



City of
Mount Gambier

Draft Business Plan and Budget 2016/2017

2016/2017 Draft Business Plan
and Budget for Consultation

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DRAFT 2016/2017 BUSINESS PLAN AND BUDGET

FROM THE MAYOR

This draft 2016/2017 Plan reflects the work of Council in preparing for the second budget of a four year Council term.

Our draft 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 draft 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.

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 and borrowings to fund those major capital works projects (in addition to annual operating).

Other key influences on the draft 2016/2017 Business Plan and Budget include:

- continued focus on achieving the vision expressed in Council's adopted Strategic Plan;
- a major focus on economic development (including tourism) and employment opportunities for the City;
- 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 \$7,361,000 m (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

The draft 2016/2017 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 draft 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 approximately 4% for 2016/2017.

Following the community engagement process, concluding on 29th April, 2016 Council will formally consider all feedback before adoption of the final plan and budget.

We invite you to help develop the City of Mount Gambier's Business Plan and Budget for 2016/2017 by providing comment, telling us what is important to you and participating in any community consultation activities. For further information, please:

- 'Have Your Say' at www.mountgambier.sa.gov.au
- call in at the Council Office, Civic Centre, 10 Watson Terrace, Mount Gambier
- phone us on 8721 2555
- text to 0407 794 188
- email us at city@mountgambier.sa.gov.au
- write to us at P O Box 56, Mount Gambier

Andrew LEE
MAYOR



OUR CITY

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

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 2014 estimated resident population is 26,246 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 draft 2016/2017 Budget provides for a total of \$7.361 m 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 draft 2016/2017 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 approximately 4 % increase when 'growth' is taken into account).

Key initiatives provided for in the draft 2016/2017 Budget are detailed in the Budget section of the Plan, commencing on Page 9.

Council's draft Rating Policy for 2016/2017 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 Council's 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 72% of Council's operating income.

Council's draft Rate Rebate Policy for 2016/2017 remains unchanged from the previous year.

This Plan has been developed as a draft to enable the provision of community feedback prior to adoption of the final Business Plan and Budget for 2016/2017.

Your feedback will assist us determine the services and projects provided from year to year.

OUR DRAFT BUDGET INFLUENCES

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

Current Economic Environment

- The Outlook for the Australian Economy - as the Australian economy moves into 2016, the trends seen during 2015 seem set to continue. These include firmer export volumes but reduced capital expenditure in the resources sector and further spending on infrastructure projects.
Low inflation, modest wage growth and slowly expanding household consumption should see further growth in jobs and a slightly lower unemployment rate by the end of the year.
- The South Australian Economy has been through challenging times in recent years and challenges remain on the road ahead. South Australia has the highest unemployment in the nation, both car making and defence manufacturing are in significant decline. Lower interest rates and exchange rates are helping. There are signs of life in housing and retail, while the State's population growth is holding up.



- Locally unemployment, particularly youth unemployment is a critical issue, however in line with the State economy, there are signs of improvement in housing and some parts of the retail sector.
Manufacturing in the form of timber processing is currently holding its own whereas there have been positive increases in tourist visitor numbers.

Operating Influences

A range of operating matters have influenced the preparation of the draft 2016/2017 Budget including:

- The Local Government Price Index (LGPI) which is a measure of the inflationary effect on prices changes in the Local Government sector. For the previous financial year this figure was recorded at 1.7%. In comparison CPI was recorded at 1.6% for the same period
- 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 utility costs i.e. electricity charges (particularly street lighting), water and sewer charges, emergency services levy etc.
- the decision to accept responsibility for the ongoing operation of the Riddoch Art Gallery (with support from Country Arts SA and District Council of Grant)
- Council's focus on the economic development and employment opportunities in the City
- A major element of Council's economic development focus will be to develop the City's Tourism potential and to continue to increase tourism visitor numbers to the City and region
- 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.

There 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

Council is currently in the process of reviewing and updating its Strategic Plan, with its new Strategic Plan envisaged to be adopted in May 2016. The proposed new Strategic Plan “The Community Plan” has been based on the aspirations of the community which are identified in the Futures Paper. The strategies and actions featured in the Community Plan will guide Council over the next four years and serve as a blueprint to build a progressive, knowledge based city that embraces new technologies, culture and sustainable living.

Like the Futures Paper, at the centre of the Community Plan are four key themes:

1. Our People;

A safe, inclusive city where access to quality services and facilities supports a socially connected, vibrant and healthy community.

2. Our Location;

A perfectly centres place where people aspire to live, work, visit and invest.

3. Our Diverse Economy; and

A diversified, innovative and resilient economy that generates jobs and services.

4. Our Climate, Natural Resources, Art, Culture and Heritage.

A culturally-inspired city that strives to minimise its ecological footprint.

The community has clearly identified health and wellbeing, connectedness, social inclusion, access to facilities, a strong economy, a pristine environment and culture are all important issues that Council needs to consider when planning for the future.

When developing the draft Community Plan, Council identified its **Vision** as:

“An inclusive city where people lead fulfilling lives”.

This vision is supported by the above mentioned four key themes 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 achieve these goals.

The Community Plan is also supplement by Council’s other forward planning documents including:

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

The new Community Plan reinforces that 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.

In preparing this Community Plan it is recognised that much is already happening and that people and organisations are contributing in many ways, helping the community achieve the identified aspirations.



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.

South Australian 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	2011	2012	2013	2014	2015
Operating Surplus Ratio (Target: 0% - 15% over 5 years)	(8%)	4%	2%	(4%)	6%
Net Financial Liabilities Ratio (Target: Not to exceed 100%)	9%	27%	23%	31%	26%
Asset Sustainability Ratio (Target: 90% - 100% over 3 years)	51%	52%	85%	107%	53%

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 lightning 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 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 draft 2016/2017 Business Plan and Budget will provide generally for existing service levels to be maintained.

OUR DRAFT 2016/2017 BUDGET

The draft 2015/2016 Budget proposes to spend a total of \$33,362,000 on the delivery of services and programs, maintenance of assets and development of new or upgraded assets (operating/capital expenditure).

The draft Budget Operating Expenditure is estimated to increase by 7.2% or \$1,743,000 on 2015/2016, and in comparison Operating Revenue is anticipated to increase by 6.6 % or \$1,598,000 principally attributable to increased rate revenue.

The increase in Non-Operating Revenue is principally due to an increase in Depreciation (\$402,000 written back) and in loan funds \$700,000 (no loans last financial year).

Council Operating result is anticipated to be a minor deficit of \$79,000.

When factoring in Non-Operating Revenue and Expenditure and Council's extensive Capital Expenditure program, a minor (\$58,000) end of year cash deficit position results.

