by the above mentioned four (4) goals which 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 and collaboratively achieve these goals.

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

## **Long Term Financial Plan**

What is the purpose of a Long Term Financial Plan?

Whilst the development of Long Term Financial Plans is a requirement of Section 122(1)(a) of the Local Government Act 1999, the purpose is to translate the 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 annually and acts as a reference point in the formulation of future Annual Business Plans and Budgets.

What are the key elements of the Long Term Financial Plan?

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.

What does the Long Term Financial Plan tell us?

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. Whilst, given the recent major capital infrastructure projects completed by Council and the associated loan borrowings to fund those projects, the next four (4) years projected operating indicates some deficit returns however the following years of the plan return Council to surplus.

Council's Long Term Financial Plan is available from the Council website:  
[www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au)





## Financial Sustainability

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

South Australian local government has developed a number of indicators to measure Councils' Financial Sustainability. The principle indicators which are derived from Council's Audited Financial Statements being:

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

Financial Sustainability Indicators and their targets are used by Council as a guide in the Long Term Financial Plan.

The following table represents an overall snapshot comparison of these key Financial Indicators, including Council's targets, to maintain its financial performance.

Key Financial Indicators	2012	2013	2014	2015	2016	2017	2018
Operating Surplus Ratio (Target: 0% - 15% over 5 years)	4%	2%	3%	(1%)	3%	0%	(0%)
Net Financial Liabilities Ratio (Target: Not to exceed 100%)	27%	23%	31%	26%	25%	36%	33%
Asset Sustainability Ratio (Target: 90% - 100% over 3 years)	52%	85%	107%	53%	57%	147%	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
- Protection of natural resources
- Inspectorial services (parking, animal control).

In response to Community demands the Council also provides further services and programs including:

- Libraries
- Community centres and aged care facilitation
- Youth development
- Economic development
- Environmental programs
- Community programs
- Vast array of sporting and recreational facilities
- Lifelong Learning
- Community Engagement and Social Inclusion
- Tourism and visitor services
- Attracting major events to the City
- Community events programs
- Advocating on behalf of the community to Federal/State Governments.

In accordance with the Long Term Financial Plan, Council's 2017/2018 Annual Business Plan and Budget will provide for existing service levels to be maintained.

## **2017/2018 ANNUAL BUSINESS PLAN AND BUDGET**

The 2017/2018 Annual Business Plan and Budget proposes to spend a total of \$33.6M 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 2.7% or \$689,000 on the 2016/2017 period, and in comparison operating revenue is anticipated to increase by 4.2% or \$689,000 attributable to increased rate revenue and environmental revenue. It should be noted that Roads to Recovery Grant Funding has decreased approximately 62% from 2016/2017.

Council's cash result is budgeted to be a surplus of \$409,000 with an operating surplus of \$333,000. The surplus will fund strategies identified in the Community Plan that are planned to be implemented/or commenced in 2017/2018.

When factoring in non-operating revenue and expenditure and Council's extensive capital expenditure program, a minor end of year cash surplus results.

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.



Key components within Council's 2017/2018 Budget include:

Function/Activity (Excluding Depreciation)	\$'000 Expenditure		\$ '000 Revenue
	Operating	Capital	
<u>Administration</u>			
Rates (General)			19,608
Grants Commission – General Purpose Grant			2,251
– Road Grants			393
Occupancy, Organisational		420	
<b>Total</b>		<b>420</b>	<b>22,252</b>
<u>Community Services</u>			
General Community Support / Donations	153		
Public Conveniences	260		
Main Corner	578	50	85
<b>Total</b>	<b>991</b>	<b>50</b>	<b>85</b>
<u>Cultural Services</u>			
Library Operating	1,389	136	212
Cultural Venues (City Hall, Wehl Street etc.)	132	15	120
Heritage	96	10	24
Art Gallery	377		200
Community Celebrations, Parades and Programs	176		
<b>Total</b>	<b>2,170</b>	<b>161</b>	<b>556</b>
<u>Economic</u>			
Economic Development	548		
Tourism – Development, Events and Promotion	693		
Tourism – Visitor Services	766		313
<b>Total</b>	<b>2,007</b>		<b>313</b>
<u>Environment</u>			
Waste Management	3,099	1,256	2,760
Stormwater drainage	120	90	
Street cleaning / sweeping	353		50
Street Lighting	525		
Streetscaping	192	40	
Environmental Sustainability	157	50	
<b>Total</b>	<b>4,446</b>	<b>1,436</b>	<b>2,810</b>
<u>Recreation</u>			
Parks, Gardens, Reserves (inc. Crater Lakes, Cave Garden, Umpherston Sinkhole etc.)	1,382	76	9
Sport Facilities (Indoor and Outdoor - including skatepark)	267	26	73
Aquatic Centre	255	26	
Sporting grants/ support	96		
<b>Total</b>	<b>2,000</b>	<b>128</b>	<b>82</b>



Function/Activity (Excluding Depreciation)	\$'000 Expenditure		\$ '000 Revenue
	Operating	Capital	
<u>Regulatory</u>			
Dog Control	307		152
Building Control	295		90
City Planning	298		105
Health and Parking Inspection	229		31
<b>Total</b>	<b>1,129</b>		<b>378</b>
<u>Transport / Engineering</u>			
Plant and Machinery (Operating/Replacement)	1,005	1,369	
Footpath / Kerbing – Maintenance - Annual Program	340	848	
Road infrastructure – maintenance Annual capital program, includes:	258	2,157	
- CBD renewal	\$300,000		
- Reseal program	\$420,000		
- Boundary Roads	\$ 60,000		
- Roads to Recovery	\$339,000		
- Roads Reconstruction Program	\$985,000		
<b>Total</b>	<b>1,603</b>	<b>4,374</b>	
<u>Unclassified</u>			
Property Maintenance Program	150	247	
Finance Charges - Loan Interest Repayments	372		
Sundry Leases/Rentals			
<u>Non Operating</u>			
- Annual Borrowing Program			
- Loan Repayment – Principal	690		
<b>Total</b>	<b>1,212</b>	<b>247</b>	
<u>Capital Revenue</u>			
- Asset Disposal (Trade-ins)			274
- Grant Funding			295
<b>Total</b>			<b>569</b>

