

City of
Mount Gambier



Business Plan and Budget 2015/16

2015/16 Business Plan and Budget
Adopted 30 June, 2015

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2015/2016 BUSINESS PLAN AND BUDGET

FROM THE MAYOR

This 2015/2016 Plan reflects the work of Council in preparing for the first budget of a four year Council term.

Our Plan is a statement of the City's intended program and outcomes for the financial year and has been developed with reference to our Strategic Plan, Long Term Financial and Asset Management Frameworks.

The Plan defines our objectives for the year, the activities required to deliver the objectives along with the methods used to monitor and measure our performance. In addition, it contains a summary of revenue and expenditure required to deliver our 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 our ratepayers.

To ensure our priorities reflect the needs of our community, our short term financial planning and budgeting is always undertaken with our long term goals in mind. Council's Strategic Plan, our roadmap for the future, is followed when determining how to allocate funds and what services will be provided.

The 2015/2016 Business Plan and Budget reflects Council's Long Term Financial Plan.

Key elements of the ten (10) year Long Term Financial Plan now reflected in the annual Business Plan and Budget include major capital projects to be completed, required rate revenue to fund those major capital works projects (in addition to annual operating). Importantly Council's 2015/2016 Budget is delivered without the need for any borrowings.

Other key influences on the 2015/2016 Business Plan and Budget include:

- continued focus on achieving the vision expressed in Council's adopted Strategic Plan;
- continued investment to promote Mount Gambier as a visitor destination, a regional retail and commercial hub as well as a quality destination for the hosting of major events and conferences;
- continuing the development of Council's infrastructure and asset management framework;
- capital infrastructure program of approximately \$6,088,000 m (new and renewal);
- maintaining our extensive public realms assets and infrastructure and the programs that directly support our community;
- maintaining support for community based programs and initiatives including environmental sustainability, lifelong learning, community events and social inclusion;
- retaining and developing Council's workforce to ensure capacity in service delivery.

The 2015/2016 Budget provides for an essentially 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) of .65% which will result in an average residential rate increase of approximately 3.9% for 2015/2016.

The average residential rates are expected to increase by \$40 per annum or \$0.77 cents per week this year bringing the average residential rates to \$1,061. At this level Council's residential rating effort continues to be well below the average residential rates for South Australian Councils.

Andrew LEE
MAYOR

OUR CITY

The City of Mount Gambier 'Blue Lake City' located equidistance 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 South East 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 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.

Mount Gambier as the regional centre for South East South Australia and Western Districts of Victoria, services the commercial, retail, social, sporting and cultural needs of a regional population of approximately 60,000 people.

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 persons.

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 Straight 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.

More City of Mount Gambier residents work in manufacturing than any other industry and there are more technicians and trade workers than any other occupation.

The 2013 estimated resident population is 26,092 persons.

Detailed information on Mount Gambier's demographics can be found in the 'Community Profile' on the Council website www.mountgambier.sa.gov.au.

OVERVIEW

The development of our Business Plan is an important part of our overall planning. It links our Strategic Goals and our Long Term Financial Plan with our annual budget planning process to ensure that we secure the best possible mix of services, infrastructure and facilities.

The 2015/2016 Budget provides for a total of \$6.088 m in capital expenditure projects, all of which are drawn from Council's detailed ten (10) year Long Term Financial Plan that is reviewed on an annual basis.

The 2015/2016 Budget provides for a minor operating surplus and minor cash deficit at years end.

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

Key initiatives provided for in the 2015/2016 Budget are detailed in the Budget section of the Plan, commencing on Page 11.

Council's Rating Policy for 2015/2016 is based on the same rates structure that applied for the previous year i.e.

- a fixed charge (applicable to every rateable property that will raise, in total, approximately 45% of Councils overall general rate revenue)
- differential rates for different land use categories (percentage differentials to remain same as previous year)

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

Council's Rate Rebate Policy remains essentially the same except for:

- the deletion of Boundary Rate Adjustment Plan (5 year term expired 30th June, 2015)
- the deletion of the reference to State Government rate concessions (to be replaced by the new State Government 'Cost of Living' Concession)
- deletion of rate capping associated with Pensioner Residential residences
- amending the Residential rate cap to a flat 15% (previously 15% plus the overall gross rate revenue percentage increase)

Council's overall general rate increase of 4.5 % includes a "new growth" of .65% in the rate assessment base which benefit all rateable assessments, as this revenue is spread over the entire rate assessment base. Residential ratepayers can therefore expect to experience increase in rates payable of approximately 3.9%.

For the average residential ratepayer, rates will increase by \$40 or 0.77 cents per week in 2015/2016.

OUR BUDGET INFLUENCES

In developing our Business Plan Council has identified pressures and potential impacts on our financial performance and budgeting.

Current Economic Environment

- Australia's economy continues to recover from the Global Financial Crisis (GFC) and it's expected that the trend of minimal increased growth will continue while a level of economic instability remains.
- The continuing "two speed" economy where growth is primarily attributed to the resource sector while other sectors (manufacturing, retail, tourism and finance) are under added pressure.
- The Reserve Bank continues to maintain generational low interest rates which has helped maintain consumer confidence and spending and aims to keep the rate of inflation between 2 - 3 percent (on average) over the cycle.
- The Local Government Price Index (LGPI) which is a measure of the inflationary effect on prices changes in the Local Government sector. For the 2013/2014 financial year this figure was recorded at 2.3%. In comparison CPI was recorded at 2.6% for the same period.

Operating Influences

A range of operating pressures have influenced the preparation of the 2015/2016 Budget including:

- increases in the Environmental Protection Agency (EPA) Waste Levy
- increases in mandatory rate rebates to Housing Associations as a result of changes in legislation
- increases in electricity charges (particularly street lighting), water charges and fuel costs
- increased finance charges (interest) due to increased borrowings to fund major capital works projects recently completed (\$275,000)
- increases in employee costs as a result of Enterprise Agreements

OUR STRATEGIC DIRECTIONS

Strategies for a Prosperous and resilient Mount Gambier – A Futures Paper for City Development

Events over the past few years, both global and locally have led Council to ask:

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

Developed by the City of Mount Gambier with extensive community input, The Futures Paper looks forward and focuses on these questions.

The need and benefits in establishing (and implementing) a long term vision and framework for the City was highlighted in the City of Mount Gambier Strategic Plan – Beyond 2015 (2007 and 2011). The matter has also been identified in a number of Council reports and resolutions, gaining particular focus during the State Government's decision to forward sell the harvesting rights for Forestry SA plantations.

The need for the framework was also highlighted due to our regional location, the seemingly limited support from other tiers of government and the inability of strategies from elsewhere to deliver meaningful regional results for the community and to actively combine community, social, economic and sustainability objectives.

The Futures Paper project, commenced to ensure Council has a robust and planned approach to meet the current and future challenges facing the City, asked the community what matters and what their aspirations were for:

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

This discussion was 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 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 has been developed and prepared based upon all of the submissions and comments made by people invited to participate in the project and the general community as a whole. These submissions were obtained after undertaking a very extensive consultation and engagement process which involved eight (8) workshops, a launch of the draft 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.

As such the document is a guide for the future direction of the development of the City based upon the ideas and aspirations of the community.

The directions and aspirations identified within the Futures Paper will be able to be implemented by Council, other organisations and the community into the future. Further, the Futures Paper provides a solid platform and a range of comprehensive community engagement activities that will assist in the direction and formation of the Council's next Strategic Plan.

It is important to highlight that the development of the Futures Paper has been based upon all of the ideas, aspirations which were identified as being important to the community by people within the community throughout all of the community workshops and consultation processes.

Strategic Management Plan

The City of Mount Gambier is responsible for providing a diverse range of facilities and services that contribute significantly to the quality of life of its community. The City has a strong viable economic base, built on the natural resources of the region, contributing to the development of extensive community, recreational and cultural facilities.

The role of local government has grown from its traditional base and the scope of services is now wide and diverse including health, services for the aged, youth and support for sector and special interest groups within the community.

Council is also very aware of the need to ensure that its activities respond to the need for environmental sustainability. Environmental sustainability is good business practice and Council is embracing the challenges that this brings. Council has adopted the Natural Step framework as the foundation of its environmental sustainability program and this requires Council to consider a number of elements when analysing its activities (both current and proposed). Such elements include, but are not limited to:

- Financial
- Environmental
- Social
- Principles of the Natural Step Framework
- Our Heritage

Within the timeframe of this Strategic Plan 2011 - 2016 the community and Council will be faced with new challenges coming from:

- demographic change
- changes to State Legislation
- maintenance of community infrastructure
- issues of environmental and financial sustainability
- adjustments to the structure and expectations of our community sectors

Council needs to be financially prudent and socially and environmentally aware when allocating its limited resources on behalf of the community.

The Strategic Plan – 'Beyond 2015' is focussed on a range of goals and strategies to deliver a vibrant and sustainable City into the longer term and attempts to address the community's expectations now and into the future responding to community aspirations and the wide range of influences that will affect the City in the medium term.

The Strategic Plan – 'Beyond 2015' has been developed to align with the South Australian Strategic Plan and has regard to a wide range of regional plans and strategies including that of the adjoining Local Government the District Council of Grant.

The community focused plan is also supplemented by Council's other forward planning documents including:

- Long Term Financial Plan
- Asset & Infrastructure Management Plan(s)
- Council's Development Plan(s)

As part of Council's overarching strategic planning framework and since adoption of its Strategic Management Plan, Council has now developed and adopted an underlying Corporate Plan which focuses on Operational Activities and Key Performance Indicators arising out of the high level Strategic Management Plan.