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 Council's 2016/2017 draft Budget include:

Function/Activity (Excluding Depreciation)	\$'000 Expenditure		\$ '000 Revenue
	Operating	Capital	
<u>Administration</u>			
Rates (General)			18,764
Grants Commission – General Purpose Grant			2,184
– Road Grants			384
<u>Community Services</u>			
General Community Support / Donations	138		
Community Celebrations	43		
Public Conveniences	260		
Main Corner	521	25	97



Function/Activity (Excluding Depreciation)	\$'000 Expenditure		\$ '000 Revenue
	Operating	Capital	
<u>Cultural Services</u>			
Library Operating	1,383	130	115
Cultural Venues (City Hall, Wehl Street etc.)	373	15	145
Heritage	110	10	0
Art Gallery	291	55	162
<u>Economic</u>			
Economic Development	476		
Tourism – Development, Events and Promotion	664		
Tourism – Visitor Services	920		310
<u>Environment</u>			
Waste Management - refuse collection	993		440
- waste transfer/landfill	1,628	735	1,702
Stormwater drainage	140	150	
Street cleaning / sweeping	375		
Street Lighting	490		
Street Trees	196	40	
Environmental Sustainability	145	50	
<u>Recreation</u>			
Parks, Gardens, Reserves (inc. Crater Lakes, Cave Garden, Umpherston Sinkhole etc.)	1,430	115	81
Sport Facilities (Indoor and Outdoor - including skatepark)	263	706	
Aquatic Centre	43	89	
Sporting grants/ support	96		
Railway Lands		350	
Council Building Maintenance Program		230	
<u>Regulatory</u>			
Development Control (Planning/Building)	688		215
Health Services	185		
Dog/Parking Control	325		175
<u>Transport / Engineering</u>			
Plant and Machinery (Operating/Replacement)	950	1,567	
Footpath / Kerbing – Maintenance - Annual Program	370	301	
Road infrastructure – maintenance Annual capital program, includes:	258	2,590	
- CBD renewal \$500,			
- Reseal program \$451,			
- Boundary Roads \$60,			
- Roads to Recovery \$932,			
- Roads Reconstruction Program \$597,			932
Major projects:			
Kurrajong Street			
Foote Street			
Lansell Street			
Commercial Street West			

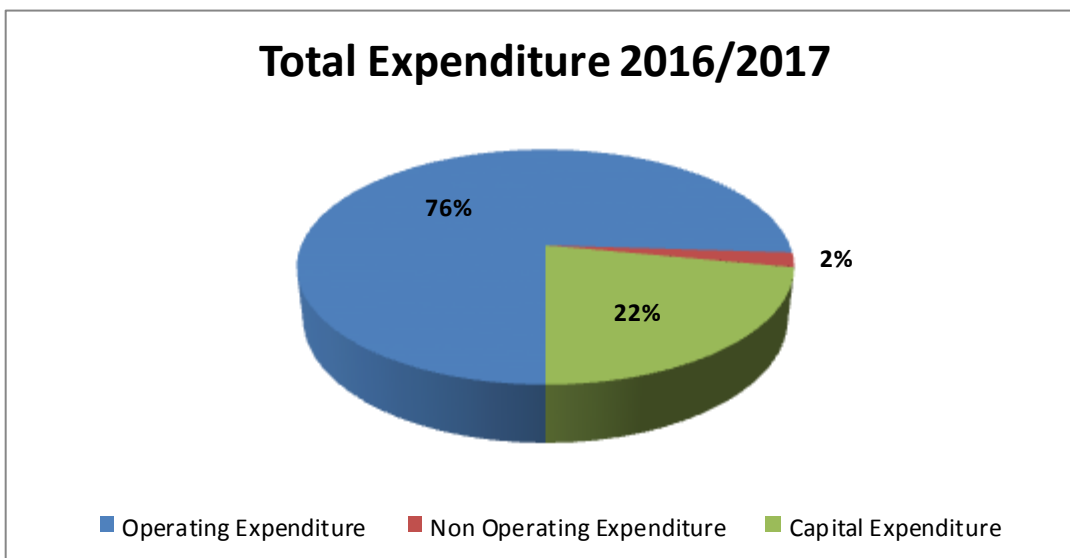
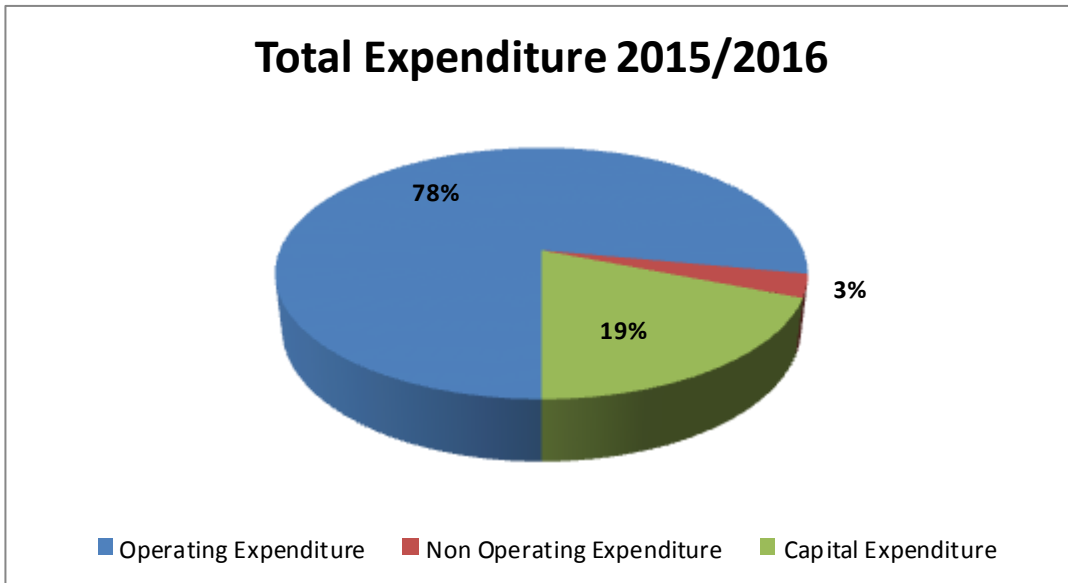


Function/Activity (Excluding Depreciation)	\$'000 Expenditure		\$ '000 Revenue
	Operating	Capital	
<u>Unclassified</u>			
Property Maintenance Program	240	240	
Finance Charges - Loan Interest Repayments	472		
Sundry Leases/Rentals		95	
<u>Non Operating</u>			
- Annual Borrowing Program			700
- Loan Repayment – Principal	680		
- Asset Disposal (Trade-ins)			309
- Grant Funding			130
- Depreciation charged - written back			6,498