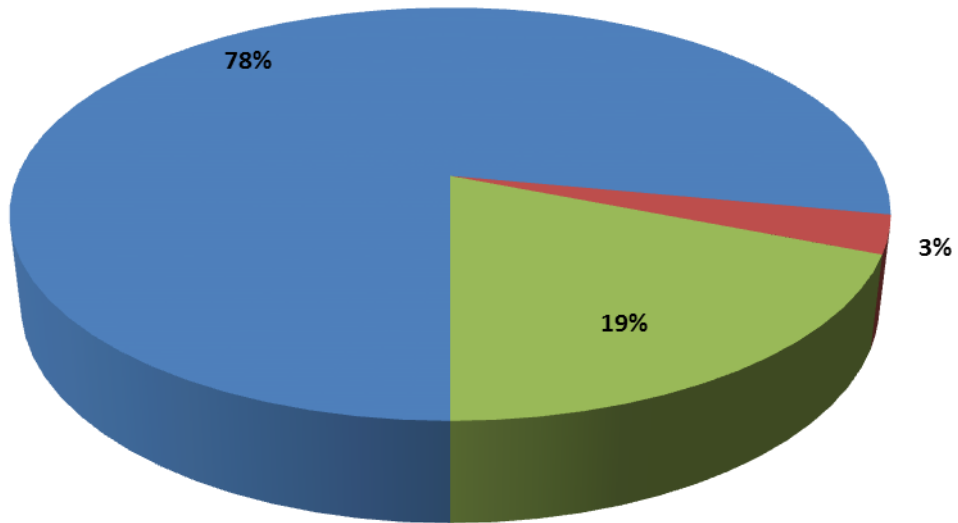
A Summary Budget arising from this 2017/2018 Annual Business Plan and Budget, comprising Income and Expenditure components of both an Operating and Capital nature and summarised in functional categories is provided in Appendix A to this Annual Business Plan and Budget.

The 2017/2018 Annual Business Plan and Budget is available from Council's office or can be downloaded from Council's web site at [www.mountgambier.sa.gov.au](http://www.mountgambier.sa.gov.au).