To complete this strategic planning framework Business Unit plans focussing on the day to day activities of the relevant operational divisions of Council in support of Council's strategic objectives have also been developed.

In developing its Strategic Plan - Beyond 2015, Council describes its **Vision** as:

"Mount Gambier is the most liveable City in Australia, where the people in the community are secure, prosperous, healthy and valued".

The vision governing this Strategic Plan is an expression of the Mount Gambier community's shared vision for the future. It informs and guides all aspects of the Council's work, through its goals, strategic objectives, operational planning and implementation, with a horizon Beyond 2015.

The Vision has been developed in consultation with residents, businesses and community groups and is informed by the following key aspirations for the Mount Gambier community:

1. A healthy, safe, engaged and connected community;
2. Sustainable natural and built environments;
3. A prosperous and vibrant economy;
4. Well managed and maintained community infrastructure; and
5. Open, effective and efficient governance.

This Strategic Plan focuses on those areas that will be crucial to the achievement of this **Vision** through maintaining high quality services and facilities.

Council's adopted **Mission** statement is;

"To serve the people who live and visit our City by working with our community's to ensure safety, access, equity and continuous improvement in infrastructure, planning, services and governance."

The Mission is a broad but focused statement which describes how Council intends to achieve the Vision. It is Council's core operational response to the expectations of its stakeholders.

Council as part of its strategic planning process has developed seven (7) high level Strategic Goals that identify the outcomes Council is seeking to achieve and the strategies established to achieve those outcomes.

Councils 'Futures Paper' and Strategic Management Plan are available from the Council Website http://www.mountgambier.sa.gov.au/council_management_plan.asp?p=1&s=36&id=66.

LONG TERM FINANCIAL PLAN (LTFP)

What is the purpose of a LTFP?

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 into financial terms and to guide the direction of Council in a financially sustainable manner.

Council's Long Term Financial Plan (reviewed annually) will act as a reference point in the formulation of future Annual Business Plans and Budgets.

What are the key elements of the LTFP?

The LTFP 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 LTFP assumes:

- the continuation of existing services at current service standards;
- no internal changes to services or investment in new or upgrades assets other than what is already resolved and planned

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

What does the LTFP tell us?

Council is meeting its financial targets over the term of the plan and has the financial capacity to continue meeting our 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 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 LTFP is available from the Council website 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.

S A local government has developed a number of indicators to measure a Council's 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 LTFFP.

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

Key Financial Indicators	2010	2011	2012	2013	2014
Operating Surplus Ratio (Target: 0% - 15% over 5 years)	(2%)	(8%)	4%	2%	(4%)
Net Financial Liabilities Ratio (Target: Not to exceed 100%)	12%	9%	27%	23%	31%
Asset Sustainability Ratio (Target: 90% - 100% over 3 years)	50%	51%	52%	85%	107%

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

Operating Surplus (Deficit) Ratio – expresses the operating surplus (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.

OUR SERVICES

All Councils have mandatory responsibilities under the Local Government Act, the Development Act, the Public and Environmental Health Act and other relevant legislation. 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 space, 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 facilitation
- 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 information 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 2015/2016 Business Plan and Budget will provide generally for existing service levels to be maintained.

OUR 2015/2016 BUDGET

The 2015/2016 Budget proposes to spend a total of \$30,346,000 on the delivery of services and programs, maintenance of assets and development of new or upgraded assets (operating/capital expenditure).

Operating expenditure in 2015/2016 is estimated to increase by 4.7% or \$1,097,000 on 2014/2015, and in comparison Operating revenue is anticipated to increase by 5.2% or \$1,207,000 principally attributable to increased rate revenue.

Council has been able to achieve a minor Budgeted Operating surplus (\$66,000).

The significant reduction in Non-Operating Revenue is principally due to the reduction in loan revenue required for major capital works projects now substantially completed.

Importantly, no new loan borrowings are provided for in the 2015/2016 Business Plan and Budget.

When factoring in Non-Operating revenue and expenditure and Council's extensive Capital expenditure program, a very minor (\$6,000) end of year cash deficit position results.

Council continues to face significant pressure on its Operating Expenditure arising from cost increases as well as demand for additional and increased services. Council is typically exposed to cost increases at a higher rate than the change in the Consumer Price Index (CPI).

The Local Government Price Index (LGPI) is similar in nature to the CPI but is considered to be a more reliable and independent measure of the inflationary effect on price changes in the SA local government sector.

The LGPI represents the movement of prices associated with goods and services consumed by local government in SA as opposed to the basket of goods and services consumed by the "average metropolitan household". This largely reflects the capital intensive nature of local government.

In the 2013/2014 financial year the LGPI was recorded as 2.3% whereas CPI was recorded at 2.6%.

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

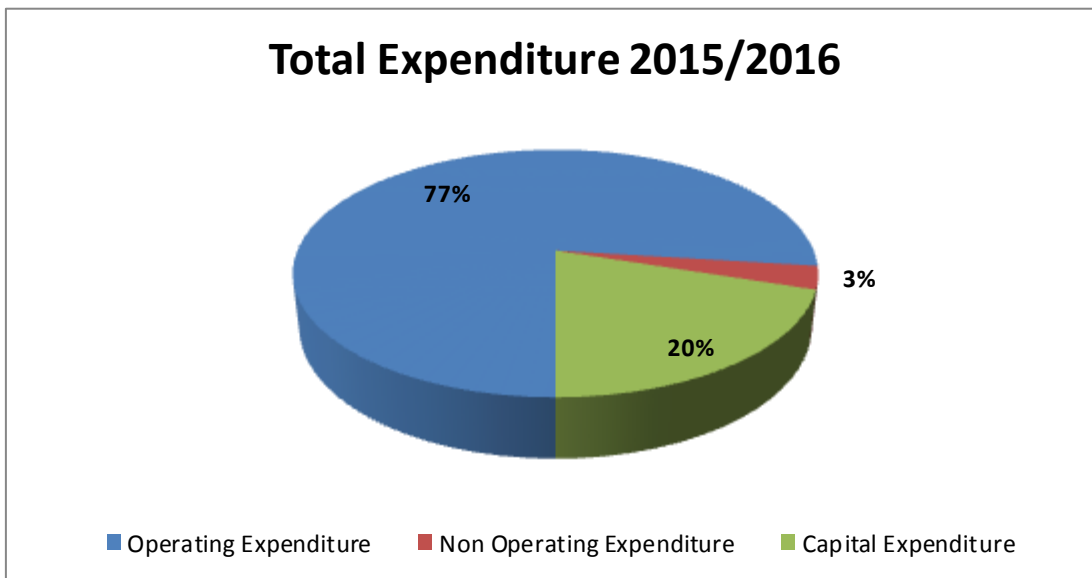
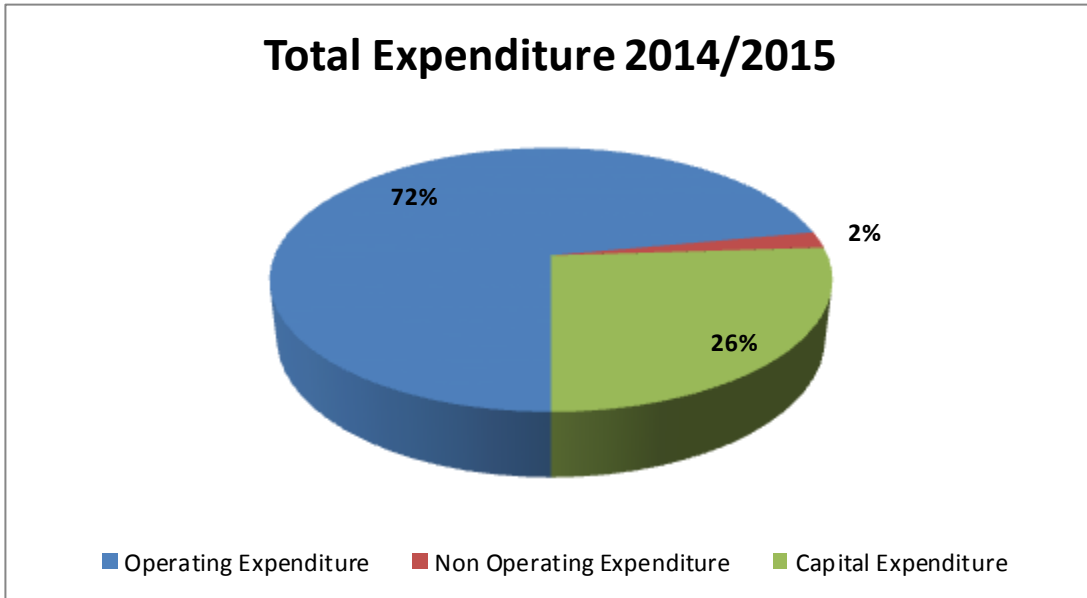
Key components within Councils 2015/2016 Budget include:

Function/Activity	\$'000 Expenditure		\$ '000 Revenue
	Operating	Capital	
<u>Administration</u>			
Rates (General and NRM)			18,546
Grants Commission – General Purpose Grant			2,208
– Road Grants			387
Civic Centre GRC Panels Repair		120	
<u>Community Services</u>			
General Community Support / Donations	155		
Community Celebrations	56		
Public Conveniences	230		
Community Amenities (Inc. Main Corner)	685		98
CCTV Network Upgrade		80	
<u>Cultural Services</u>			
Library Operating	1,377	120	217
Cultural Venues	326		175
Heritage	383		
<u>Economic</u>			
Regional Development	153		
Tourism – Major Event Support	171		
Tourism – Visitor Information Centre	893		413
<u>Environment</u>			
Waste Management - refuse collection	923		285
- waste transfer/landfill	1,462	85	1,380
Stormwater drainage	162	135	
Street cleaning / sweeping	320		
Street Lighting	497		
Street Trees	175	39	
Environmental Sustainability Initiatives	100		
<u>Recreation</u>			
Parks, Gardens, Reserves	1,727	135	
- Crater Lakes	297		
- Crater Lakes – diseased tree removal	100		
- Sport Facilities	283	34	
Aquatic Centre	263	60	
Sporting grants/ support	112		
Railway Lands/Margaret Street walkway		75	
Council Building Maintenance Program		230	

Function/Activity	\$'000 Expenditure		\$ '000 Revenue
	Operating	Capital	
<u>Regulatory</u>			
Development Control (Planning/Building)	696		225
Health Services	190		
Dog/Parking Control	305		189
<u>Transport / Engineering</u>			
Plant and Machinery (Replacement/Operating)	960	1,103	
Footpath / Kerbing – Maintenance - Annual Program	314	394	
Road infrastructure – maintenance Annual capital program, includes:	2,689	3,307	
- CBD renewal \$900,			
- Reseal program \$499,			
- Boundary Roads \$164, (Wireless west)			
- Roads to Recovery \$564,			
- Roads Reconstruction Program \$1,130,			564
Major projects: Holder Street			
Wehl Street North			
James Street			
Commercial Street West			
O'Halloran Terrace			
Eglinton Terrace			
	Non-Operating		Non-Operating
<u>Non Operating</u>			
- Annual Borrowing Program			Nil
- Loan Repayment – Principal	864		249
- Asset Disposal (Trade-ins)			142
- Grant Funding			

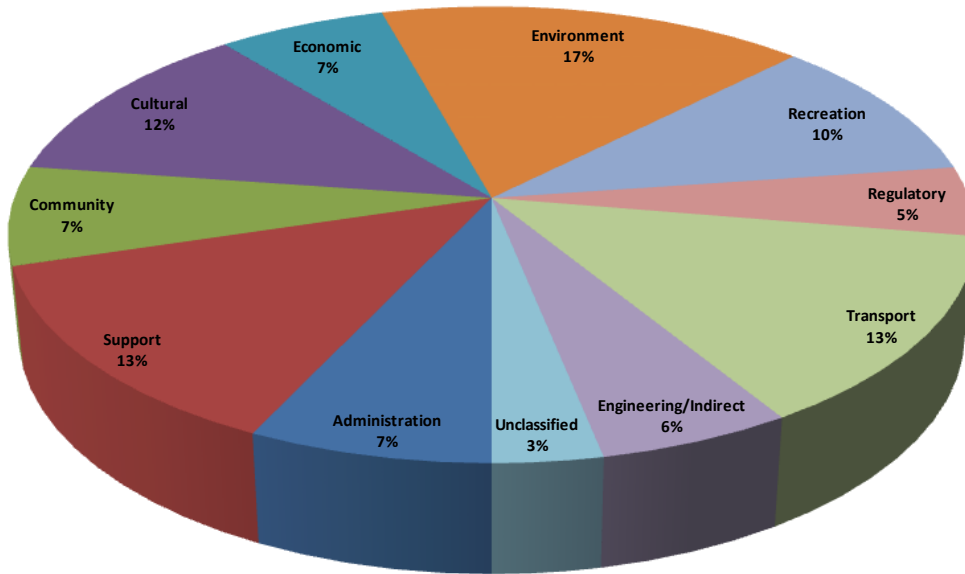
A Summary Budget arising from this 2015/2016 Business Plan, comprising Income and Expenditure components of both an Operating and Capital nature and summarised in functional categories is provided for as Appendix I to this Business Plan. The 2015/2016 Business Plan and Summary Budget are available from Council's Office or can be downloaded from Council's web site at www.mountgambier.sa.gov.au.

Expenditure Comparisons

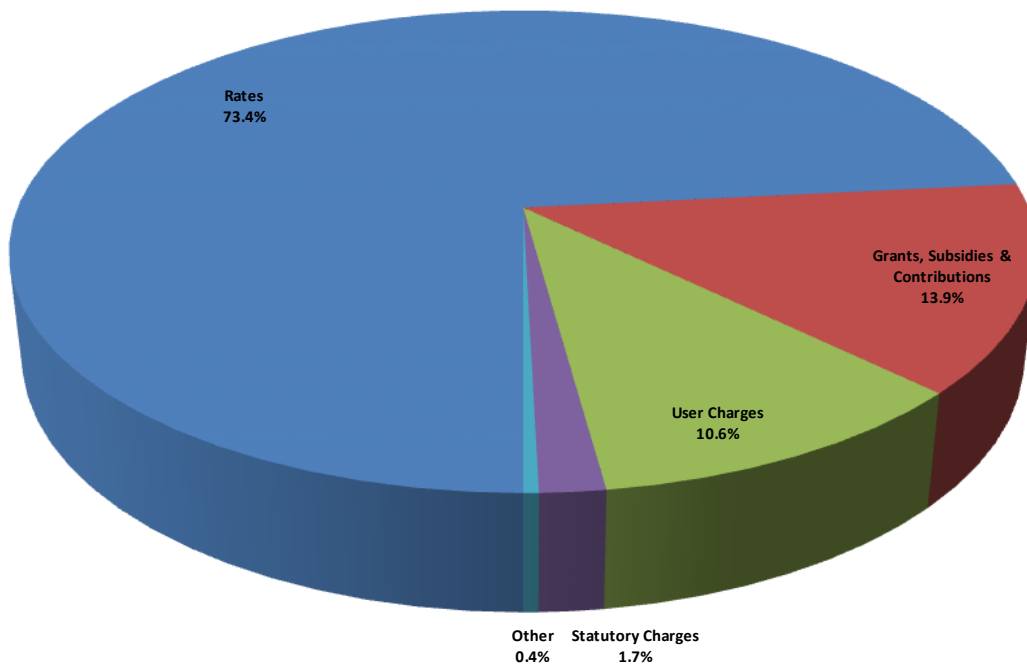


Operating Expenditure/Revenue

Operating Expenditure by Function 2015/2016



**Total Operating Income
2014/2015**



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. 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 appointed an Audit Committee that includes two independent members with qualifications and experience in related disciplines and an Elected Member experienced in Council's operations.

The City of Mount Gambier has participated in an annual Comparative Performance Measurement Project conducted on a statewide basis by the SA Local Government Association (currently in recess) and also utilises data provided by independent sources such as the SA Local Government Grants Commission to provide comparative reports on a regular basis.

Council's Annual Report also provides a range of information on overall performance as does the Strategic Plan that is currently under review including the development of Corporate Strategies and associated performance indicators.

OUR RATING STRATEGY

In 2015/2016 it is anticipated that 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 2015/2016 Budget proposes a lesser 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 pursuits.

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

YEAR	RATE INCREASE	GROWTH BENEFIT	TOTAL
2011	6.5%	0.4%	6.9%
2012/2013	4.6%	2.3%	6.9%
2013/2014	5.6%	0.5%	6.1%
2014/2015	3.9%	0.9%	4.8%
2015/2016 est.	3.85%	0.65%	4.5%

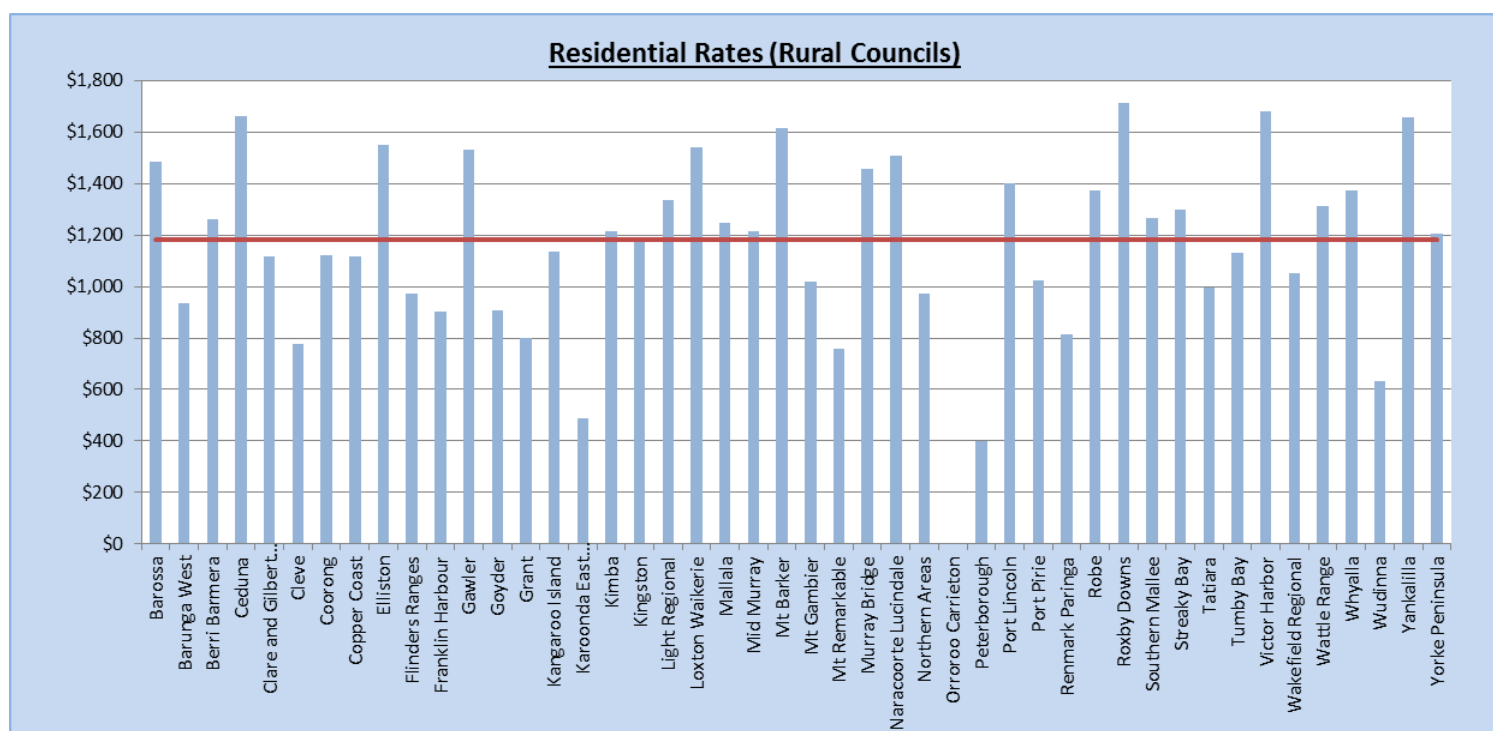
Notes: Growth is predominantly the result of new housing and property improvements as reported by the State Valuation Office.