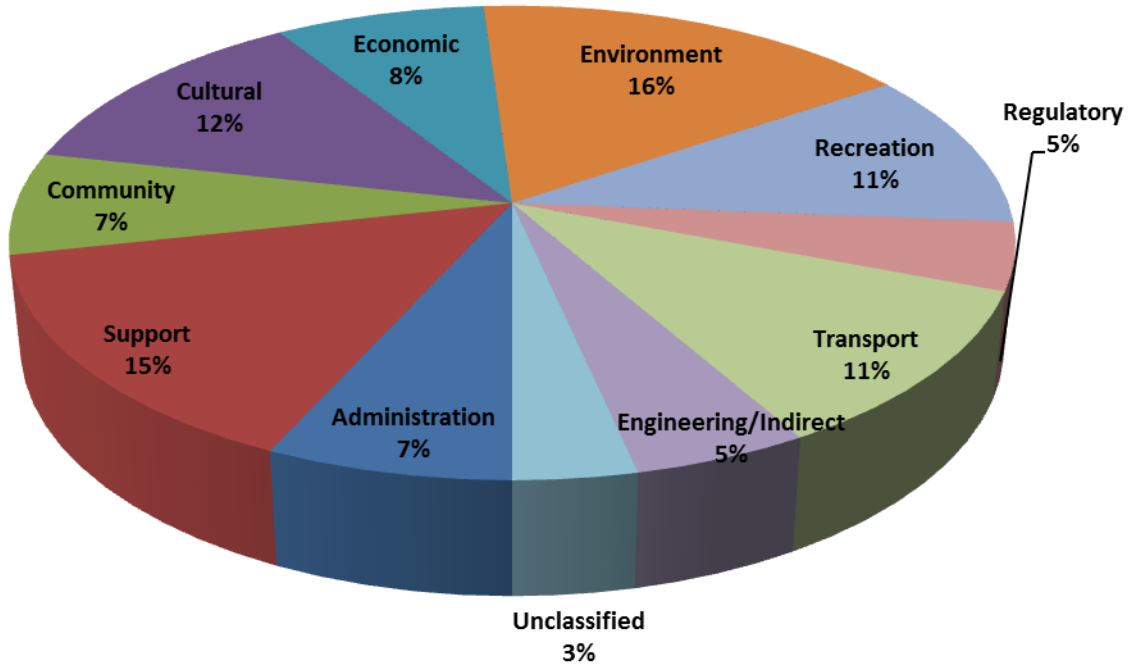
A draft Summary Budget arising from this 2016/2017 Business Plan, comprising Income and Expenditure components of both an Operating and Capital nature and summarised in functional categories is provided for as Appendix I to this Business Plan. The 2016/2017 Business Plan and Summary Budget are available from Council's Office or can be downloaded from Council's web site at www.mountgambier.sa.gov.au.



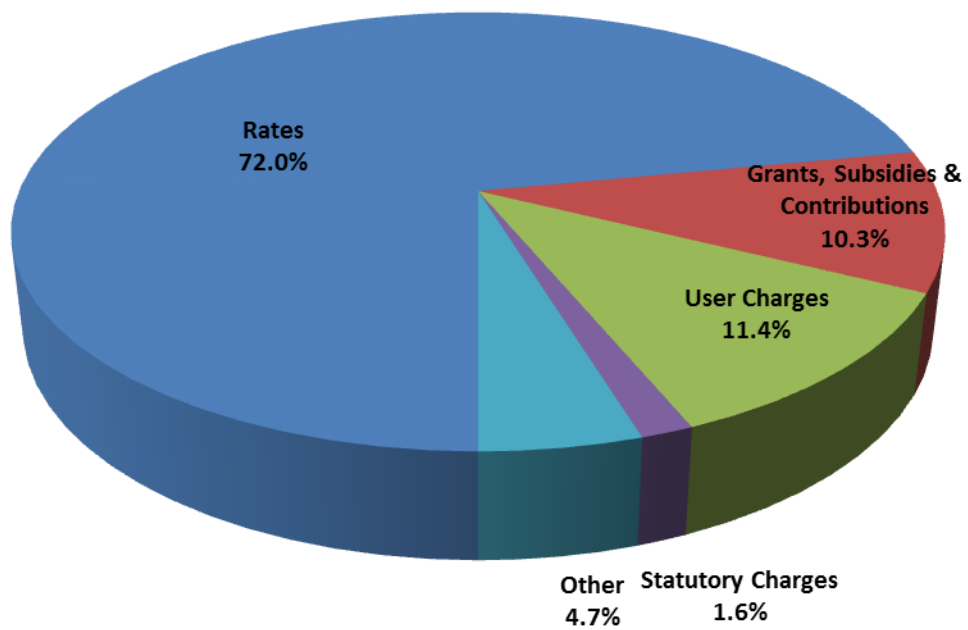
Expenditure Comparisons



Operating Expenditure by Function 2016/2017



Total Operating Income 2016/2017



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.

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 DRAFT RATING STRATEGY

In 2016/2017 it is anticipated that approximately 72% 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 draft 2016/2017 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
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	3.85%	0.65%	4.5%
2016/2017	4.0% (est.)	0.5% (est.)	4.5%

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

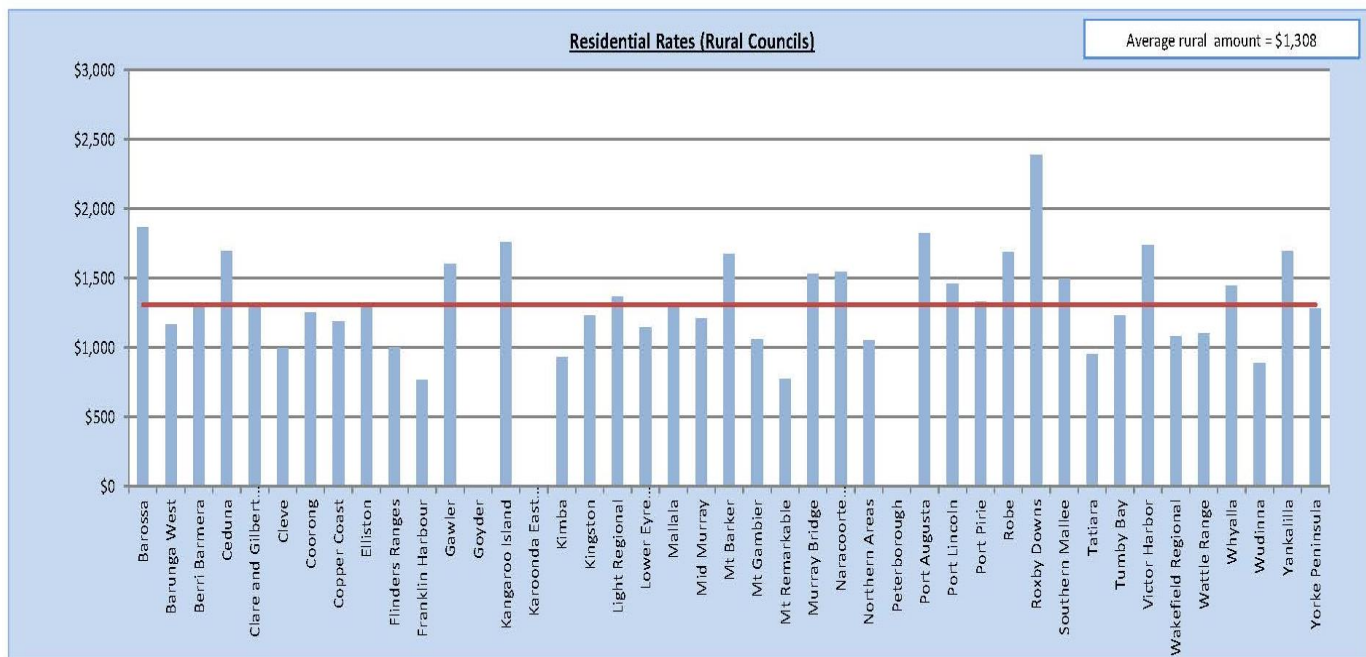


Rate Comparisons

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.