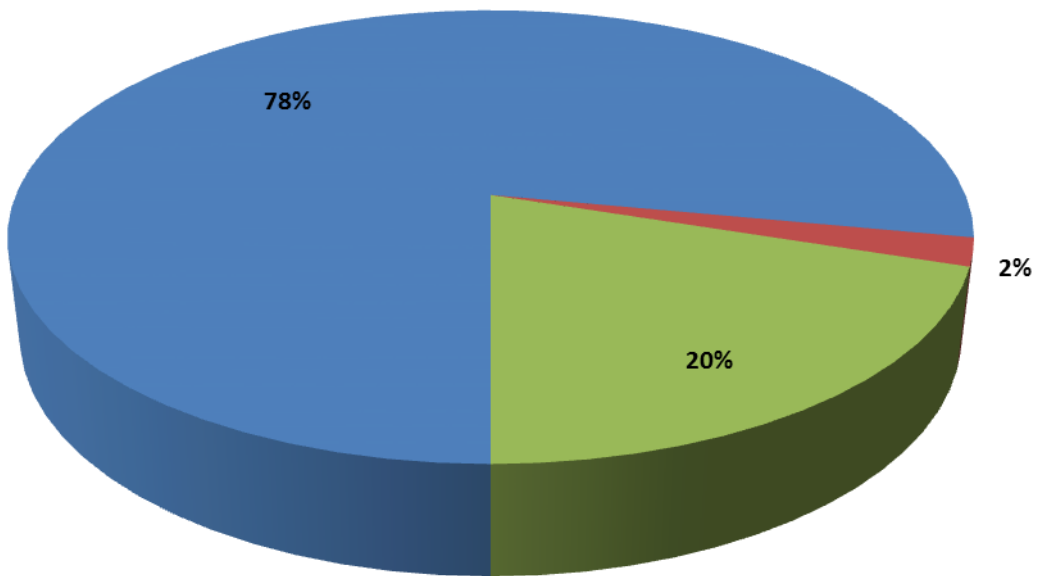
Expenditure Comparisons

**Total Expenditure 2016/2017**



■ Operating Expenditure   ■ Non Operating Expenditure   ■ Capital Expenditure

**Total Expenditure 2017/2018**

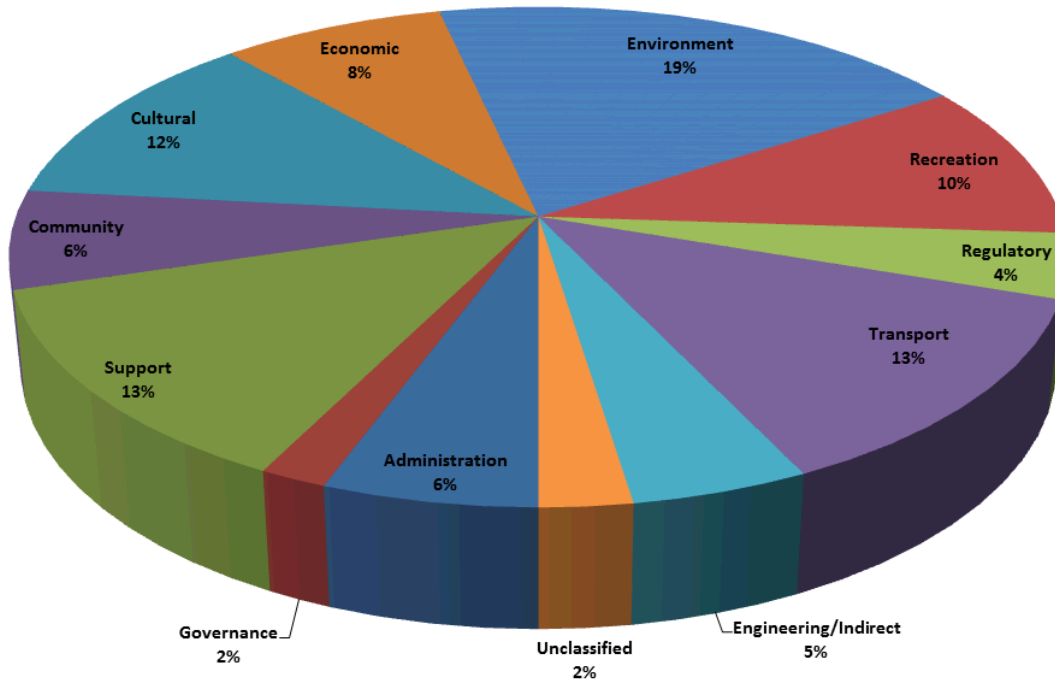


■ Operating Expenditure   ■ Non Operating Expenditure   ■ Capital Expenditure

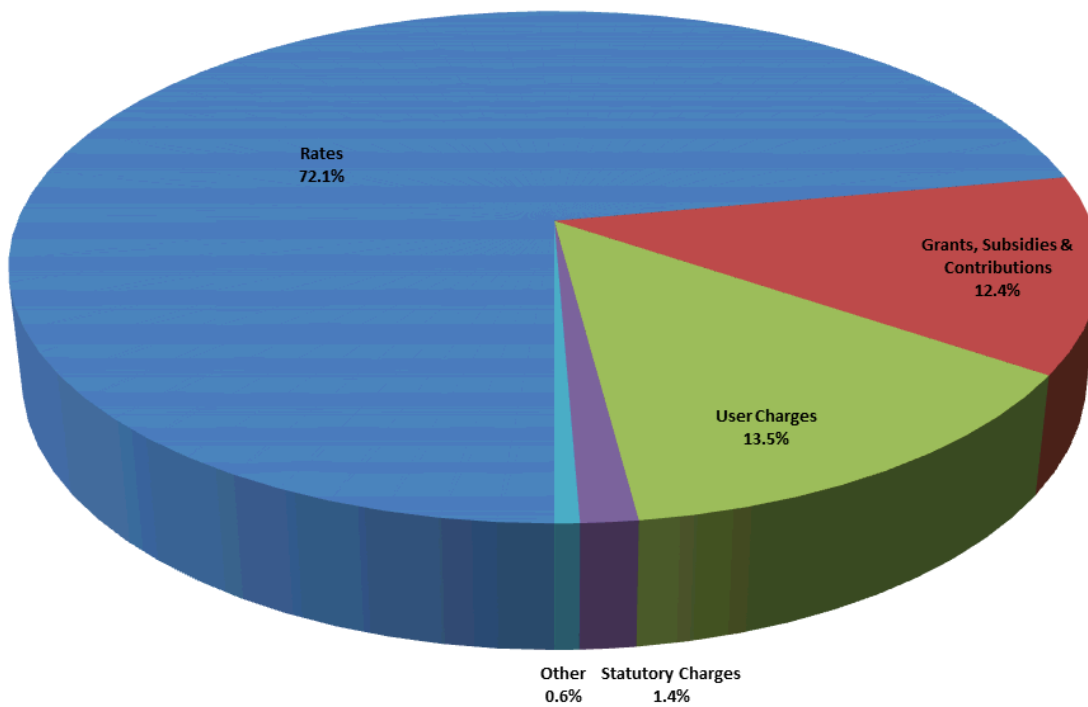


## Operating Expenditure/Revenue

### Budgeted Operating Expenditure by Function 2017/2018



### Budgeted Operating Revenue 2017/2018





## MEASURING PERFORMANCE

Monitoring and measuring performance is important to ensure our objectives are achieved and to ensure delivery of services to our Community.

Council monitors financial performance through a range of financial reports including monthly financial statements, regular comprehensive budget reviews and the presentation of audited financial statements each year as required under the Local Government Act 1999. These financial reports also take account of the principles of financial sustainability adopted by Council along with the three (3) 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 a range of information on overall performance as does the Community Plan which includes corporate strategies and associated performance indicators.

## RATING STRATEGY

In 2017/2018 approximately 73% 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.

Whilst Council's current Long Term Financial Plan projects the need for a 5% increase in rate revenue the 2017/2018 Annual Business Plan and Budget proposes a 4.5% rate increase due to a combination of savings in operational costs and reduced reliance on loan borrowings due to success in grant funding applications.

The following increases in general rate revenue have been applied over the past four (4) 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%

Notes: 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 Metropolitan and Regional Councils.

Average for all SA Metro Councils	\$1,505
Average for all SA Regional Councils	\$1,295
<b>Average for City of Mount Gambier</b>	<b>\$1,101</b>

**Source:** *Local Government Association 2016/2017 Rates Survey*

## Valuation Method

Capital value has continued to be 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 and 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).

If a ratepayer is dissatisfied with the valuation, the ratepayer may object to the State Valuation Office in writing within 60 days of receiving the notice of valuation, explaining the basis of the objection. For more information refer to the State Valuation Office:

Phone: 1300 653 345

Email: [LSGObjections@sa.gov.au](mailto:LSGObjections@sa.gov.au)



## 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

## 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 2017/2018 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
2013/2014	\$544.80	45%
2014/2015	\$565.50	45%
2015/2016	\$585.80	45%
2016/2017	\$606.90	45%
2017/2018	\$630.30	45%

## 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:

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



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

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
2013/2014	0.21167	0.57151	0.57151	0.21167	0.57151	0.21167
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

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 (per assessment) Commercial \$127 (per assessment) Industrial \$156 (per assessment) Primary Production \$290 (per assessment)	\$1,041,246
2017/2018	Res/Vac/Other \$72.65 (per assessment) Commercial \$110.05 (per assessment) Industrial \$174.30 (per assessment) Primary Production \$323.00 (per assessment)	\$1,079,041

Note: Refer to separate flyer providing information on NRM Levy increases.



## **Minimum Amount**

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

## **Cost of Living Concessions**

As from 1<sup>st</sup> July 2015 the State Government 'Cost of Living Concessions' replaced the traditional Council rate concessions.

## **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 in general rates payable, for the preceding financial year as compared to the general rates payable for the current financial year (excluding any rebates/remissions) and where that increase, in monetary terms, is greater than 15%.

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

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

The rebate will not apply where:

- (a) Any such increase is due in whole or part to an increase in valuation of the land in the Assessment because of improvements made to it worth more than \$20,000, or
- (b) Any such increase is in whole or part because the zoning of land use category of the land has changed, or
- (c) Any such increase is due in full or part to the use of the land being different for rating purposes on the date the Council declared its general rates for the current financial year than on the date the Council declared its general rates for the preceding financial year, or
- (d) The ownership of the rateable property has changed since 1<sup>st</sup> July in the preceding financial year i.e. the residential property has changed ownership and the new owners have purchased the residential property at the new current market value; or
- (e) The subject property boundary(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 those 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 State Seniors Card issued by the State Government may make application to Council for a postponement of the prescribed proportion of rates for the current or future financial years.

All applications for postponement will need to 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](http://www.mountgambier.sa.gov.au).

## **COMMUNITY ENGAGEMENT AND BUDGET MEETINGS**

The 2017/2018 Annual Business Plan and Budget is presented in the context of Council's endorsed strategic directions for the City. 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.

This community engagement process provides members of the Community with the opportunity to have input into the Annual Business Plan and Budget before finalising the Budget and list of capital and operating projects are finalised and adopted by Council. It also enables you to 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 our valuation data and determining the distribution of rates for the 2017/2018 financial year.

**Council encouraged members of the community to take part in the community engagement process on the draft 2017/2018 Annual Business Plan and Budget.**

Submissions and/or questions regarding the 2017/2018 Annual Business Plan and Budget closed at 5.00 p.m. on Friday, 9<sup>th</sup> June 2017.





Special Meeting(s) of Council to consider the 2017/2018 Annual Business Plan and Budget were held in June 2017 to consider public submissions and the 2017/2018 Annual Business Plan and Budget was finalised and adopted on Wednesday, 5<sup>th</sup> July 2017.

Community Members were welcomed and encouraged to attend these Council meetings.