Rate Comparisons

The following graphs illustrate that Mount Gambier's average residential rates are more than comparable with the State average and with the averages of both Metropolitan and Regional Councils.

	2014/15	2015/16
Average for all SA Metro Councils	\$1,377	Not Available
Average for all SA Regional Councils	\$1,182	Not Available
Average for City of Mount Gambier	\$1,021	\$1,061

Average Regional Residential Rates 2014/15



Source: Local Government Association 2014/2015 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 capacity to pay of property owners
- 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.

CAPITAL VALUATION COMPARISON

YEAR	RATEABLE LAND	NON RATEABLE LAND	TOTAL \$
2011/2012	3,207,941,567	186,932,373	3,394,873,940
2012/2013	3,139,059,180	177,104,360	3,316,162,540
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

General Rates

Section 147 of the Local Government Act 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 will affect all ratepayers and will continue to raise slightly less than one half of total rate revenue (before rebates and remissions) required for the 2015/2016 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 therefore considers it appropriate that all ratepayers contribute equally to the cost of administering Councils activities.

FIXED CHARGE COMPARISON

YEAR	FIXED CHARGE	% OF TOTAL RATES
2011/2012	\$480.00	45%
2012/2013	\$516.40	45%
2013/2014	\$544.80	45%
2014/2015	\$565.50	45%
2015/2016	\$585.80	45%

Differential Rates

One of the outcomes of Council's rating and valuation review in 2003/2004 was the introduction of a Differential General Rate for each land use category, using land use as the differentiating factor, in recognition of the particular demands placed on Councils infrastructure by these groups of ratepayers. It also recognised the imbalance caused by significant increases in residential properties compared with commercial and industrial properties.

Therefore, 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
2011/2012	.1920	.5184	.5184	.1920	.5184	.1920
2012/2013	.19945	.5385	.5385	.19945	.5385	.19945
2013/2014	.21167	.57151	.57151	.21167	.57151	.21167
2014/2015	.21980	.59346	.59346	.21980	.59346	.21980
2015/2016	.22631	.611037	.611037	.22631	.611037	.22631

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 required under the Natural Resource Management Act 2004 to contribute to the funding of the operations of the Board.

The Council operates as a revenue collection for 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
2011/2012	\$38.60 (per assessment)	\$513,500
2012/2013	\$39.80 (per assessment)	\$533,000
2013/2014	\$40.60 (per assessment)	\$544,445
2014/2015	\$40.90 (per assessment)	\$554,609
2015/2016	\$42.00 (per assessment)	\$578,276

Minimum Amount

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

State Government Rate Concessions

As from the 2015/2016 financial year the State Government will no longer provide concessions for eligible pensioners in respect of Council rates.

Pensioners, low income earners and self funded retirees holding a Commonwealth Seniors Health Card will receive up to \$200 per year under a new 'Cost of Living' (CLC) concession.

For more information contact the State Government Concessions Hotline 1800 307 758.

RATE REBATE/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 (Principal Place of Residence) Rate Cap

This option will provide relief where a ratepayer (principal place of residence) with a residential land use is levied an increase in rates greater than 15%.

This rebate will not apply where:

- the increase is due to an increase in valuation as a result of improvements greater than \$20,000
- the increase is as a result of a change of zoning or land use
- ownership of the property has changed since July 2014
- the subject property has been altered in some way (boundary alignment etc) which has resulted in a new property valuation compared to previous
- properties other than the principal place of residence i.e. second and subsequent properties and all other non-principal places of residences of the ratepayer

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.

COMMUNITY ENGAGEMENT STRATEGY

Community consultation commenced on Friday 17th April, 2015 and copies of the 2015/2016 Draft Business Plan and Budget along with accompanying documentation were made available free of charge from the Council Offices, Civic Centre, 10 Watson Terrace, Mount Gambier and also on the 'Have Your Say' Facility on the Council website.

The community were advised of the 2015/2016 Draft Business Plan and Budget consultation via the following mediums and encouraged to participate:

Media Release/s	Periodically throughout the consultation period
Advertisements placed in the Border Watch	Friday, 17 th April 2015 Friday, 24 th April 2015 Tuesday, 5 th May 2015 Thursday, 7 th May 2015
Featured in Weekly Affairs Column in the Border Watch	Wednesday, 22 nd April, 2015 Wednesday, 29 th April, 2015 Wednesday, 6 th May, 2015
Radio Interviews	22 nd May, 2015 Director - Corporate Services on 5SE with Jason Schiedl and also on LimeFM with Tracy Lalich
Courtyard Display	Duration of Consultation period
Website Homepage Banner Promotion	Duration of Consultation period

The community were provided the opportunity and encouraged to forward any submissions or questions on the 2015/2016 Draft Business Plan and Budget consultation via the following mediums:

- Email via city@mountgambier.sa.gov.au
- Written submissions
- Feedback Sheet from Courtyard Display
- 'Have your Say' at http://haveyoursaymountgambier.com.au/20152016-draft-business-plan-and-budget?preview=true&tool=survey_tool&tool_id=your-submission1#tool_tab
- Text to 0407 794 188

Consultation Activity Summary

The following table summarises the level of community interest in becoming informed of the contents of proposed Business Plan and Budget and how many actively participated by submitting formal feedback.

Participation measure

Have Your Say - Site Visits	125	Have Your Say - Informed Visitors	42
Have Your Say - Document Downloads	6		

Formal Submissions

Online Submissions	3	Texts	0
Email	1	Mail	0
Courtyard	4	Quick Poll	2

The above tables reflect the level of interest received during the consultation period and also summarises the number of active participants in the consultation process.