Average for all SA Metro Councils	\$1,424
Average for all SA Regional Councils	\$1,308
Average for City of Mount Gambier	\$1,061

Average Regional Residential Rates 2015/16



Source: Local Government Association 2015/2016 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 \$
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
2016/2017	N/A	N/A	N/A

Property values in the Council area (as provided by the State Valuation Office) are yet to be received therefore comparison to the previous year are unable to be provided at this time.

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
2012/2013	\$516.40	45%
2013/2014	\$544.80	45%
2014/2015	\$565.50	45%
2015/2016	\$585.80	45%
2016/2017	\$610.00	45%

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

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
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
2016/2017	N/A	N/A	N/A	N/A	N/A	N/A

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 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
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
2016/2017	N/A	N/A

Note: Preliminary advice from State Government received indicates there will be a significant increase in the NRM levy in 2016/2017 to fund increased costs associated with the operations of the Board. Council has no control over the levy amount which is set by the Minister for Sustainability, Environment and Conservation.



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 1st July 2015 the State Government 'Cost of Living Concessions' replaced the traditional Council rate concessions.

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 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 1st July in the preceding financial year i.e. the residential property has changed ownership and the new owners have purchased the residential property at the new current market value; or
- (e) the subject property boundary(s) 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.

COMMUNITY CONSULTATIONS AND BUDGET MEETINGS

The draft 2016/2017 Business Plan and Budget is presented in the context of the Council 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.

The City of Mount Gambier is inviting your input into its draft 2016/2017 Business Plan and Budget development process.

The next step in this overall planning framework is to develop and finalise the Budget detail including the capital program, projects and services levels that will fit within the Budget framework.

This public consultation process provides you with the opportunity to have your input into the detail and budget priorities before the final Budget and list of capital and operating projects are finalised by Council. It also enables you to comment on the potential distribution of rates across the City and any rate relief options we should consider or issues we should be aware of when we model our valuation data and determine the distribution of rates for 2016/2017 financial year.



We encourage you to take part in this community engagement process and look forward to your input.

Submissions and/or questions regarding the draft 2016/2017 Business Plan and Budget will be received up to Friday, 29th of April 2016 and can be made via:

- Email city@mountgambier.sa.gov.au
- 'Have Your Say' at www.mountgambier.sa.gov.au
Written submission:
draft 2016/2017 Business Plan and Budget Consultation
City of Mount Gambier
P O Box 56
MOUNT GAMBIER SA 5290
- Text to 0407 794 188

Special Meetings of Council to consider the draft 2016/2017 Business Plan and Budget will be held to consider public submissions and eventually finalise the 2016/2017 Business Plan and Budget.

Community Members are welcome and encouraged to attend these Council meetings.

APPENDIX 1 DRAFT 2016/2017 SUMMARY BUDGET

APPENDIX 2 DRAFT 2016/2017 BUDGETED FINANCIAL STATEMENTS 2016/2017

Income Statement

Cash Flow Statement

Balance Sheet

Statement Of Changes In Equity

Uniform Presentation Of Finances

Financial Indicators

1st February, 2016
MJT/FM

Ref. AF15/461



APPENDIX 1

DRAFT 2016/2017 SUMMARY BUDGET

DRAFT 2016/2017 SUMMARY BUDGET (BY FUNCTION)

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1. Function: Administration

1.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
ADMINISTRATION EXPENDITURE								
6000.0000	ELECTED MEMBERS EXPENDITURE	389	388	326	326	184	323	
6002.0000	ORGANISATIONAL EXPENDITURE	1,339	1,317	1,377	1,362	804	1,440	
	TOTAL OPERATING EXPENDITURE	1,728	1,705	1,703	1,688	988	1,763	

1.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Actual '000	Budget '000	Revised '000	31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7500.0000	CIVIC CENTRE	120	0	124	480	18	20	
	TOTAL CAPITAL EXPENDITURE	120	0	124	480	18	20	

1.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
ADMINISTRATION REVENUE								
4100.0000	RATES RAISED	17,740	17,741	18,546	18,546	18,529	19,734	
4112.0000	RATES REMITTED	(737)	(720)	(764)	(764)	(467)	(1,150)	
4113.0000	FINES ON RATES	65	68	65	65	38	70	
4114.0000	FINES REMITTED	(2)	3	(2)	(2)	(1)	(2)	

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	GENERAL PURPOSE REVENUE							
4120.0000	GENERAL PURPOSE REVENUE	2,414	3,912	2,595	2,577	630	2,568	
	TOTAL OPERATING REVENUE	19,480	21,004	20,440	20,422	18,730	21,220	

Commentary:

Operating Expenditure: Nil

Capital Expenditure: Nil

Operating Revenue:

- General Rate Revenue increase of 4.5% (+\$808k)
- NRM Levy increase (est. only) (+\$380k) / offset by reimbursement to NRM
- Increase Rate Rebates (Community Housing)
- No increase in Grants Commission allocations (final year of 3 year freeze on increments)

2. Function: Support Services

2.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	SUPPORT SERVICES EXPENDITURE							
6011.0000	ACCOUNTING/FINANCE EXPENDITURE	314	295	360	364	228	450	
6012.0000	PAYROLL EXPENDITURE	293	294	408	411	187	450	
6013.0000	HUMAN RESOURCES EXPENDITURE	265	251	246	267	208	274	
6014.0000	INFORMATION TECHNOLOGY EXPENDITURE	543	518	546	546	290	621	
6015.0000	COMMUNICATION EXPENDITURE	25	24	33	33	8	33	
6016.0000	RATES ADMINISTRATION EXPENDITURE	276	273	289	289	174	273	
6017.0000	RECORDS MANAGEMENT EXPENDITURE	191	167	197	197	103	203	
6018.0000	OCCUPANCY EXPENDITURE	741	562	477	477	454	783	
6020.0000	CUSTOMER SERVICE EXPENDITURE	183	177	190	190	113	173	
6021.0000	OTHER SUPPORT SERVICES EXPENDITURE	141	195	166	166	81	180	
6022.0000	COMMUNITY ENGAGEMENT	251	1	300	303	202	390	
	TOTAL OPERATING EXPENDITURE	3,223	2,757	3,212	3,243	2,048	3,830	

2.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7460.0000	OFFICE EQUIPMENT (PURCHASES)	110	139	55	126	51	95	
	TOTAL CAPITAL EXPENDITURE	110	139	55	126	51	95	

Commentary:

Operating Expenditure:

- Increased employee costs (salaries, super, w/comp)
- Increased IT Services (new Cloud Agreement) offset by reduction in separate software charges
- Occupancy - increased depreciation (+\$306k)

Capital Expenditure: Software purchases.