## **APPENDIX A 2017/2018 SUMMARY BUDGET**

## **APPENDIX B 2017/2018 BUDGETED FINANCIAL STATEMENTS**

Income Statement

Cash Flow Statement

Balance Sheet

Statement Of Changes In Equity

Uniform Presentation Of Finances

Financial Indicators

Ref. AF16/329, AR16/39314



## **APPENDIX A**

### **2017/2018 SUMMARY BUDGET**

## 2017/2018 SUMMARY BUDGET BY FUNCTION

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## 1. Function: Administration

### 1.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>ADMINISTRATION EXPENDITURE</b>								
6000.0000	ELECTED MEMBERS EXPENDITURE	326	324	323	323	273	329	
6002.0000	ORGANISATIONAL EXPENDITURE	1,362	1,318	1,440	1,439	1,161	1,182	
6005.0000	GOVERNANCE AND STRATEGY EXPENDITURE	-	-	-	-	-	475	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,688</b>	<b>1,642</b>	<b>1,763</b>	<b>1,762</b>	<b>1,434</b>	<b>1,986</b>	

### 1.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7500.0000	CIVIC CENTRE	480	36	20	480	(21)	200	
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>480</b>	<b>36</b>	<b>20</b>	<b>480</b>	<b>(21)</b>	<b>200</b>	

### 1.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>ADMINISTRATION REVENUE</b>								
4100.0000	RATES RAISED	18,546	18,437	19,734	19,812	19,804	20,685	
4112.0000	RATES REMITTED	(764)	(757)	(1,150)	(1,248)	(988)	(1,282)	
4113.0000	FINES ON RATES	65	71	70	70	58	80	
4114.0000	FINES REMITTED	(2)	(1)	(2)	(2)	(1)	(2)	

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>GENERAL PURPOSE REVENUE</b>							
4120.0000	GENERAL PURPOSE REVENUE	2,577	1,261	2,568	2,580	1,935	2,644	
	<b>TOTAL OPERATING REVENUE</b>	<b>20,422</b>	<b>19,011</b>	<b>21,220</b>	<b>21,212</b>	<b>20,808</b>	<b>22,125</b>	

**Commentary:**

Operating Expenditure: Nil

Capital Expenditure: Nil

**Operating Revenue:**

- General Rate Revenue increase of 4.5% +\$844k
- NRM Levy increase (est. only) +\$107k / offset by reimbursement to NRM
- Increase Rate Rebates (Community Housing)
- No increase in Grants Commission allocations have been budgeted at this stage (final year of 3 year freeze on increments)

## 2. Function: Support Services

### 2.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>SUPPORT SERVICES EXPENDITURE</b>							
6011.0000	ACCOUNTING/FINANCE EXPENDITURE	364	388	450	450	351	456	
6012.0000	PAYROLL EXPENDITURE	411	405	450	458	216	480	
6013.0000	HUMAN RESOURCES EXPENDITURE	267	339	274	319	282	178	
6014.0000	INFORMATION TECHNOLOGY EXPENDITURE	546	573	621	621	506	639	
6015.0000	COMMUNICATION EXPENDITURE	33	24	33	33	12	27	
6016.0000	RATES ADMINISTRATION EXPENDITURE	289	264	273	273	216	284	
6017.0000	RECORDS MANAGEMENT EXPENDITURE	197	163	203	203	139	196	
6018.0000	OCCUPANCY EXPENDITURE	477	772	783	783	405	546	
6020.0000	CUSTOMER SERVICE EXPENDITURE	190	184	173	178	128	182	
6021.0000	OTHER SUPPORT SERVICES EXPENDITURE	166	149	180	180	121	188	
6022.0000	COMMUNITY ENGAGEMENT	303	339	390	388	262	271	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>3,243</b>	<b>3,600</b>	<b>3,830</b>	<b>3,886</b>	<b>2,638</b>	<b>3,447</b>	

### 2.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7460.0000	OFFICE EQUIPMENT (PURCHASES)	126	102	95	119	41	220	
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>126</b>	<b>102</b>	<b>95</b>	<b>119</b>	<b>41</b>	<b>220</b>	



Commentary:

**Operating Expenditure:**

- Increased employee costs (salaries, super, w/comp)
- Occupancy - decreased depreciation -\$237k due to revaluations conducted as at 1 July 2016

**Capital Expenditure:** Software purchases - Online Timesheets \$18k

- Network Update \$30k
- Microsoft Licensing \$127k
- EDRMS Update \$25k

**Operating Revenue:** Nil

### 3. Function: Community Services

#### 3.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>COMMUNITY SERVICES EXPENDITURE</b>							
6100.0000	CRIME PREVENTION EXPENDITURE	21	6	20	20	4	13	
6102.0000	EMERGENCY SERVICES EXPENDITURE	34	30	34	34	2	33	
6103.0000	OTHER FIRE PROTECTION EXPENDITURE	1	1	1	1	1	1	
6104.0000	OTHER PUBLIC ORDER AND SAFETY EXPENDITURE	1	1	1	1	0	1	
6111.0000	HEALTH - PEST CONTROL EXPENDITURE	1	1	1	1	1	1	
6112.0000	IMMUNISATION EXPENDITURE	0	0	0	0	0	0	
6114.0000	PREVENTATIVE HEALTH SERVICES EXPENDITURE	6	1	5	5	(1)	4	
6115.0000	OTHER HEALTH SERVICES EXPENDITURE	34	30	32	32	1	6	
6121.0000	SENIOR CITIZENS EXPENDITURE	44	36	35	35	22	33	
6125.0000	CHILDREN AND YOUTH SERVICES EXPENDITURE	10	7	13	13	3	6	
6126.0000	COMMUNITY ASSISTANCE EXPENDITURE	163	188	146	146	123	153	
6129.0000	OTHER COMMUNITY SUPPORT EXPENDITURE	290	302	293	293	190	393	
6131.0000	BUS SHELTER EXPENDITURE	4	1	4	4	3	2	
6132.0000	CEMETERIES/CREMATORIA EXPENDITURE	79	120	128	128	78	106	

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
6134.0000	PUBLIC CONVENIENCES EXPENDITURE	245	262	290	290	184	266	
6135.0000	CARPARK EXPENDITURE	37	16	18	18	15	19	
6138.0000	OTHER COMMUNITY AMENITIES EXPENDITURE	690	753	802	802	471	663	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,660</b>	<b>1,755</b>	<b>1,823</b>	<b>1,823</b>	<b>1,097</b>	<b>1,700</b>	

### 3.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7560.0000	OTHER COMMUNITY SUPPORT	100	96	25	25	19	50	
7570.0000	BUS SHELTERS	0	0	30	30	0	0	
7580.0000	CEMETERIES	0	0	0	0	0	0	
7620.0000	CAR PARKS	47	44	10	250	252	30	
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>147</b>	<b>140</b>	<b>65</b>	<b>305</b>	<b>271</b>	<b>80</b>	

### 3.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>COMMUNITY SERVICES REVENUE</b>							
4130.0000	PUBLIC ORDER AND SAFETY REVENUE	2	0	2	2	1	2	
4132.0000	HEALTH SERVICES REVENUE	0	0	0	0	0	0	
4133.0000	COMMUNITY SUPPORT REVENUE	21	23	21	21	34	21	
4134.0000	COMMUNITY AMENITIES REVENUE	98	93	99	99	78	85	
4135.0000	CEMETERY REVENUE	0	0	0	0	6	3	
	<b>TOTAL OPERATING REVENUE</b>	<b>121</b>	<b>116</b>	<b>122</b>	<b>122</b>	<b>119</b>	<b>111</b>	

Commentary:

**Operating Expenditure:**

- Depreciation expenses have been re-allocated following valuations completed as at 1 July 2016 Net result -\$238k

**Capital Expenditure:**

- Main Corner - Various - Replace show controller \$20k  
- CCTV expansion \$30k

**Operating Revenue:** Nil

## 4. Function: Cultural

### 4.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>CULTURAL EXPENDITURE</b>							
6200.0000	LIBRARY SERVICES EXPENDITURE	1,962	1,852	1,955	1,957	1,417	1,886	
6202.0000	OTHER LIBRARY SERVICES	16	18	16	16	12	13	
6210.0000	CULTURAL VENUES EXPENDITURE	326	341	373	373	182	241	
6220.0000	HERITAGE EXPENDITURE	383	438	451	451	327	425	
6230.0000	MUSEUMS/ART GALLERY EXPENDITURE	58	52	291	291	164	377	
6240.0000	OTHER CULTURAL SERVICES EXPENDITURE	178	158	159	170	109	198	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>2,923</b>	<b>2,859</b>	<b>3,245</b>	<b>3,258</b>	<b>2,211</b>	<b>3,140</b>	

### 4.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7470/7630	LIBRARY	130	116	130	134	20	136	
7640.0000	CULTURAL	25	36	15	2,103	2,063	15	
7650.0000	HERITAGE	21	9	65	65	8	10	
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>176</b>	<b>161</b>	<b>210</b>	<b>2,302</b>	<b>2,091</b>	<b>161</b>	

### 4.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>CULTURAL REVENUE</b>								
4140.0000	LIBRARY SERVICES REVENUE	219	209	115	115	92	212	
4142.0000	CULTURAL SERVICES REVENUE	175	230	307	145	113	144	
4143.0000	ART GALLERY	0	20		162	127	200	
	<b>TOTAL OPERATING REVENUE</b>	<b>394</b>	<b>459</b>	<b>422</b>	<b>422</b>	<b>332</b>	<b>556</b>	

**Commentary:**

**Operating Expenditure:**

- Library - Increased Employee Costs +25k
- City Hall - Adjusted Depreciation -\$135k
- Heritage - Adjusted Depreciation -\$12k
- Art Gallery - Expenditure \$377k partially offset by Revenue

**Capital Expenditure:**

- Library - Capital Grant
- City Hall - Minor purchases

**Operating Revenue:**

- Art Gallery - Revenue \$45k
- Funding \$155k



## 5. Function: Economic Development

### 5.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>ECONOMIC DEVELOPMENT EXPENDITURE</b>								
6320.0000	REGIONAL DEVELOPMENT EXPENDITURE	279	296	476	571	362	548	
6350.0000	TOURISM GENERAL EXPENDITURE	495	441	664	661	366	718	
6360.0000	TOURISM - "THE LADY NELSON" EXPENDITURE	982	882	920	930	625	864	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,756</b>	<b>1,619</b>	<b>2,060</b>	<b>2,162</b>	<b>1,353</b>	<b>2,130</b>	

### 5.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7660.0000	TOURISM	0	0	0	0	0	0	
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

### 5.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>ECONOMIC DEVELOPMENT REVENUE</b>								
4151.0000	ECONOMIC - SUNDRY GRANTS/CONTRIBUTIONS	0	0	0	0	0	0	
4152.0000	TOURISM GENERAL REVENUE	0	0	0	0	0	0	
4153.0000	TOURISM - "THE LADY NELSON" REVENUE	413	361	310	310	243	313	
	<b>TOTAL OPERATING REVENUE</b>	<b>413</b>	<b>361</b>	<b>310</b>	<b>310</b>	<b>243</b>	<b>313</b>	

Commentary:

**Operating Expenditure:**

- Maintained our focus on Economic Development +\$72k
- Increased effort in Tourism Development +\$29k
- Increased depreciation +\$12k following 1 July 2016 revaluations

**Capital Expenditure:** Nil

## 6. Function: Environment

### 6.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>ENVIRONMENT EXPENDITURE</b>							
6410.0000	WASTE MANAGEMENT EXPENDITURE	2,642	2,660	2,678	3,248	2,331	3,768	
6420.0000	STORMWATER AND DRAINAGE EXPENDITURE	252	385	424	424	196	220	
6430.0000	STREET CLEANING EXPENDITURE	320	341	375	375	259	343	
6440.0000	STREET LIGHTING EXPENDITURE	497	454	490	490	266	525	
6450.0000	STREETSCAPING EXPENDITURE	175	178	196	196	136	195	
6460.0000	ENVIRONMENTAL SUSTAINABILITY	155	155	145	165	103	147	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>4,041</b>	<b>4,173</b>	<b>4,308</b>	<b>4,898</b>	<b>3,291</b>	<b>5,198</b>	

### 6.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7665.0000	STREETSCAPING	39	32	40	97	15	40	
7670.0000	WASTE MANAGEMENT	699	301	735	980	1,113	1,256	
7800.0000	INFRASTRUCTURE STORMWATER	144	72	150	160	38	90	
	ENVIRONMENTAL SUSTAINABILITY	0	0	50	50	5	50	
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>882</b>	<b>405</b>	<b>975</b>	<b>1,287</b>	<b>1,171</b>	<b>1,436</b>	

### 6.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>ENVIRONMENT REVENUE</b>							
4155.0000	ENVIRONMENT REVENUE	0	0	0	4	4	0	
4162.0000	WASTE MANAGEMENT REVENUE	1,836	2,203	2,142	2,542	2,208	2,760	
4163.0000	STORMWATER DRAINAGE	0	85	0	0	63	50	
4164.0000	ENVIRONMENTAL SUSTAINABILITY	5	5	0	15	15	0	
	<b>TOTAL OPERATING REVENUE</b>	<b>1,841</b>	<b>2,293</b>	<b>2,142</b>	<b>2,561</b>	<b>2,290</b>	<b>2,810</b>	

**Commentary:**

**Operating Expenditure:**

- Waste Management - Depreciation adjustments +\$560k due to new accounting procedures for Caroline Landfill operations
- Waste Management - Disposal fees adjustments following EPA levy increases
- Storm Drainage - Depreciation adjustments -\$184k

**Capital Expenditure:**

- Waste Management - Landfill cell 2 capping \$1.0m and Work Hut for Caroline \$23k
- Storm Drainage - Annual Program \$90k

**Operating Revenue:**

- Increased Greenwaste Revenue (full years accounted for) +\$50k
- Increased Disposal Fees due to EPA Levy increase +\$425k

## 7. Function: Recreation

### 7.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>RECREATION EXPENDITURE</b>								
6500.0000	PARKS/GARDENS/RESERVES EXPENDITURE	1,682	1,831	1,778	1,786	1,374	1,731	
6520.0000	SPORTS FACILITIES - INDOOR EXPENDITURE	83	83	43	43	23	20	
6530.0000	SPORTS FACILITIES - OUTDOOR EXPENDITURE	326	461	499	499	333	478	
6550.0000	AQUATIC CENTRE (OUTDOOR) EXPENDITURE	326	392	383	383	373	373	
6560.0000	OTHER RECREATION EXPENDITURE	112	75	96	116	25	96	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>2,529</b>	<b>2,842</b>	<b>2,799</b>	<b>2,827</b>	<b>2,128</b>	<b>2,698</b>	