APPENDIX 1 2015/2016 SUMMARY BUDGET

APPENDIX 2 BUDGETED FINANCIAL STATEMENTS 2015/2016

Income Statement

Cash Flow Statement

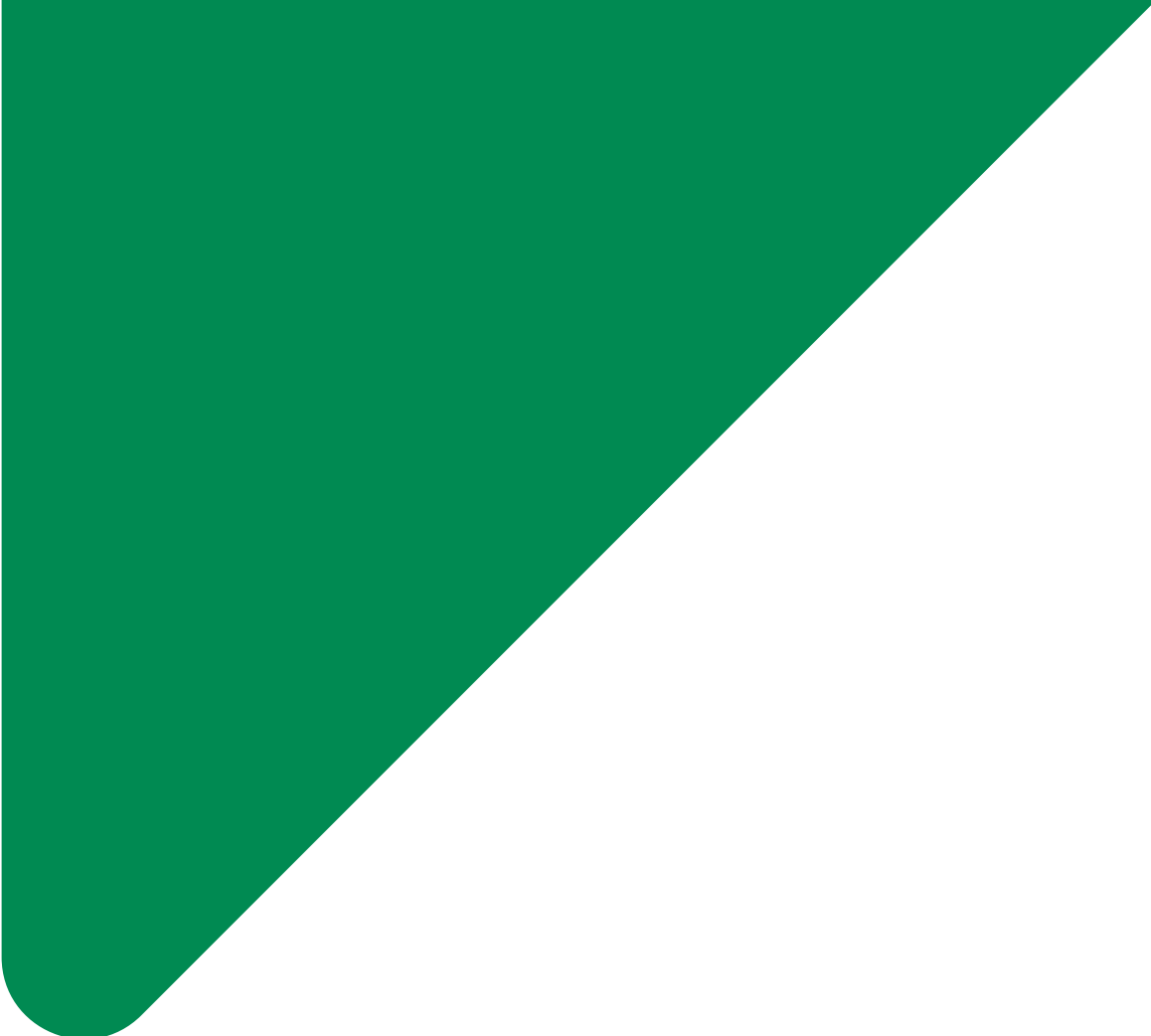
Balance Sheet

Statement Of Changes In Equity

Uniform Presentation Of Finances

Financial Indicators

Appendix 1 - Summary Budget



SUMMARY BUDGET (BY FUNCTION) 2015/2016

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1. Function: Administration

1.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	ADMINISTRATION EXPENDITURE							
6000.0000	ELECTED MEMBERS EXPENDITURE	353	285	389	389	176	326	
6002.0000	ORGANISATIONAL EXPENDITURE	1,431	1,407	1,339	1,349	726	1,377	
	TOTAL OPERATING EXPENDITURE	1,784	1,692	1,728	1,738	902	1,703	

1.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Actual '000	Budget '000	BR2 '000	31/12/2014 '000	Adopted Budget '000	
7500.0000	CIVIC CENTRE	50	5	120	240	0	124	
	TOTAL CAPITAL EXPENDITURE	50	5	120	240	0	124	

1.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	ADMINISTRATION REVENUE							
4100.0000	RATES RAISED	16,941	16,931	17,740	17,740	17,744	18,546	
4112.0000	RATES REMITTED	(728)	(705)	(737)	(737)	(443)	(764)	
4113.0000	FINES ON RATES	60	57	65	65	34	65	
4114.0000	FINES REMITTED	(1)	(1)	(2)	(2)	(1)	(2)	

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	GENERAL PURPOSE REVENUE							
4120.0000	GENERAL PURPOSE REVENUE	2,585	1,494	2,414	2,594	1,299	2,595	
	TOTAL OPERATING REVENUE	18,857	17,776	19,480	19,660	18,633	20,440	

Commentary:**Operating Expenditure:**

- provision for increases in Members Allowances
- no election costs (-\$80k)
- increases in legal/professional expenses
- decreases in FBT, studies exp.

Capital Expenditure:

- Civic Centre GRC Panels maintenance/repair (+\$120k)

Operating Revenue:

- General Rate Revenue increase of 4.5% (+\$773k)
- no increase in Grants Commission Allocations (Grants frozen for 3 years)

2. Function: Support Services

2.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	SUPPORT SERVICES EXPENDITURE							
6011.0000	ACCOUNTING/FINANCE EXPENDITURE	316	295	314	324	153	360	
6012.0000	PAYROLL EXPENDITURE	386	294	293	287	151	408	
6013.0000	HUMAN RESOURCES EXPENDITURE	251	251	265	265	106	246	
6014.0000	INFORMATION TECHNOLOGY EXPENDITURE	441	518	543	543	241	546	
6015.0000	COMMUNICATION EXPENDITURE	50	24	25	25	11	33	
6016.0000	RATES ADMINISTRATION EXPENDITURE	266	273	276	276	155	289	
6017.0000	RECORDS MANAGEMENT EXPENDITURE	186	167	191	191	86	197	
6018.0000	OCCUPANCY EXPENDITURE	467	562	741	741	90	477	
6020.0000	CUSTOMER SERVICE EXPENDITURE	170	177	183	183	85	190	
6021.0000	OTHER SUPPORT SERVICES EXPENDITURE	227	195	141	141	66	166	
6022.0000	COMMUNITY ENGAGEMENT	0	1	251	251	102	300	
	TOTAL OPERATING EXPENDITURE	2,760	2,757	3,223	3,227	1,246	3,212	

2.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
7460.0000	OFFICE EQUIPMENT (PURCHASES)	78	67	110	133	118	55	
	TOTAL CAPITAL EXPENDITURE	78	67	110	133	118	55	

Commentary:

Operating Expenditure:

- Payroll Increase in provision for LSL Entitlements (+104k)
- occupancy - reduction in depreciation charged
- general increases in employee expenses (EBA)

Capital Expenditure:

- general office equipment replacements/office fibre connection

Operating Revenue:

Nil

3. Function: Community Services

3.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	COMMUNITY SERVICES EXPENDITURE							
6100.0000	CRIME PREVENTION EXPENDITURE	39	51	23	23	9	21	
6102.0000	EMERGENCY SERVICES EXPENDITURE	17	15	17	34	32	34	
6103.0000	OTHER FIRE PROTECTION EXPENDITURE	1	1	1	1	0	1	
6104.0000	OTHER PUBLIC ORDER AND SAFETY EXPENDITURE	1	1	1	1	0	1	
6111.0000	HEALTH - PEST CONTROL EXPENDITURE	1	1	2	2	0	1	
6112.0000	IMMUNISATION EXPENDITURE	0	1	0	0	1	0	
6114.0000	PREVENTATIVE HEALTH SERVICES EXPENDITURE	81	110	27	42	56	6	
6115.0000	OTHER HEALTH SERVICES EXPENDITURE	32	19	32	32	11	34	
6121.0000	SENIOR CITIZENS EXPENDITURE	46	33	39	39	9	44	
6125.0000	CHILDREN AND YOUTH SERVICES EXPENDITURE	8	5	10	15	3	10	
6126.0000	COMMUNITY ASSISTANCE EXPENDITURE	209	203	164	164	145	163	
6129.0000	OTHER COMMUNITY SUPPORT EXPENDITURE	321	367	289	289	80	290	
6131.0000	BUS SHELTER EXPENDITURE	4	2	4	4	2	4	
6132.0000	CEMETERIES/CREMATORIA EXPENDITURE	75	96	96	96	16	79	

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
6134.0000	PUBLIC CONVENIENCES EXPENDITURE	205	242	222	222	128	245	
6135.0000	CARPARK EXPENDITURE	88	15	19	19	2	37	
6138.0000	OTHER COMMUNITY AMENITIES EXPENDITURE	624	621	666	675	225	685	
	TOTAL OPERATING EXPENDITURE	1,752	1,783	1,612	1,658	719	1,655	

3.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
7560.0000	OTHER COMMUNITY SUPPORT	5	11	80	80	0	100	
7570.0000	BUS SHELTERS	32	23	0	0	48	0	
7580.0000	CEMETERIES	0	0	0	0	0	0	
7620.0000	CAR PARKS	43	56	46	46	0	47	
	TOTAL CAPITAL EXPENDITURE	80	90	126	126	48	147	

3.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	COMMUNITY SERVICES REVENUE							
4130.0000	PUBLIC ORDER AND SAFETY REVENUE	7	11	2	2	3	2	
4132.0000	HEALTH SERVICES REVENUE	50	50	12	12	11	0	
4133.0000	COMMUNITY SUPPORT REVENUE	8	21	24	24	0	21	
4134.0000	COMMUNITY AMENITIES REVENUE	83	158	76	85	48	98	
	TOTAL OPERATING REVENUE	148	240	114	123	62	121	

Commentary:

Operating Expenditure:

- OPAL Program concluded
- increase in public convenience maintenance (+\$30k)
- new part time position at Main Corner
- general increases in employee costs (EBA)

Capital Expenditure:

- CCTV upgrade/expansion
- Main Corner first floor kitchen

Operating Revenue:

- minor revenue increases for Main Corner/sales

4. Function: Cultural

4.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	CULTURAL EXPENDITURE							
6200.0000	LIBRARY SERVICES EXPENDITURE	1,881	1,936	2,044	2,055	658	1,968	
6202.0000	OTHER LIBRARY SERVICES	15	14	15	15	7	16	
6210.0000	CULTURAL VENUES EXPENDITURE	318	323	333	333	66	326	
6220.0000	HERITAGE EXPENDITURE	381	376	407	407	61	383	
6230.0000	MUSEUMS/ART GALLERY EXPENDITURE	61	61	61	61	59	58	
6240.0000	OTHER CULTURAL SERVICES EXPENDITURE	179	123	122	122	61	150	
	TOTAL OPERATING EXPENDITURE	2,835	2,833	2,982	2,993	912	2,901	