Operating Revenue: Nil

3. Function: Community Services

3.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	COMMUNITY SERVICES EXPENDITURE							
6100.0000	CRIME PREVENTION EXPENDITURE	23	17	21	21	1	20	
6102.0000	EMERGENCY SERVICES EXPENDITURE	17	31	34	34	(3)	34	
6103.0000	OTHER FIRE PROTECTION EXPENDITURE	1	0	1	1	0	1	
6104.0000	OTHER PUBLIC ORDER AND SAFETY EXPENDITURE	1	0	1	1	1	1	
6111.0000	HEALTH - PEST CONTROL EXPENDITURE	2	1	1	1	0	1	
6112.0000	IMMUNISATION EXPENDITURE	0	1	0	0	0	0	
6114.0000	PREVENTATIVE HEALTH SERVICES EXPENDITURE	27	55	6	6	(1)	5	
6115.0000	OTHER HEALTH SERVICES EXPENDITURE	32	24	34	34	14	32	
6121.0000	SENIOR CITIZENS EXPENDITURE	39	35	44	44	25	35	
6125.0000	CHILDREN AND YOUTH SERVICES EXPENDITURE	10	10	10	10	1	13	
6126.0000	COMMUNITY ASSISTANCE EXPENDITURE	164	173	163	163	130	146	
6129.0000	OTHER COMMUNITY SUPPORT EXPENDITURE	289	289	290	290	154	293	
6131.0000	BUS SHELTER EXPENDITURE	4	3	4	4	0	4	
6132.0000	CEMETERIES/CREMATORIA EXPENDITURE	96	123	79	79	71	128	

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
6134.0000	PUBLIC CONVENIENCES EXPENDITURE	222	250	245	245	150	290	
6135.0000	CARPARK EXPENDITURE	19	17	37	37	9	18	
6138.0000	OTHER COMMUNITY AMENITIES EXPENDITURE	666	682	685	690	416	802	
	TOTAL OPERATING EXPENDITURE	1,612	1,711	1,655	1,660	968	1,823	

3.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7560.0000	OTHER COMMUNITY SUPPORT	80	48	100	100	41	25	
7570.0000	BUS SHELTERS	0	0	0	0	0	30	
7580.0000	CEMETERIES	0	0	0	0	0	0	
7620.0000	CAR PARKS	46	42	47	47	0	10	
	TOTAL CAPITAL EXPENDITURE	126	90	147	147	41	65	

3.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	COMMUNITY SERVICES REVENUE							
4130.0000	PUBLIC ORDER AND SAFETY REVENUE	2	5	2	2	0	2	
4132.0000	HEALTH SERVICES REVENUE	12	11	0	0	0	0	
4133.0000	COMMUNITY SUPPORT REVENUE	24	30	21	21	0	21	
4134.0000	COMMUNITY AMENITIES REVENUE	76	102	98	98	36	99	
	TOTAL OPERATING REVENUE	114	148	121	121	36	122	

Commentary:

Operating Expenditure:

- Community Assistance - reduced General Donations (offset for lease forgone for RAG) (-\$50k)
- Cemeteries - adjusted Depreciation (+\$49k)
- Public Convenience - adjusted Depreciation (+\$15k)
- Carparks - adjusted Depreciation (-\$19k)
- Main Corner - adjusted Depreciation (+\$87k)

Capital Expenditure:

- Main Corner - Various
- Bus Shelters - Additional

Operating Revenue: Nil

4. Function: Cultural

4.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	CULTURAL EXPENDITURE							
6200.0000	LIBRARY SERVICES EXPENDITURE	2,044	1,916	1,968	1,962	1,065	1,955	
6202.0000	OTHER LIBRARY SERVICES	15	16	16	16	6	16	
6210.0000	CULTURAL VENUES EXPENDITURE	333	346	326	326	205	373	
6220.0000	HERITAGE EXPENDITURE	407	444	383	383	270	451	
6230.0000	MUSEUMS/ART GALLERY EXPENDITURE	61	59	58	58	0	291	
6240.0000	OTHER CULTURAL SERVICES EXPENDITURE	122	156	150	178	126	159	
	TOTAL OPERATING EXPENDITURE	2,982	2,937	2,901	2,923	1,672	3,245	

4.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7470/7630	LIBRARY	133	210	120	130	14	130	
7640.0000	CULTURAL	70	78	25	25	1	15	
7650.0000	HERITAGE	10	9	10	21	1	65	
	TOTAL CAPITAL EXPENDITURE	213	297	155	176	16	210	

4.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	CULTURAL REVENUE							
4140.0000	LIBRARY SERVICES REVENUE	208	229	217	219	104	115	
4142.0000	CULTURAL SERVICES REVENUE	180	196	175	175	133	307	
	TOTAL OPERATING REVENUE	388	425	392	394	237	422	

Commentary:

Operating Expenditure:

- Library - Increase Employee Costs
- City Hall - adjusted Depreciation (+\$38k)
- Heritage - adjusted Depreciation (+\$67k)
- Art Gallery - new budget lines (+\$233k) offset by Revenue

Capital Expenditure:

- Library - Capital Grant
- City Hall - minor purchases

Operating Revenue:

- Library subsidy transferred from Operating to Capital (-\$100k)
- Lease fee forgone on RAG now deleted (-\$50k)
- RAG Revenue included (+\$162k)

5. Function: Economic Development

5.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
ECONOMIC DEVELOPMENT EXPENDITURE								
6320.0000	REGIONAL DEVELOPMENT EXPENDITURE	143	298	153	279	67	476	
6350.0000	TOURISM GENERAL EXPENDITURE	431	427	470	495	247	664	
6360.0000	TOURISM - "THE LADY NELSON" EXPENDITURE	913	867	985	982	477	920	
	TOTAL OPERATING EXPENDITURE	1,487	1,592	1,608	1,756	791	2,060	

5.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7660.0000	TOURISM	8	3	0	0	0	0	
	TOTAL CAPITAL EXPENDITURE	8	3	0	0	0	0	

5.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '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	13	0	0	0	0	
4153.0000	TOURISM - "THE LADY NELSON" REVENUE	384	394	413	413	215	310	
	TOTAL OPERATING REVENUE	384	407	413	413	215	310	

Commentary:

Operating Expenditure:

- Major Increased effort in ED - (+\$323k)
- Major Increased effort in Tourism Development (+\$160k)
- Increased Major Event Support (+\$19k)
- Reduction in Bus Ticketing Payments (-\$64k) offset by Revenue

Capital Expenditure: Nil

Operating Revenue:

- Bus Ticketing Revenue reduced due to service reduction (-\$70k)

6. Function: Environment

6.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	ENVIRONMENT EXPENDITURE							
6410.0000	WASTE MANAGEMENT EXPENDITURE	2,336	2,555	2,632	2,642	1,418	2,678	
6420.0000	STORMWATER AND DRAINAGE EXPENDITURE	294	424	262	252	215	424	
6430.0000	STREET CLEANING EXPENDITURE	320	322	320	320	198	375	
6440.0000	STREET LIGHTING EXPENDITURE	467	474	497	497	193	490	
6450.0000	STREETSCAPING EXPENDITURE	169	179	175	175	110	196	
6460.0000	ENVIRONMENTAL SUSTAINABILITY	131	117	186	155	65	145	
	TOTAL OPERATING EXPENDITURE	3,717	4,071	4,072	4,041	2,199	4,308	