### 7.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7680.0000	PARKS/GARDENS/RESERVES	1,478	1,214	465	954	204	98	
7690.0000	SPORTS FACILITIES (INDOOR)	60	0	0	7	0	0	
7700.0000	SPORTS FACILITIES (OUTDOOR)	34	25	6	6	0	26	
7730.0000	AQUATIC CENTRE (OUTDOOR)	60	63	89	89	131	26	
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,632</b>	<b>1,302</b>	<b>560</b>	<b>1,056</b>	<b>335</b>	<b>150</b>	

### 7.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>RECREATION REVENUE</b>							
4170.0000	RECREATION REVENUE	57	115	81	81	29	82	
	<b>TOTAL OPERATING REVENUE</b>	<b>57</b>	<b>115</b>	<b>81</b>	<b>81</b>	<b>29</b>	<b>82</b>	

**Commentary:**

**Operating Expenditure:**

Overall a \$96k reduction in expenditure influenced by depreciation adjustments and the following items:

- Parks, Gardens - Depreciation Adjustment +\$6k
- Reserves, General Maintenance -\$48k
- Sports Facilities - Depreciation Adjustments -\$48k
- Aquatic Centre - Depreciation Adjustments -\$22k

**Capital Expenditure:**

- Parks/Gardens - Playgrounds x 2 \$60k
- Aquatic Centre - Pool covers \$12k
  - Pump \$4k
  - Lighting \$10k
- Disc Golf - \$22k
- Don McDonnell Reserve \$20k

**Operating Revenue:**

- In line with previous year's revenue +\$1k

## 8. Function: Regulatory Services

### 8.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>REGULATORY SERVICES EXPENDITURE</b>								
6600.0000	DOG CONTROL EXPENDITURE	284	290	304	304	227	307	
6620.0000	BUILDING CONTROL EXPENDITURE	299	275	315	315	242	295	
6630.0000	CITY PLANNING EXPENDITURE	422	369	373	278	194	283	
6660.0000	HEALTH INSPECTION EXPENDITURE	190	182	185	185	128	213	
6670.0000	PARKING CONTROL EXPENDITURE	21	18	21	21	9	16	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,216</b>	<b>1,134</b>	<b>1,198</b>	<b>1,103</b>	<b>800</b>	<b>1,114</b>	

### 8.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000

### 8.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>REGULATORY SERVICES REVENUE</b>								
4180.0000	REGULATORY SERVICES REVENUE	473	394	402	402	317	388	
	<b>TOTAL OPERATING REVENUE</b>	<b>473</b>	<b>394</b>	<b>402</b>	<b>402</b>	<b>317</b>	<b>388</b>	

**Commentary:**

Operating Expenditure: Nil

Capital Expenditure: Nil

**Operating Revenue:**

- Increase in dog registration fees are in line with Dog and Cat Management Board guidelines



## 9. Function: Transport

### 9.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>TRANSPORT EXPENDITURE</b>							
6720.0000	BRIDGES EXPENDITURE	4	3	4	4	2	4	
6730.0000	FOOTPATHS AND KERBING EXPENDITURE	432	616	536	536	455	593	
6740.0000	ROADS SEALED EXPENDITURE	2,689	2,091	2,128	2,128	1,925	2,635	
6780.0000	TRAFFIC MANAGEMENT EXPENDITURE	214	219	160	160	150	140	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>3,339</b>	<b>2,929</b>	<b>2,828</b>	<b>2,828</b>	<b>2,532</b>	<b>3,372</b>	

### 9.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7830.0000	FOOTPATHS/KERBING	794	600	301	425	323	848	
7900.0000	ROADS SEALED	3,177	2,356	2,040	2,489	1,157	1,857	
7900.0000	TRAFFIC MANAGEMENT	50	44	50	50	11	0	
7900.0000	CBD RENEWAL	900	249	500	1,279	256	300	
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>4,921</b>	<b>3,249</b>	<b>2,891</b>	<b>4,243</b>	<b>1,747</b>	<b>3,005</b>	

### 9.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>TRANSPORT REVENUE</b>							
4192.0000	FOOTPATHS AND KERBING REVENUE	0	0	0	0	0	0	
4193.0000	ROADS REVENUE	591	823	965	965	638	358	
	<b>TOTAL OPERATING REVENUE</b>	<b>591</b>	<b>823</b>	<b>965</b>	<b>965</b>	<b>638</b>	<b>358</b>	

**Commentary:**

**Operating Expenditure:**

- Footpaths/Kerbing - Depreciation Adjustments +\$87k
- Footpaths/Kerbing - General Maintenance -\$30k
- Sealed Roads - Depreciation Adjustment +\$512k

**Capital Expenditure:**

- Annual Program - Footway/Kerb \$260k
- Annual Program - Road (c) \$985k
- Annual Program - CBD Renewal Final Stage \$300k
- Annual Program - R2R \$339k

**Operating Revenue:**

- Decrease in R2R (Fuel Excise) Grants -\$592k

## 10. Function: Engineering Including Indirect

### 10.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>ENGINEERING INCLUDING INDIRECT EXPENDITURE</b>								
6800.0000	ENGINEERING DEPARTMENT EXPENDITURE	719	726	740	740	589	992	
6810.0000	ASSET MANAGEMENT	18	16	61	61	21	0	
6820.0000	ENGINEERING - AWU EMPLOYEES EXPENDITURE	1,225	1,080	1,138	1,138	847	1,209	
6830.0000	INDIRECT EXPENDITURE	499	541	528	528	365	480	
6840.0000	INDIRECT EXPENDITURE - LABOUR ONCOSTS	(1,158)	(1,110)	(1,158)	(1,158)	(882)	(1,250)	
6850.0000	PLANT AND MACHINERY EXPENDITURE	1,673	1,610	1,607	1,632	1,171	1,671	
6860.0000	PLANT AND MACHINERY - INTERNAL HIRE	(1,604)	(1,688)	(1,654)	(1,654)	(1,343)	(1,850)	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,372</b>	<b>1,175</b>	<b>1,262</b>	<b>1,287</b>	<b>768</b>	<b>1,252</b>	

### 10.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7740.0000	WORKS DEPOT	37	30	38	43	5	15	
7300.0000	PLANT AND MACHINERY (PURCHASES)	1,103	1,094	1,567	1,596	1,081	1,369	
7680.0000	ASSET RENEWAL PROGRAM	0	0	240	253	116	247	
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,140</b>	<b>1,124</b>	<b>1,845</b>	<b>1,892</b>	<b>1,202</b>	<b>1,631</b>	

### 10.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000

**Commentary:**

**Operating Expenditure:**

- A nominal increase of \$16k in comparison to 2016/2017 budget

**Capital Expenditure:**

- Plant and Machinery - Capital Purchases Program \$1,369k
- Building Asset Management Program \$247k