4.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
7470/7630	LIBRARY	168	160	133	220	20	120	
7640.0000	CULTURAL	20	37	70	70	3	25	
7650.0000	HERITAGE	11	10	10	21	2	10	
	TOTAL CAPITAL EXPENDITURE	199	207	213	311	25	155	

4.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	CULTURAL REVENUE							
4140.0000	LIBRARY SERVICES REVENUE	389	402	208	218	115	217	
4142.0000	CULTURAL SERVICES REVENUE	226	235	180	180	126	175	
	TOTAL OPERATING REVENUE	615	637	388	398	241	392	

Commentary:

Operating Expenditure:

- general employee costs increases (EBA)
- new Part Time Position at Library
- Introduction of Cultural Grant Program (+25K)

Capital Expenditure:

- Library bookstocks via Plain

Operating Revenue:

Nil

5. Function: Economic Development

5.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	ECONOMIC DEVELOPMENT EXPENDITURE							
6320.0000	REGIONAL DEVELOPMENT EXPENDITURE	79	80	143	203	159	153	
6350.0000	TOURISM GENERAL EXPENDITURE	449	382	431	441	189	470	
6360.0000	TOURISM - "THE LADY NELSON" EXPENDITURE	950	905	913	913	400	985	
	TOTAL OPERATING EXPENDITURE	1,478	1,367	1,487	1,557	748	1,608	

5.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
7660.0000	TOURISM	0	0	8	8	0	0	
	TOTAL CAPITAL EXPENDITURE	0	0	8	8	0	0	

5.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	ECONOMIC DEVELOPMENT REVENUE							
4151.0000	ECONOMIC - SUNDRY GRANTS/CONTRIBUTIONS	0	0	0	0	0	0	
4152.0000	TOURISM GENERAL REVENUE	0	0	0	0	2	0	
4153.0000	TOURISM - "THE LADY NELSON" REVENUE	402	408	384	394	197	413	
	TOTAL OPERATING REVENUE	402	408	384	394	199	413	

Commentary:

Operating Expenditure:

- new economic/tourism resource provided for (+\$110k)
- second UniSA payment (+\$100k) deferred (intention is to pay from current years surplus)
- general employee cost increases
- increase major event expenditure (+\$28k)
- includes bus ticketing payments (\$311k)

Capital Expenditure:

Nil

Operating Revenue:

- Includes Bus Ticketing Gross Revenue (\$340k)

6. Function: Environment

6.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	ENVIRONMENT EXPENDITURE							
6410.0000	WASTE MANAGEMENT EXPENDITURE	2,455	2,337	2,336	2,336	1,147	2,632	
6420.0000	STORMWATER AND DRAINAGE EXPENDITURE	270	242	294	294	55	262	
6430.0000	STREET CLEANING EXPENDITURE	311	277	320	320	137	320	
6440.0000	STREET LIGHTING EXPENDITURE	455	445	467	467	202	497	
6450.0000	STREETSCAPING EXPENDITURE	164	181	169	169	80	175	
6460.0000	ENVIRONMENTAL SUSTAINABILITY	107	124	131	131	37	186	
	TOTAL OPERATING EXPENDITURE	3,762	3,606	3,717	3,717	1,658	4,072	

6.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
7600.0000	STREET TREE PROGRAM	37	43	38	38	11	39	
7670.0000	WASTE MANAGEMENT	2,020	1,200	130	1,218	118	85	
7800.0000	INFRASTRUCTURE STORMWATER	78	77	83	80	21	135	
	TOTAL CAPITAL EXPENDITURE	2,135	1,320	251	1,336	150	259	

6.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	ENVIRONMENT REVENUE							
4162.0000	WASTE MANAGEMENT REVENUE	1,674	1,844	1,736	1,870	1,039	1,665	
	TOTAL OPERATING REVENUE	1,674	1,844	1,736	1,870	1,039	1,665	

Commentary:

Operating Expenditure:

- Increase in waste collection, dopsosal and licensing costs (+\$88k)
- Increased activity for Environmental Sustainability Activities (+\$60k)

Capital Expenditure:

- Includes allocation for wash down bay at WTC (\$40k)
- Increased Stormwater Infrastrcuture Program (+\$55k)

Operating Revenue:

- Decreased revenue for bin sales/WTC/disposal fees/eWaste fees

7. Function: Recreation

7.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
RECREATION EXPENDITURE								
6500.0000	PARKS/GARDENS/RESERVES EXPENDITURE	1,532	1,474	1,616	1,606	657	1,652	
6520.0000	SPORTS FACILITIES - INDOOR EXPENDITURE	112	39	40	40	13	83	
6530.0000	SPORTS FACILITIES - OUTDOOR EXPENDITURE	342	424	435	415	107	326	
6550.0000	AQUATIC CENTRE (OUTDOOR) EXPENDITURE	276	383	373	418	183	334	
6560.0000	OTHER RECREATION EXPENDITURE	140	155	109	109	24	112	
	TOTAL OPERATING EXPENDITURE	2,402	2,475	2,573	2,588	984	2,507	

7.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
7680.0000	PARKS/GARDENS/RESERVES	4,537	4,328	3,245	4,143	1,482	440	
7690.0000	SPORTS FACILITIES (INDOOR)	15	0	35	35	0	5	
7700.0000	SPORTS FACILITIES (OUTDOOR)	41	22	73	73	0	34	
7730.0000	AQUATIC CENTRE (OUTDOOR)	0	151	7	7	5	60	
	TOTAL CAPITAL EXPENDITURE	4,593	4,501	3,360	4,258	1,487	539	

7.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	RECREATION REVENUE							
4170.0000	RECREATION REVENUE	63	71	68	68	42	57	
	TOTAL OPERATING REVENUE	63	71	68	68	42	57	

Commentary:

Operating Expenditure:

- Includes Crater Lakes diseased trees removal (+\$100k)

Capital Expenditure:

- Includes allocations for:

- '- Council Building Maintenance Program (\$150k)
- '- Council Building Airconditioning (80k)
- '- Railway Lands Walkway (\$75k)
- '- Aquatic Centre Wood Chip/Feed System (\$60k)

Operating Revenue:

Nil

8. Function: Regulatory Services

8.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	REGULATORY SERVICES EXPENDITURE							
6600.0000	DOG CONTROL EXPENDITURE	194	210	264	264	144	284	
6620.0000	BUILDING CONTROL EXPENDITURE	285	286	295	295	135	299	
6630.0000	CITY PLANNING EXPENDITURE	317	403	373	408	215	397	
6660.0000	HEALTH INSPECTION EXPENDITURE	169	131	167	167	75	190	
6670.0000	PARKING CONTROL EXPENDITURE	63	65	18	18	8	21	
	TOTAL OPERATING EXPENDITURE	1,028	1,095	1,117	1,152	577	1,191	

8.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	

8.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	REGULATORY SERVICES REVENUE							
4180.0000	REGULATORY SERVICES REVENUE	361	420	418	422	288	425	
	TOTAL OPERATING REVENUE	361	420	418	422	288	425	

Commentary:

Operating Expenditure:

- General employee cost increases (EBA)
- Allocation to resource planning reforms (+\$20k)

Capital Expenditure:

Nil

Operating Revenue:

- Dog, Planning, Building, Parking Fees

9. Function: Transport

9.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	TRANSPORT EXPENDITURE							
6720.0000	BRIDGES EXPENDITURE	4	3	8	8	0	4	
6730.0000	FOOTPATHS AND KERBING EXPENDITURE	440	625	515	515	160	422	
6740.0000	ROADS SEALED EXPENDITURE	2,627	1,971	2,004	2,004	128	2,689	
6780.0000	TRAFFIC MANAGEMENT EXPENDITURE	165	162	170	170	79	166	
	TOTAL OPERATING EXPENDITURE	3,236	2,761	2,697	2,697	367	3,281	

9.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
7300.0000	PLANT AND MACHINERY (PURCHASES)	1,087	1,023	1,079	1,241	151	1,103	
7450.0000	MINOR PLANT (PURCHASES - NEW ASSETS)	10	9	0	0	0	0	
7830.0000	FOOTPATHS/KERBING	251	229	289	296	135	394	
7900.0000	ROADS SEALED	2,076	2,719	2,865	4,167	966	3,307	
	TOTAL CAPITAL EXPENDITURE	3,424	3,980	4,233	5,704	1,252	4,804	

9.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	TRANSPORT REVENUE							
4192.0000	FOOTPATHS AND KERBING REVENUE	27	27	0	0	0	0	
4193.0000	ROADS REVENUE	311	554	316	324	5	591	
	TOTAL OPERATING REVENUE	338	581	316	324	5	591	

Commentary:

Operating Expenditure:

- Depreciation adjustments (infrastructure)

Capital Expenditure:

- Plant Replacement Program (as approved by Council)
- Infrastructure Programs (footpaths/roads etc. as approved by Council)
- Includes Rail Trail Project, Stage 1 (+100k)
- Includes allocations for CBD Renewal Project of \$900k

Operating Revenue:

- Roads to Recovery Revenue increased for Year 1 of Funding Agreement

10. Function: Engineering/Indirect

10.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	ENGINEERING/INDIRECT EXPENDITURE							
6800.0000	ENGINEERING DEPARTMENT EXPENDITURE	581	612	607	607	336	719	
6810.0000	ASSET MANAGEMENT	23	16	17	17	8	18	
6820.0000	ENGINEERING - AWU EMPLOYEES EXPENDITURE	1,153	121	1,100	1,134	466	1,193	
6830.0000	INDIRECT EXPENDITURE	453	497	490	490	205	499	
6840.0000	INDIRECT EXPENDITURE - LABOUR ONCOSTS	(1,194)	(1,104)	(1,194)	(1,194)	(553)	(1,158)	
6850.0000	PLANT AND MACHINERY EXPENDITURE	1,634	1,634	1,699	1,699	453	1,694	
6860.0000	PLANT AND MACHINERY - INTERNAL HIRE	(1,654)	(1,561)	(1,654)	(1,654)	(772)	(1,604)	
	TOTAL OPERATING EXPENDITURE	996	215	1,065	1,099	143	1,361	

10.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
7740.0000	WORKS DEPOT	0	0	12	12	0	5	
	TOTAL CAPITAL EXPENDITURE	0	0	12	12	0	5	

10.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	

Commentary:

Operating Expenditure:

- General Employee costs increases (EBA)
- New Procurement Position (funded from another position not replaced)
- Provision for Sick Leave 'Cash Out' (Audit requirement) (+\$30K)
- Provision for increased plant operating costs (fuel, maintenance, reg'n)

Capital Expenditure:

- Minor allocation for Dog Holding Facilities at Depot

Operating Revenue:

Nil

11. Function: Unclassified

11.1 Type: Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	UNCLASSIFIED ACTIVITIES EXPENDITURE							
6900.0000	PRIVATE WORKS EXPENDITURE	65	39	35	35	32	35	
6940.0000	SUNDRY EXPENDITURE	328	398	357	357	50	358	
6960.0000	FINANCE CHARGES EXPENDITURE	369	262	568	568	149	374	
	TOTAL OPERATING EXPENDITURE	762	699	960	960	231	767	

11.2 Type: Capital Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
7750.0000	UNCLASSIFIED							
	TOTAL CAPITAL EXPENDITURE							

11.3 Type: Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	UNCLASSIFIED ACTIVITIES REVENUE							
4210.0000	PRIVATE WORKS REVENUE	117	48	57	57	42	55	
4230.0000	SUNDRY REVENUE	190	407	151	248	186	155	
4240.0000	INVESTMENT REVENUE	10	19	5	5	8	10	
	TOTAL OPERATING REVENUE	317	474	213	310	236	220	

Commentary:

Operating Expenditure:

- Reduction in interest payable on loans (Treasury Management) (-\$200k)

Capital Expenditure:

Nil

Operating Revenue:

Nil

12. Function: Non Operating

12.1 Type: Non-Operating Expenditure

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	NON OPERATING EXPENDITURE							
7000.0000	COMMUNITY LOANS EXPENDITURE	10	0	10	10	0	10	
7020.0000	LOAN REPAYMENTS EXPENDITURE	600	606	716	716	131	864	
7031.0000	APPROPRIATION TO RESERVES - GENERAL	268	268	0	0	0	0	
	TOTAL NON OPERATING EXPENDITURE	878	874	726	726	131	874	

12.2 Type: Non-Operating Revenue

Acct	Details	2013/2014		2014/2015			2015/2016	
		Budget '000	Final Actual '000	Original Budget '000	Revised BR2 '000	YTD 31/12/2014 '000	Adopted Budget '000	
	NON OPERATING REVENUE							
4250.0000	LOAN FUNDS REVENUE	4,588	3,269	1,093	(27)	0	0	
4260.0000	LOAN REPAYMENT REVENUE	100	86	108	100	38	43	
4270.0000	APPROPRIATION FROM RESERVES	105	105	1,175	5,560	4,385	226	
4280.0000	REVENUE - OTHER SOURCES	6,420	5,906	6,154	6,766	612	6,230	
4300.0000	DISPOSAL OF ASSETS	224	108	229	235	0	249	
4480.0000	DISPOSAL OF LAND	0	0	0	0	0	0	
4500.0000	GRANT FUNDING	0	2,049	359	184	0	142	
	TOTAL NON OPERATING REVENUE	11,437	11,523	9,118	12,818	5,035	6,890	

Commentary:

Non-Operating Expenditure:

- Increased principal repayments on Loans

Non-Operating Revenue:

- Increase in LSL Reimbursement (+\$46)
- No loan funding provided for (-\$1,093k)
- No grant funding carried over (-\$1,100k)
- Reimbursement from Downstream Drainage (+\$105k)

13. Summary

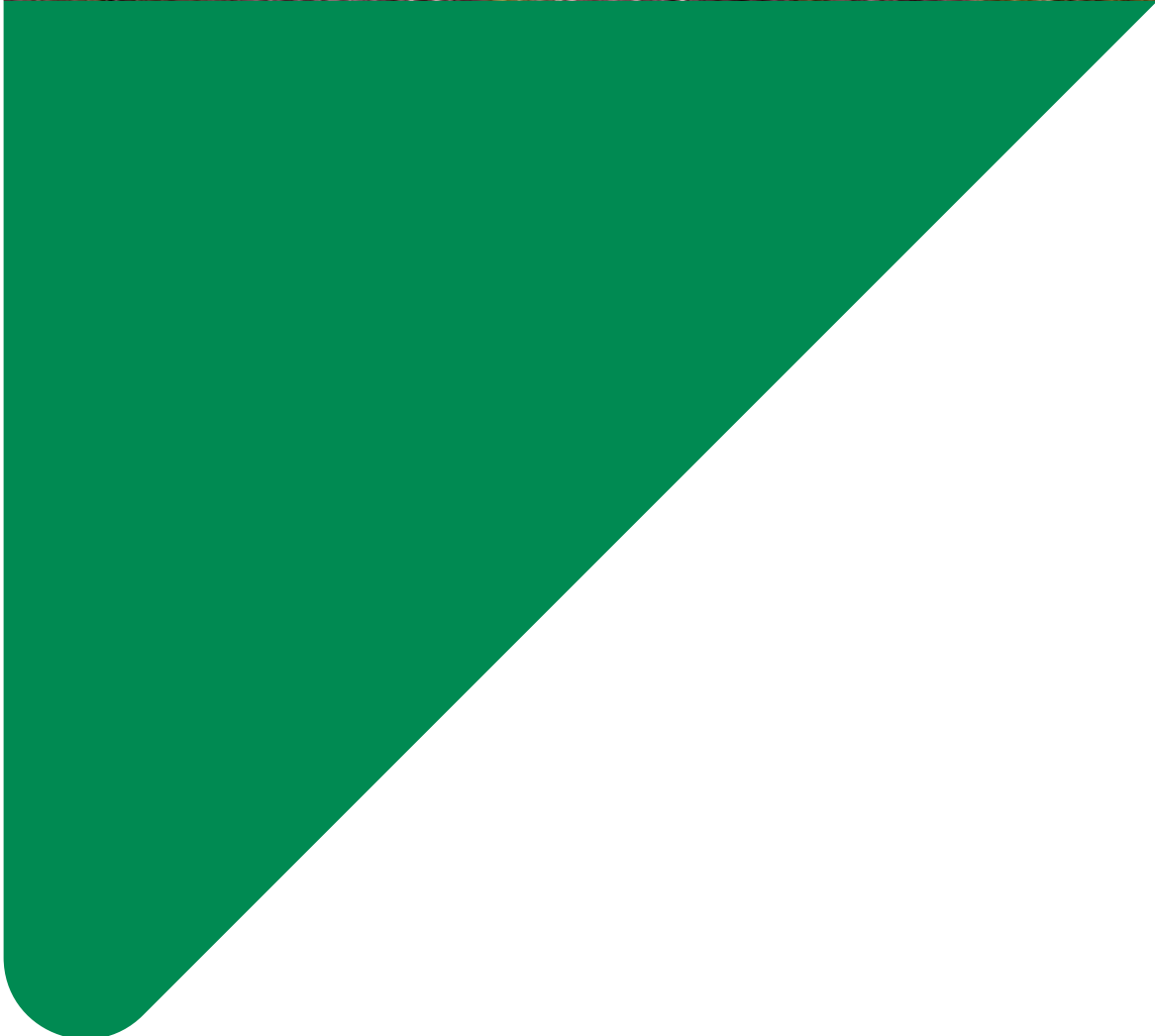
13.1 By Function

Details	EXPENDITURE '000			REVENUE '000	
	Operational	Capital	Non	Operational	Non
ADMINISTRATION	1,703	124		20,440	
SUPPORT	3,212	55		0	
COMMUNITY	1,655	147		121	
CULTURAL	2,901	155		392	
ECONOMIC	1,608	0		413	
ENVIRONMENT	4,072	259		1,665	
RECREATION	2,507	539		57	
REGULATORY	1,191	0		425	
TRANSPORT	3,281	4,804		591	
ENGINEERING / INDIRECT	1,361	5		0	
UNCLASSIFIED	767	0		220	
NON OPERATING	0	0	874	0	6,890
TOTALS	24,258	6,088	874	24,324	6,890

13.2 By Type

Type of Exp/Rev.	2012/2013	2013/2014		2014/2015
	Adopted Budget '000	Adopted Budget '000	Revised BR2 '000	Adopted Budget '000
OPERATING REVENUE	22,775	23,117	23,569	24,324
OPERATING EXPENDITURE	22,775	23,161	23,386	24,258
OPERATING (DEFICIT) / SURPLUS	0	(44)	183	66
PLUS * NON OPERATING REVENUE	11,437	9,118	12,826	6,890
LESS * NON OPERATIONAL EXPENDITURE	878	726	726	874
* CAPITAL EXPENDITURE	10,559	8,433	12,128	6,088
CASH BUDGET (DEFICIT) / SURPLUS	0	(85)	155	(6)