6.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7665.0000	STREETSCAPING	38	52	39	39	14	40	
7670.0000	WASTE MANAGEMENT	130	607	85	699	205	735	
7800.0000	INFRASTRUCTURE STORMWATER	83	59	135	144	24	150	
	ENVIRONMENTAL SUSTAINABILITY	0	0	0	0	0	50	
	TOTAL CAPITAL EXPENDITURE	251	718	259	882	243	975	

6.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	ENVIRONMENT REVENUE							
4162.0000	WASTE MANAGEMENT REVENUE	1,736	2,056	1,665	1,836	1,327	2,142	
	TOTAL OPERATING REVENUE	1,736	2,056	1,665	1,836	1,327	2,142	

Commentary:

Operating Expenditure:

- Waste Management - depreciaton adjustments
- Waste Management - disposal fees adjustments
- Storm Drainage - depreciation adjustments
- Street Cleaning - Pavement Cleaning Program (+\$55k)
- Street Tree Maintenance (+\$21k)

Capital Expenditure:

- Waste Management - Landfill / WTC (\$735k)
- Storm Drainage - Annual Program (\$150k)

Operating Revenue:

- Increased Greenwaste Revenue (full years accounted for) (+\$150k)
- Increased Disposal Fees (Gross fees recorded not Net) (+\$322k)

7. Function: Recreation

7.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
RECREATION EXPENDITURE								
6500.0000	PARKS/GARDENS/RESERVES EXPENDITURE	1,616	1,520	1,652	1,682	1,021	1,778	
6520.0000	SPORTS FACILITIES - INDOOR EXPENDITURE	40	40	83	83	29	43	
6530.0000	SPORTS FACILITIES - OUTDOOR EXPENDITURE	435	450	326	326	263	499	
6550.0000	AQUATIC CENTRE (OUTDOOR) EXPENDITURE	373	440	334	326	306	383	
6560.0000	OTHER RECREATION EXPENDITURE	109	106	112	112	40	96	
	TOTAL OPERATING EXPENDITURE	2,573	2,556	2,507	2,529	1,659	2,799	

7.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7680.0000	PARKS/GARDENS/RESERVES	3,245	3,362	440	1,478	657	465	
7690.0000	SPORTS FACILITIES (INDOOR)	35	0	5	60	0	0	
7700.0000	SPORTS FACILITIES (OUTDOOR)	73	53	34	34	25	706	
7730.0000	AQUATIC CENTRE (OUTDOOR)	7	5	60	60	63	89	
	TOTAL CAPITAL EXPENDITURE	3,360	3,420	539	1,632	745	1,260	

7.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	RECREATION REVENUE							
4170.0000	RECREATION REVENUE	68	112	57	57	29	81	
	TOTAL OPERATING REVENUE	68	112	57	57	29	81	

Commentary:

Operating Expenditure:

- Parks, Gardens - Depreciation Adjustment (+\$140k)
- Reserves, General Maintenance (+\$69k)
- Sports Facilities - Depreciation Adjustments (+\$192k)
- Aquatic Centre - Depreciation Adjustments (+\$71k)

Capital Expenditure:

- Parks/Gardens - Rail Lands Activation/Infrastructure (\$300k)
- Aquatic Centre - Solar (\$75k)
- Outdoor Sports - Skatepark/Youth Space (\$700k)

Operating Revenue:

- Increase in Lease/Rental Charges

8. Function: Regulatory Services

8.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
REGULATORY SERVICES EXPENDITURE								
6600.0000	DOG CONTROL EXPENDITURE	264	282	284	284	180	304	
6620.0000	BUILDING CONTROL EXPENDITURE	295	279	299	299	163	315	
6630.0000	CITY PLANNING EXPENDITURE	373	438	397	422	250	373	
6660.0000	HEALTH INSPECTION EXPENDITURE	167	159	190	190	104	185	
6670.0000	PARKING CONTROL EXPENDITURE	18	15	21	21	8	21	
	TOTAL OPERATING EXPENDITURE	1,117	1,173	1,191	1,216	705	1,198	

8.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000

8.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
REGULATORY SERVICES REVENUE								
4180.0000	REGULATORY SERVICES REVENUE	418	427	425	473	314	402	
	TOTAL OPERATING REVENUE	418	427	425	473	314	402	

Commentary:

Operating Expenditure: Nil

Capital Expenditure: Nil

Operating Revenue:

- Minor Reduction in Building Fees (-\$10k)
- Minor Reduction in Parking Fees (-\$18k)

9. Function: Transport

9.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	TRANSPORT EXPENDITURE							
6720.0000	BRIDGES EXPENDITURE	8	3	4	4	2	4	
6730.0000	FOOTPATHS AND KERBING EXPENDITURE	515	451	422	432	303	536	
6740.0000	ROADS SEALED EXPENDITURE	2,004	2,121	2,689	2,689	1,186	2,128	
6780.0000	TRAFFIC MANAGEMENT EXPENDITURE	170	129	166	214	118	160	
	TOTAL OPERATING EXPENDITURE	2,697	2,704	3,281	3,339	1,609	2,828	

9.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7830.0000	FOOTPATHS/KERBING	289	291	394	794	148	301	
7900.0000	ROADS SEALED	2,865	3,299	2,357	3,177	489	2,040	
7900.0000	TRAFFIC MANAGEMENT	0	0	50	50	0	50	
7900.0000	CBD RENEWAL	0	0	900	900	0	500	
	TOTAL CAPITAL EXPENDITURE	3,154	3,590	3,701	4,921	637	2,891	

9.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	TRANSPORT REVENUE							
4192.0000	FOOTPATHS AND KERBING REVENUE	0	0	0	0	0	0	
4193.0000	ROADS REVENUE	316	315	591	591	472	965	
	TOTAL OPERATING REVENUE	316	315	591	591	472	965	

Commentary:

Operating Expenditure:

- Footpaths/Kerbing - Depreciation Adjustments (+\$58k)
- Footpaths/Kerbing - General Maintenance (+\$41k)
- Sealed Roads - Depreciation Adjustment (-\$561k)

Capital Expenditure:

- Annual Program - Footway/Kerb (\$301k)
- Annual Program - Road (c) (\$2,040k)
- Annual Program - CBD Renewal (\$500k)
- Annual Program - Traffic Control (\$50k)

Operating Revenue:

- Increase in R2R (Fuel Excise) Grants (+\$368k)

10. Function: Engineering/Indirect

10.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
ENGINEERING/INDIRECT EXPENDITURE								
6800.0000	ENGINEERING DEPARTMENT EXPENDITURE	607	649	719	719	431	740	
6810.0000	ASSET MANAGEMENT	17	22	18	18	9	61	
6820.0000	ENGINEERING - AWU EMPLOYEES EXPENDITURE	1,100	982	1,193	1,225	645	1,138	
6830.0000	INDIRECT EXPENDITURE	490	523	499	499	301	528	
6840.0000	INDIRECT EXPENDITURE - LABOUR ONCOSTS	(1,194)	(1,063)	(1,158)	(1,158)	(637)	(1,158)	
6850.0000	PLANT AND MACHINERY EXPENDITURE	1,699	1,914	1,694	1,673	871	1,607	
6860.0000	PLANT AND MACHINERY - INTERNAL HIRE	(1,654)	(1,622)	(1,604)	(1,604)	(949)	(1,654)	
	TOTAL OPERATING EXPENDITURE	1,065	1,405	1,361	1,372	671	1,262	