**Operating Revenue:** Nil

## 11. Function: Unclassified

### 11.1 Type: Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>UNCLASSIFIED ACTIVITIES EXPENDITURE</b>								
6900.0000	PRIVATE WORKS EXPENDITURE	35	115	40	40	17	40	
6940.0000	SUNDRY EXPENDITURE	345	482	373	373	126	291	
6960.0000	FINANCE CHARGES EXPENDITURE	374	236	472	372	108	322	
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>754</b>	<b>833</b>	<b>885</b>	<b>785</b>	<b>251</b>	<b>653</b>	

### 11.2 Type: Capital Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
7750.0000	UNCLASSIFIED							
	<b>TOTAL CAPITAL EXPENDITURE</b>							

### 11.3 Type: Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>UNCLASSIFIED ACTIVITIES REVENUE</b>								
4210.0000	PRIVATE WORKS REVENUE	55	92	67	67	65	60	
4230.0000	SUNDRY REVENUE	170	959	180	290	320	205	
4240.0000	INVESTMENT REVENUE	13	18	11	11	17	15	
	<b>TOTAL OPERATING REVENUE</b>	<b>238</b>	<b>1,069</b>	<b>258</b>	<b>368</b>	<b>402</b>	<b>280</b>	

**Commentary:**

**Operating Expenditure:**

- Finance - Decreased Loan Interest Payable -\$102k

**Capital Expenditure:** Nil

**Operating Revenue:**

- Increase of \$22k in comparison to 2016/2017 budget from the following sources:
  - Property search fees +\$5k
  - Lease Rental /Hire fees +\$5k
  - Sundry Revenue +\$15k

## 12. Function: Non Operating

### 12.1 Type: Non-Operating Expenditure

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>NON OPERATING EXPENDITURE</b>								
7000.0000	COMMUNITY LOANS EXPENDITURE	10	0	0	0	0	0	
7020.0000	LOAN REPAYMENTS EXPENDITURE	864	864	680	712	112	690	
7031.0000	APPROPRIATION TO RESERVES - GENERAL	0	0	0	0	2	0	
	<b>TOTAL NON OPERATING EXPENDITURE</b>	<b>874</b>	<b>864</b>	<b>680</b>	<b>712</b>	<b>114</b>	<b>690</b>	

### 12.2 Type: Non-Operating Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
<b>NON OPERATING REVENUE</b>								
4250.0000	LOAN FUNDS REVENUE	0	0	0	240	0	0	
4260.0000	LOAN REPAYMENT REVENUE	43	46	8	40	40	0	
4270.0000	APPROPRIATION FROM RESERVES	3,173	3,173	250	2,890	0	265	
4280.0000	REVENUE - OTHER SOURCES	6,230	6,132	6,665	6,974	0	6,815	
	<b>TOTAL NON OPERATING REVENUE</b>	<b>9,446</b>	<b>9,351</b>	<b>6,923</b>	<b>10,144</b>	<b>40</b>	<b>7,080</b>	

Commentary:

**Non-Operating Expenditure:**

- Loan Repayments - In line with LGFA fixed loan schedules and anticipated CAD loan drawings +\$10k

**Non-Operating Revenue:**

- Increased Depreciation Written Back +\$132k - Offsets Operational Expenditure
- Less Loan Repayment Reimbursements from Community Groups -\$8k - Loans finalised
- Anticipated Long Service Leave taken +\$75k
- Downstream Drainage contributions -\$60k



### 13. Function: Capital

#### 13.1 Type: Capital Revenue

Acct	Details	2015/2016		2016/2017			2017/2018	
		Final Budget '000	Final Actual '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	YTD 31/03/2017 '000	Draft Budget '000	Adopted Budget '000
	<b>CAPITAL</b>							
4300.0000	DISPOSAL OF ASSETS	264	232	309	309	337	274	
4480.0000	DISPOSAL OF LAND	0	0	0	0	0	0	
4500.0000	GRANT FUNDING	959	673	130	2,189	2,059	295	
	<b>TOTAL NON OPERATING EXPENDITURE</b>	<b>1,223</b>	<b>905</b>	<b>439</b>	<b>2,498</b>	<b>2,396</b>	<b>569</b>	

Commentary:

Capital Revenue:

- Increased trade-in values for Plant and Machinery Sales +\$60k

## 14. Summary

## 14.1 By Function

Details	EXPENDITURE '000			REVENUE '000		
	Operational	Capital	Non-Op	Operational	Capital	Non-Op
ADMINISTRATION	1,511	200	-	22,125	-	-
GOVERNANCE AND STRATEGY	475	-	-	-	-	-
SUPPORT SERVICES	3,447	220	-	-	-	-
COMMUNITY SERVICES	1,700	80	-	111	-	-
CULTURAL	3,140	161	-	556	-	-
ECONOMIC	2,130	-	-	313	-	-
ENVIRONMENT	5,198	1,436	-	2,810	-	-
RECREATION	2,698	150	-	82	-	-
REGULATORY	1,114	-	-	388	-	-
TRANSPORT	3,372	3,005	-	358	-	-
ENGINEERING INCLUDING INDIRECT	1,252	1,631	-	-	-	-
UNCLASSIFIED	653	-	-	280	-	-
NON OPERATING	-	-	690	-	569	7,080
<b>TOTALS</b>	<b>26,690</b>	<b>6,883</b>	<b>690</b>	<b>27,023</b>	<b>569</b>	<b>7,080</b>

## 14.2 By Type

Type of Exp/Rev.	2015/2016	2016/2017		2017/2018	
	Final Budget '000	Adopted Budget '000	BR2 Budget 31/12/2016 '000	Draft Budget '000	Adopted Budget '000
OPERATING REVENUE	24,545	25,922	26,443	27,023	
OPERATING EXPENDITURE	24,521	26,001	26,619	26,690	
OPERATING (DEFICIT) / SURPLUS	24	(79)	(176)	333	
PLUS * NON OPERATING REVENUE	9,446	6,923	9,835	7,080	
* CAPITAL REVENUE	1,223	439	2,498	569	
LESS * NON OPERATIONAL EXPENDITURE	874	680	712	690	
* CAPITAL EXPENDITURE	9,776	6,661	11,431	6,883	
CASH BUDGET (DEFICIT) / SURPLUS	43	(58)	14	409	

## **APPENDIX B**

### **2017/2018 BUDGETED FINANCIAL STATEMENTS**

# CITY OF MOUNT GAMBIER

## General Purpose Financial Reports for the year ended 30 June 2018

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**CITY OF MOUNT GAMBIER**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2018