Appendix 2 - Budgeted Financial Statements



**CITY OF MOUNT GAMBIER
BUDGET 2015/16**

Statement of Comprehensive Income

ACTUAL 2013/14 \$ '000	INCOME	ORIG 2015/16 \$ '000
16,826	Rates	17,845
378	Statutory Charges	425
3,530	User Charges	2,578
1,278	Grants Subsidies and Contributions	3,377
32	Investment Income	10
229	Reimbursements	89
467	Other	0
0	Share of profit - joint ventures and associates	0
<hr/>		<hr/>
22,740	TOTAL REVENUES	24,324
	 EXPENSES	
8,772	Wages and Salaries	9,051
8,467	Materials, contracts & other expenses	8,737
262	Finance Costs	374
5,907	Depreciation, amortisation & impairment	6,096
0	Share of loss - joint ventures & associates	0
<hr/>		<hr/>
23,408	Total Expenses	24,258
<hr/>		<hr/>
-668	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	66
-3,227	Net gain (loss) on disposal or revaluation of assets	0
3,064	Amounts specifically for new or upgraded assets	0
0	Physical resources received free of charge	0
 -831	 NET SURPLUS/(DEFICIT)	 66
<hr/> <hr/>		<hr/> <hr/>

**CITY OF MOUNT GAMBIER
BUDGET 2015/16**

Cash Flow Statement

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000
		Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
25,583	Operating Receipts	24,314
69	Investment Receipts	10
	PAYMENTS	
-18,654	Operating payments to suppliers & employees	-17,788
-230	Finance Payments	-374
6,768	Net Cash provided by (or used in) Operating Activities	6,162
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
3,064	Grants specifically for new or upgraded assets	0
276	Sale of Assets	142
126	Repayments of loans by community groups	43
	PAYMENTS	
0	Loans made to community groups	-10
-6,574	Expenditure on renewal / replacement of assets	-4,961
-3,969	Expenditure on new / upgraded assets	-1,127
-7,077	Net Cash provided by (or used in) Investing Activities	-5,913
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
1,163	Proceeds from Borrowings	0
	PAYMENTS	
-356	Repayment of Borrowings	-638
807	NET CASH USED IN FINANCING ACTIVITIES	-638
498	NET INCREASE (DECREASE) IN CASH HELD	-389
675	CASH AT BEGINNING OF YEAR	1,173
1,173	CASH AT END OF YEAR	784

**CITY OF MOUNT GAMBIER
BUDGET 2015/16**

Balance Sheet

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000
	ASSETS	
	CURRENT ASSETS	
1,173	Cash and cash equivalents	784
1,132	Trade & other receivables	1,132
37	Inventories	37
0	Other Financial Assets	0
2,342		1,953
0	Non-Current Assets held for Sale	0
2,342	TOTAL CURRENT ASSETS	1,953
	NON-CURRENT ASSETS	
154	Financial Assets	121
0	Equity accounted investments in Council businesses	0
0	Investment Property	0
195,144	Infrastructure, Property, Plant & Equipment	194,994
0	Other Non-current Assets	0
195,298	TOTAL NON-CURRENT ASSETS	195,115
197,640	TOTAL ASSETS	197,068
	LIABILITIES	
	CURRENT LIABILITIES	
2,643	Trade & Other Payables	2,643
243	Borrowings	243
1,742	Short-term Provisions	1,742
0	Other Current Liabilities	0
4,628		4,628
0	Liabilities relating to Non-current Assets held for Sale	0
4,628	TOTAL CURRENT LIABILITIES	4,628
	NON-CURRENT LIABILITIES	
0	Trade & Other Payables	0
4,538	Long-term Borrowings	3,900
252	Long-term Provisions	252
0	Other Non-current Liabilities	0
4,790	TOTAL NON-CURRENT LIABILITIES	4,152
9,418	TOTAL LIABILITIES	8,780
188,222	NET ASSETS	188,288
	EQUITY	
46,307	Accumulated Surplus	46,599
131,574	Asset Revaluation	131,574
10,341	Other Reserves	10,115
188,222	TOTAL EQUITY	188,288

**CITY OF MOUNT GAMBIER
BUDGET 2015/16**

Statement of Changes in Equity

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000
	ACCUMULATED SURPLUS	
48,060	Balance at end of previous reporting period	46,307
-831	Net Result for Year	66
3,537	Transfer From Reserves	226
<u>-4,459</u>	Transfer To Reserves	<u>0</u>
46,307	BALANCE AT END OF PERIOD	46,599
	ASSET REVALUATION RESERVE	
131,574	Balance at end of previous reporting period	131,574
0	Gain on revaluation of infrastructure, property, plant & equipment	0
0	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0
<u>131,574</u>	BALANCE AT END OF PERIOD	<u>131,574</u>
	LONG SERVICE LEAVE	
724	Balance at end of previous reporting period	724
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	-121
<u>724</u>	BALANCE AT END OF PERIOD	<u>603</u>
	OFF STREET CAR PARK	
267	Balance at end of previous reporting period	267
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
<u>267</u>	BALANCE AT END OF PERIOD	<u>267</u>
	PLANT REPLACEMENT	
1,561	Balance at end of previous reporting period	1,561
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
<u>1,561</u>	BALANCE AT END OF PERIOD	<u>1,561</u>
	LADY NELSON PARK REDEVELOPMENT	
6	Balance at end of previous reporting period	6
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
<u>6</u>	BALANCE AT END OF PERIOD	<u>6</u>
	ASSET REPLACEMENT	
1,296	Balance at end of previous reporting period	1,296
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
<u>1,296</u>	BALANCE AT END OF PERIOD	<u>1,296</u>

**CITY OF MOUNT GAMBIER
BUDGET 2015/16**

Statement of Changes in Equity

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000
	LAND DIVISION - OUTSTANDING WORK	
232	Balance at end of previous reporting period	232
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
232	BALANCE AT END OF PERIOD	232
	DOWNSTREAM DRAINAGE	
116	Balance at end of previous reporting period	171
55	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	-105
171	BALANCE AT END OF PERIOD	66
	WORK IN PROGRESS	
3,537	Balance at end of previous reporting period	4,385
4,385	Transfer to reserve from accumulated surplus	0
-3,537	Transfer from reserve to accumulated surplus	0
4,385	BALANCE AT END OF PERIOD	4,385
	CITY CENTRE IMPROVEMENT	
688	Balance at end of previous reporting period	688
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
688	BALANCE AT END OF PERIOD	688
	MAJOR CAPITAL WORKS	
482	Balance at end of previous reporting period	482
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
482	BALANCE AT END OF PERIOD	482
	RESERVE FUNDS TOTAL	
0	Balance at end of previous reporting period	0
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
0	BALANCE AT END OF PERIOD	0
	MOUNT GAMBIER CEMETERY TRUST	
466	Balance at end of previous reporting period	478
12	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
478	BALANCE AT END OF PERIOD	478
	JUNIOR SPORTING FUND	
44	Balance at end of previous reporting period	51
7	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
51	BALANCE AT END OF PERIOD	51
188,222	TOTAL EQUITY AT END OF REPORTING PERIOD	188,288

**CITY OF MOUNT GAMBIER
BUDGET 2015/16**

Uniform Presentation of Finances

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000
22,740	Operating Revenues	24,324
-23,408	<i>less Operating Expenses</i>	-24,258
<u>-668</u>	Operating Surplus / (Deficit) before Capital Amounts	<u>66</u>
	<i>Less Net Outlays in Existing Assets</i>	
6,574	Capital Expenditure on renewal and replacement of Existing Assets	4,861
-5,907	<i>less Depreciation, Amortisation and Impairment</i>	-6,096
-276	<i>less Proceeds from Sale of Replaced Assets</i>	-142
<u>391</u>		<u>-1,377</u>
	<i>Less Net Outlays on New and Upgraded Assets</i>	
3,969	Capital Expenditure on New and Upgraded Assets	1,227
-3,064	<i>less Amounts received specifically for New and Upgraded Assets</i>	0
<u>0</u>	<i>less Proceeds from Sale of Surplus Assets</i>	<u>0</u>
905		1,227
-1,964	Net Lending / (Borrowing) for Financial Year	216

**CITY OF MOUNT GAMBIER
BUDGET 2015/16**

ACTUAL	FINANCIAL INDICATORS	ORIG
2013/14		2015/16

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.

-668	Operating Surplus (\$'000)	66
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Being the operating surplus (deficit) before capital amounts .

(4%)	Operating Surplus Ratio <u>Operating Surplus</u> Rates - general & other less NRM levy	0%
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This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.

6,959	Net Financial Liabilities (\$'000)	6,743
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Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).

31%	Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	28%
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1%	Interest Cover Ratio <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	2%
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Asset Sustainability Ratio

107%	<u>Net Asset Renewals</u> Depreciation Expense	77%
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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.

65%	Asset Consumption Ratio <u>Carrying value of depreciable assets</u> Gross value of depreciable assets	86%
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Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.

City of
Mount Gambier



10 Watson Terrace (PO Box 56)
Mount Gambier SA 5290

Phone 08 8721 2555

Email city@mountgambier.sa.gov.au

www.mountgambier.sa.gov.au