10.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7740.0000	WORKS DEPOT	12	14	5	37	5	38	
7300.0000	PLANT AND MACHINERY (PURCHASES)	1,079	956	1,103	0	392	1,567	
7900.0000	ASSET RENEWAL PROGRAM	0	0	0	0	0	240	
	TOTAL CAPITAL EXPENDITURE	1,091	970	1,108	37	397	1,845	

10.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000

Commentary:

Operating Expenditure:

- Asset Management - Revaluation/Software Costs (+\$43k)

Capital Expenditure:

- Plant and Machinery - Capital Purchases Program (\$1,567k)
- Building Asset Management Program (\$240k)

Operating Revenue: Nil

11. Function: Unclassified

11.1 Type: Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
UNCLASSIFIED ACTIVITIES EXPENDITURE								
6900.0000	PRIVATE WORKS EXPENDITURE	35	98	35	35	21	40	
6940.0000	SUNDRY EXPENDITURE	357	564	358	345	114	373	
6960.0000	FINANCE CHARGES EXPENDITURE	568	299	374	374	119	472	
	TOTAL OPERATING EXPENDITURE	960	961	767	754	254	885	

11.2 Type: Capital Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
7750.0000	UNCLASSIFIED							
	TOTAL CAPITAL EXPENDITURE							

11.3 Type: Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
UNCLASSIFIED ACTIVITIES REVENUE								
4210.0000	PRIVATE WORKS REVENUE	57	128	55	55	16	67	
4230.0000	SUNDRY REVENUE	151	621	155	170	129	180	
4240.0000	INVESTMENT REVENUE	5	13	10	13	13	11	
	TOTAL OPERATING REVENUE	213	762	220	238	158	258	

Commentary:

Operating Expenditure:

- Finance - Increased Loan Interest Payable (+\$97k)

Capital Expenditure: Nil

Operating Revenue:

- Wage Subsidies received for Trainees (+\$19k)

12. Function: Non Operating

12.1 Type: Non-Operating Expenditure

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	NON OPERATING EXPENDITURE							
7000.0000	COMMUNITY LOANS EXPENDITURE	10	0	10	10	0	0	
7020.0000	LOAN REPAYMENTS EXPENDITURE	716	243	864	864	91	680	
7031.0000	APPROPRIATION TO RESERVES - GENERAL	0	0	0	0	0	0	
	TOTAL NON OPERATING EXPENDITURE	726	243	874	874	91	680	

12.2 Type: Non-Operating Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	NON OPERATING REVENUE							
4250.0000	LOAN FUNDS REVENUE	1,093	0	0	0	0	700	
4260.0000	LOAN REPAYMENT REVENUE	108	60	43	43	25	8	
4270.0000	APPROPRIATION FROM RESERVES	1,175	75	226	3,173	2,987	250	
4280.0000	REVENUE - OTHER SOURCES	6,154	6,366	6,230	6,230	0	6,665	
	TOTAL NON OPERATING REVENUE	8,530	6,501	6,499	9,446	3,012	7,623	

Commentary:

Non-Operating Expenditure:

- Loan Repayments - Reduced Principal Repayments

Non-Operating Revenue:

- Loan Borrowings - New - (\$700k)
- Increased Depreciation Written Back (+\$402k) - Offsets Operational Expenditure
- Less Loan Repayment Reimbursements from Community Groups (-\$35k) - Loans finalised

13. Function: Capital

13.1 Type: Capital Revenue

Acct	Details	2014/2015		2015/2016			2016/2017	
		Budget '000	Final Actual '000	Original Budget '000	Revised '000	YTD 31/12/2015 '000	Draft Budget '000	Adopted Budget '000
	CAPITAL							
4300.0000	COMMUNITY LOANS EXPENDITURE	229	197	249	264	132	309	
4480.0000	DISPOSAL OF LAND	0	612	0	0	0	0	
4500.0000	LOAN REPAYMENTS EXPENDITURE	359	210	142	959	438	130	
	TOTAL NON OPERATING EXPENDITURE	588	1,019	391	1,223	570	439	

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	1,763	20		21,220		
SUPPORT	3,830	95		0		
COMMUNITY	1,823	65		122		
CULTURAL	3,245	210		422		
ECONOMIC	2,060	0		310		
ENVIRONMENT	4,308	975		2,142		
RECREATION	2,799	1,260		81		
REGULATORY	1,198	0		402		
TRANSPORT	2,828	2,891		965		
ENGINEERING / INDIRECT	1,262	1,845		0		
UNCLASSIFIED	885	0		258		
NON OPERATING	0	0	680	0	439	7,623
TOTALS	26,001	7,361	680	25,922	439	7,623

14.2 By Type

Type of Exp/Rev.	2014/2015	2015/2016		2015/2017	2016/2017
	Adopted Budget '000	Adopted Budget '000	Revised '000	Original Budget '000	Draft Budget '000
OPERATING REVENUE	23,117	24,324	24,545	25,922	
OPERATING EXPENDITURE	23,161	24,258	24,521	26,001	
OPERATING (DEFICIT) / SURPLUS	(44)	66	24	(79)	
PLUS * NON OPERATING REVENUE	9,118	6,890	9,446	7,623	
* CAPITAL REVENUE			1,223	439	
LESS * NON OPERATIONAL EXPENDITURE	726	874	874	680	
* CAPITAL EXPENDITURE	8,433	6,088	9,776	7,361	
CASH BUDGET (DEFICIT) / SURPLUS	(85)	(6)	43	(58)	

APPENDIX 2

DRAFT 2016/2017 BUDGETED FINANCIAL STATEMENTS

**CITY OF MOUNT GAMBIER
DRAFT BUDGET 2017**

Statement of Comprehensive Income

ACTUAL 2015 \$ '000	INCOME	DRAFT 2017 \$ '000
17,641	Rates	18,652
417	Statutory Charges	402
3,706	User Charges	2,952
3,604	Grants Subsidies and Contributions	2,684
29	Investment Income	11
350	Reimbursements	1,059
363	Other Income	162
<hr/>		<hr/>
26,110	TOTAL REVENUES	25,922
	 EXPENSES	
9,197	Wages and Salaries	9,660
8,920	Materials, contracts & other expenses	9,371
299	Finance Costs	472
6,649	Depreciation, amortisation & impairment	6,498
0	Share of loss - joint ventures & associates	0
<hr/>		<hr/>
25,065	TOTAL EXPENSES	26,001
	 OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	 -79
1,045		
58	Net gain (loss) on disposal or revaluation of assets	0
796	Amounts specifically for new or upgraded assets	0
0	Physical resources received free of charge	0
<hr/>		<hr/>
1,899	NET SURPLUS/(DEFICIT)	-79