	<b>Budget</b>	3rd Review	Actual
	<b>2018</b>	2017	2016
	<b>\$'000</b>	\$'000	\$'000
<b>INCOME</b>			
Rates	19,481	18,632	18,327
Statutory charges	388	372	340
User charges	3,637	3,565	3,806
Grants, subsidies and contributions	3,052	3,775	2,250
Investment income	15	11	32
Reimbursements	155	166	274
Other income	-	35	382
<b>Total Income</b>	<u>26,728</u>	<u>26,556</u>	<u>25,411</u>
<b>EXPENSES</b>			
Employee costs	10,298	10,608	10,066
Materials, contracts & other expenses	9,440	9,463	8,955
Depreciation, amortisation & impairment	6,630	6,208	6,704
Finance costs	322	272	236
<b>Total Expenses</b>	<u>26,690</u>	<u>26,551</u>	<u>25,961</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>38</b>	5	(550)
Asset disposal & fair value adjustments	-	4	(124)
Amounts received specifically for new or upgraded assets	295	2189	585
Physical resources received free of charge	-		604
<b>NET SURPLUS / (DEFICIT)</b>	<u>333</u>	<u>2,198</u>	<u>515</u>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	-	-	-
<b>Total Other Comprehensive Income</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>333</u>	<u>2,198</u>	<u>515</u>

**CITY OF MOUNT GAMBIER**

**STATEMENT OF FINANCIAL POSITION**

as at 30 June 2018

	<b>Budget 2018 \$'000</b>	3rd Review 2017 \$'000	Actual 2016 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	246	22	991
Trade & other receivables	1,158	1,158	1,158
Other financial assets	-	-	-
Inventories	39	39	39
	<u>1,443</u>	<u>1,219</u>	<u>2,188</u>
<b>Total Current Assets</b>	<u>1,443</u>	<u>1,219</u>	<u>2,188</u>
<b>Non-current Assets</b>			
Financial assets	28	28	68
Infrastructure, property, plant & equipment	239,007	239,323	234,422
Other non-current assets	-	-	-
	<u>239,035</u>	<u>239,351</u>	<u>234,490</u>
<b>Total Non-current Assets</b>	<u>239,035</u>	<u>239,351</u>	<u>234,490</u>
<b>Total Assets</b>	<u>240,478</u>	<u>240,570</u>	<u>236,678</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	2,092	2,092	2,092
Borrowings	2,405	2,405	239
Provisions	2,435	2,435	2,435
	<u>6,932</u>	<u>6,932</u>	<u>4,766</u>
<b>Total Current Liabilities</b>	<u>6,932</u>	<u>6,932</u>	<u>4,766</u>
<b>Non-current Liabilities</b>			
Trade & Other Payables		-	-
Borrowings	2,778	3,203	3,675
Provisions	209	209	209
	<u>2,987</u>	<u>3,412</u>	<u>3,884</u>
<b>Total Non-current Liabilities</b>	<u>2,987</u>	<u>3,412</u>	<u>3,884</u>
<b>Total Liabilities</b>	<u>9,919</u>	<u>10,344</u>	<u>8,650</u>
<b>NET ASSETS</b>	<u>230,559</u>	<u>230,226</u>	<u>228,028</u>
<b>EQUITY</b>			
Accumulated Surplus	60,366	59,768	54,680
Asset Revaluation Reserves	168,966	168,966	168,966
Other Reserves	1,227	1,492	4,382
<b>TOTAL EQUITY</b>	<u>230,559</u>	<u>230,226</u>	<u>228,028</u>

# CITY OF MOUNT GAMBIER

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2018

Budget 2018	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
Balance at end of previous reporting period	59,768	168,966	1,492	230,226
<b>Net Surplus / (Deficit) for Year</b>	<b>333</b>			<b>333</b>
<b>Other Comprehensive Income</b>				
Transfers between reserves	265		(265)	-
<b>Balance at end of period</b>	<b>60,366</b>	<b>168,966</b>	<b>1,227</b>	<b>230,559</b>
<b>Budget 3rd Review 2016</b>				
Balance at end of previous reporting period	54,680	168,966	4,382	228,028
<b>Net Surplus / (Deficit) for Year</b>	<b>2,198</b>			<b>2,198</b>
<b>Other Comprehensive Income</b>				
Changes in revaluation surplus - infrastructure, property, plant & equipment		-		-
Transfers between reserves	2,890		(2,890)	-
<b>Balance at end of period</b>	<b>59,768</b>	<b>168,966</b>	<b>1,492</b>	<b>230,226</b>

# CITY OF MOUNT GAMBIER

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

	Budget 2018 \$'000	3rd Review 2017 \$'000	Actual 2016 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates - general & other	19,481	18,632	18,345
Fees & other charges	388	372	367
User charges	3,637	3,565	4,298
Investment receipts	15	11	33
Grants utilised for operating purposes	3,052	3,775	2,419
Reimbursements	155	166	301
Other revenues	-	35	1,569
<u>Payments</u>			
Employee costs	(10,298)	(10,608)	(9,778)
Materials, contracts & other expenses	(9,440)	(9,463)	(10,766)
Finance payments	(322)	(272)	(237)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>6,668</b>	<b>6,213</b>	<b>6,551</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets	295	2,189	585
Sale of replaced assets	569	340	368
Sale of surplus assets	-	-	-
Repayments of loans by community groups	-	40	46
<u>Payments</u>			
Expenditure on renewal/replacement of assets	(4,273)	(6,356)	(4,579)
Expenditure on new/upgraded assets	(2,610)	(5,089)	(2,154)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(6,019)</b>	<b>(8,876)</b>	<b>(5,734)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from borrowings	-	2,450	-
<u>Payments</u>			
Repayments of borrowings	(425)	(712)	(839)
Repayment of finance lease liabilities	-	-	-
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(425)</b>	<b>1,738</b>	<b>(839)</b>
<b>Net Increase (Decrease) in cash held</b>	<b>224</b>	<b>(925)</b>	<b>(22)</b>
Cash & cash equivalents at beginning of period	22	947	969
<b>Cash &amp; cash equivalents at end of period</b>	<b>246</b>	<b>22</b>	<b>947</b>



# CITY OF MOUNT GAMBIER

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### FINANCIAL INDICATORS

	Budget 2018	3rd Review 2017	Actual 2016
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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>	0.0%	0.0%	(2.0%)
Total Operating Revenue			

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

#### **Adjusted Operating Surplus Ratio**

	0%	N/A	3%
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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>	33%	36%	25%
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>	74%	147%	57%
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 2018

### 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

	Budget 2018 \$'000	3rd Review 2017 \$'000
Income	26,728	26,556
<i>less</i> Expenses	<u>26,690</u>	<u>26,551</u>
<b>Operating Surplus / (Deficit)</b>	<b>38</b>	<b>5</b>
 <i>less</i> <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	4,273	6,356
Depreciation, Amortisation and Impairment	(6,630)	(6,208)
Proceeds from Sale of Replaced Assets	<u>(569)</u>	<u>(340)</u>
	<b>(2,926)</b>	<b>(192)</b>
 <i>less</i> <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	2,610	5,089
Amounts received specifically for New and Upgraded Assets	(295)	(2,189)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	-
	<u>2,315</u>	<u>2,900</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>649</u></b>	<b><u>(2,703)</u></b>