**CITY OF MOUNT GAMBIER
DRAFT BUDGET 2017**

Cash Flow Statement

ACTUAL 2015 \$ '000		DRAFT 2017 \$ '000 Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
25,939	Operating Receipts	25,911
28	Investment Receipts	11
	PAYMENTS	
(18,280)	Operating payments to suppliers & employees	(19,031)
<u>(339)</u>	Finance Payments	<u>(472)</u>
7,348	Net Cash provided by (or used in) Operating Activities	6,419
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
796	Grants specifically for new or upgraded assets	0
911	Sale of Assets	439
60	Repayments of loans by community groups	8
	PAYMENTS	
0	Loans made to community groups	0
(5,156)	Expenditure on renewal / replacement of assets	(4,611)
<u>(4,091)</u>	Expenditure on new / upgraded assets	<u>(2,750)</u>
(7,480)	Net Cash provided by (or used in) Investing Activities	(6,914)
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
0	Proceeds from Borrowings	700
	PAYMENTS	
<u>(72)</u>	Repayment of Borrowings	<u>-430</u>
(72)	NET CASH USED IN FINANCING ACTIVITIES	270
(204)	NET INCREASE (DECREASE) IN CASH HELD	(225)
<u>1,173</u>	CASH AT BEGINNING OF YEAR	<u>969</u>
<u><u>969</u></u>	CASH AT END OF YEAR	<u><u>744</u></u>

**CITY OF MOUNT GAMBIER
DRAFT BUDGET 2017**

Balance Sheet

ACTUAL 2015 \$ '000		DRAFT 2017 \$ '000
	ASSETS	
	CURRENT ASSETS	
969	Cash and cash equivalents	744
1,568	Trade & other receivables	1,568
40	Inventories	40
0	Other Financial Assets	0
<u>2,577</u>		<u>2,352</u>
0	Non-Current Assets held for Sale	0
<u>2,577</u>	TOTAL CURRENT ASSETS	<u>2,352</u>
	NON-CURRENT ASSETS	
108	Financial Assets	100
0	Equity accounted investments in Council businesses	0
0	Investment Property	0
230,349	Infrastructure, Property, Plant & Equipment	230,773
0	Other Non-current Assets	0
<u>230,457</u>	TOTAL NON-CURRENT ASSETS	<u>230,873</u>
<u>233,034</u>	TOTAL ASSETS	<u>233,225</u>
	LIABILITIES	
	CURRENT LIABILITIES	
2,436	Trade & Other Payables	2,436
184	Borrowings	184
2,076	Short-term Provisions	2,076
0	Other Current Liabilities	0
<u>4,696</u>		<u>4,696</u>
0	Liabilities relating to Non-current Assets held for Sale	0
<u>4,696</u>	TOTAL CURRENT LIABILITIES	<u>4,696</u>
	NON-CURRENT LIABILITIES	
0	Trade & Other Payables	0
4,525	Long-term Borrowings	4,795
232	Long-term Provisions	232
0	Other Non-current Liabilities	0
<u>4,757</u>	TOTAL NON-CURRENT LIABILITIES	<u>5,027</u>
<u>9,453</u>	TOTAL LIABILITIES	<u>9,723</u>
<u>223,581</u>	NET ASSETS	<u>223,502</u>
	EQUITY	
49,398	Accumulated Surplus	49,569
165,034	Asset Revaluation	165,034
9,149	Other Reserves	8,899
<u>223,581</u>	TOTAL EQUITY	<u>223,502</u>

**CITY OF MOUNT GAMBIER
DRAFT BUDGET 2017**

Statement of Changes in Equity

ACTUAL 2015 \$ '000		DRAFT 2017 \$ '000
	ACCUMULATED SURPLUS	
46,307	Balance at end of previous reporting period	49,398
1,899	Net Result for Year	-79
4,385	Transfer From Reserves	250
-3,193	Transfer To Reserves	0
49,398	BALANCE AT END OF PERIOD	49,569
	ASSET REVALUATION RESERVE	
131,574	Balance at end of previous reporting period	165,034
33,460	Gain on revaluation of infrastructure, property, plant & equipment	0
0	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0
165,034	BALANCE AT END OF PERIOD	165,034
	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	-100
724	BALANCE AT END OF PERIOD	624
	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
267	BALANCE AT END OF PERIOD	267
	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
1,561	BALANCE AT END OF PERIOD	1,561
	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
6	BALANCE AT END OF PERIOD	6
	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
1,296	BALANCE AT END OF PERIOD	1,296

**CITY OF MOUNT GAMBIER
DRAFT BUDGET 2017**

Statement of Changes in Equity

ACTUAL 2015 \$ '000		DRAFT 2017 \$ '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	
171	Balance at end of previous reporting period	174
3	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	-105
174	BALANCE AT END OF PERIOD	69
	WORK IN PROGRESS	
4,385	Balance at end of previous reporting period	2,987
2,987	Transfer to reserve from accumulated surplus	0
-4,385	Transfer from reserve to accumulated surplus	-45
2,987	BALANCE AT END OF PERIOD	2,942
	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	
478	Balance at end of previous reporting period	672
194	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
672	BALANCE AT END OF PERIOD	672
	JUNIOR SPORTING FUND	
51	Balance at end of previous reporting period	60
9	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
60	BALANCE AT END OF PERIOD	60
223,581	TOTAL EQUITY AT END OF REPORTING PERIOD	223,502

**CITY OF MOUNT GAMBIER
DRAFT BUDGET 2017**

ACTUAL 2015 \$ '000	Uniform Presentation of Finances	DRAFT 2017 \$ '000
26,110	Operating Revenues	25,922
-25,065	<i>less Operating Expenses</i>	-26,001
1,045	Operating Surplus / (Deficit) before Capital Amounts	-79
	<i>Less Net Outlays in Existing Assets</i>	
5,156	Capital Expenditure on renewal and replacement of Existing Assets	4,611
-6,649	<i>less Depreciation, Amortisation and Impairment</i>	-6,498
-299	<i>less Proceeds from Sale of Replaced Assets</i>	-439
-1,792		-2,326
	<i>Less Net Outlays on New and Upgraded Assets</i>	
4,091	Capital Expenditure on New and Upgraded Assets	2,750
-796	<i>less Amounts received specifically for New and Upgraded Assets</i>	0
-612	<i>less Proceeds from Sale of Surplus Assets</i>	
2,683		2,750
154	Net Lending / (Borrowing) for Financial Year	-503

**CITY OF MOUNT GAMBIER
DRAFT BUDGET 2017**

FINANCIAL INDICATORS		
ACTUAL		DRAFT
2015		2017

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.

1,045	Operating Surplus (\$'000)	-79
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Being the operating surplus (deficit) before capital amounts .

Operating Surplus Ratio

6%	<u>Operating Surplus</u>	0%
	Rates - general & other less NRM levy	

This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.

6,808	Net Financial Liabilities (\$'000)	7,311
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Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).

Net Financial Liabilities Ratio

27%	<u>Net Financial Liabilities</u>	29%
	Total Operating Revenue less NRM levy	

Interest Cover Ratio

1%	<u>Net Interest Expense</u>	2%
	Total Operating Revenue less NRM levy less Investment Income	

Asset Sustainability Ratio

53%	<u>Net Asset Renewals</u>	64%
	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.