



City of Mount Gambier Draft Business Plan and Budget 2014/2015

2014/2015 Draft Business Plan and Budget for Consultation



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2014/2015 DRAFT BUSINESS PLAN AND BUDGET

FROM THE MAYOR

This draft 2014/2015 Plan reflects the work of Council in preparing for their final budget in a four year 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.

The 2014/2015 draft Business Plan and Budget reflects Council's Long Term Financial Plan which was most recently reviewed and updated in December, 2013.

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 2013/2014 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 \$8,273,000m (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 2014/2015 Budget provides for a near balanced Operating result (\$20,000 surplus) and a balanced cash 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 4.8 % in rate revenue increase, including a growth factor (new assessments) estimated to be in the order of 0.5% which we anticipate will result in an average rate increase of a little over 4% for 2014/2015.

Following the community engagement process, concluding on 9th May 2014, 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 2014/2015 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

Steve PERRYMAN
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).

The 2012 estimated resident population is 25,881 persons.

2,599 (or 10.3%) people living in the City of Mount Gambier were born overseas and of which 545 (or 21%) arrived in Australia within the last 5 years.

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

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

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.

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 2014/2015 Budget provides for a total of \$8.273m 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 draft 2014/2015 Budget provides for a near balanced Operating result (minor surplus) and a balanced cash position at years end.

Total rate revenue will increase in overall terms by 4.8% and approximately \$1.1 million of borrowings will help fund a number of major capital works projects.

Key initiatives provided for in the draft 2014/2015 Budget are detailed in the Budget section of the Plan, commencing on Page 11.

Council's draft Rating Policy for 2014/2015 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 draft Rate Rebate Policy for 2014/2015 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 2014/2015.

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

OUR BUDGET INFLUENCES

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

Current Economic Environment

- Throughout 2012 and 2013 Australia's economy has continued to recover from the Global Financial Crisis (GFC) and natural disasters 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 2012/2013 financial year this figure was recorded at 2.8%. In comparison CPI was recorded at 2% for the same period.



Operating Influences

A range of operating pressures have influenced the preparation of the draft 2014/2015 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

Costs of associated one – off periodic projects or initiatives included in the draft 2014/2015 Operational Budget;

- estimated cost of 2014 Local Government general elections (\$80,000)
- initial payment of \$100,000 to the Education Investment Fund (UniSA) - \$300,000 total commitment
- diseased tree removal program at Crater Lakes (\$100,000)
- increased finance charges (interest) due to increased borrowings to fund major capital works projects recently completed (\$275,000)
- loss of library operating contribution from D C Grant (\$150,000)

OUR STRATEGIC DIRECTIONS

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



City of Mount Gambier

- 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.



City of Mount Gambier

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.

The 'Beyond 2015' key **Strategic Goals** that will influence Council for the period 2011 - 2016 are:

BUILDING COMMUNITIES

To maintain and improve the quality of life of our people by fostering an appropriate range of infrastructure, services and activities.

The range of community services, programs and events provided by Council, add to civic and community pride and spirit by a variety of cultural, recreational and social activities available to our community. These services are highly regarded by the users and support the needs of the community and add value to our quality of life. These services are delivered in a variety of ways, with the Council directly responsible or operating in partnership with other service providers.

To the dedicated volunteers and community service organisations who contribute their time for the improvement in the quality of life of residents, Council thanks, acknowledges and supports those efforts on behalf of the community to manage the City's sporting, recreation and community facilities and Council will continue to encourage and complement those endeavours.

Council encourages community empowerment and continues to support our varied communities working towards self sufficiency through the use of the principles of community engagement and social inclusion.

SECURING ECONOMIC PROSPERITY

To support our economic generators in meeting opportunities in the local, national and international business environment, to ensure that the City has a viable, sustainable and diverse economic base and continues to be a thriving provincial city.

Mount Gambier is the regional and commercial centre of the Limestone Coast. The region has a stable and diverse economic base that makes a significant contribution to the state economy. The strong links between the City and the region have resulted in mutual stability, growth and benefit.

To maintain vitality and viability in a sustainable way, Council must continue to support economic growth and prosperity within the constraints of sustainability principles.

Mount Gambier recognises that it faces competition from within and outside our region to maintain its level of business activity and in response Council intends to support local economic output and ensure that the City continues as a thriving provincial centre. Long-term business viability will be supported and enhanced by Council as a strategic priority.

Council will continue to create the environment that complements existing businesses and encourages new businesses including the need for infrastructure (re)investment and new services.



DIVERSITY

To provide opportunities for the needs of our diverse community groups to fully participate in our community, and to ensure a continuing sense of their engagement, belonging and recognition.

The community of Mount Gambier comprises a diverse demographic, (cultural, age, socio-economic capacity and special interests and needs) and as a consequence Council needs to have different approaches to provide for the needs of these diverse groups.

Council needs to be aware of and attempt to meet all reasonable expectations across all demographics.

This diversity of needs will challenge Council in the provision of facilities, services and its advocacy role to other levels of Government to ensure our local requirements and aspirations are recognised, understood and resourced.

The changing community profile that includes the age of residents, different cultural backgrounds and social expectations will challenge the viability for some services and increase the demand for others. Council has adapted well in the past to these demand shifts and has the experience and expertise to respond to future challenges.

Council will embrace community engagement principles and will ensure social inclusion principles are considered within the range of services, events and programs offered by Council.

ENVIRONMENT

To incorporate into Council business and the development of our community a commitment to secure the long term integrity of the environmental systems, landscapes and services which support them.

The protection of the environment is a global, national, state, regional and local responsibility with the local input having the ability to affect all other spheres.

Mount Gambier has a unique environment that is highly valued by the local community and visitors to our City. Council is committed to protect and improve the integrity and health of our environment for current and future generations.

Council has a strong base for continuing to improve the amenity of the City, its operations and enhance the protection of the environment.

Council plans to not only undertake measures to protect the local environment but also make a local contribution to the larger issues such as climate change, carbon emissions, water and energy efficiencies etc.

Council is also responding to the increased level of environmental awareness and education and the greater community expectations towards the need for environmental sustainability within the community.

Council strives to be a leader and a role model in aspects of sustainability and environmental enhancement and this can be achieved and sustained through the principles of the Natural Step Framework.



GOVERNANCE

To conduct Council business with probity, transparency, and accountability; to meet in a timely way all legislative and regulatory requirements; to implement prudent and professional financial and operational management; and to seek active and ongoing engagement in decision making with all stakeholders.

The Council is being challenged to be able to maintain and improve the community assets, infrastructure, and services that it provides now and in the future and to do so in a way that is environmentally and financially sustainable.

The revenue base of Council is limited and expansion of services usually results in an increase in local taxation through rates. Local Government needs additional sources of revenue to more equitably meet its expanding obligations. Council needs to resist the impost of additional expenditure from other levels of government through cost shifting.

Council needs to ensure that any new initiatives it may wish to implement are subjected to a rigorous test of whether it provides a real community benefit outcome against the required input.

COMMUNITY WELL-BEING

To advance the holistic health and well being of all groups in our community by creating healthy environments, strengthening community relationships, developing appropriate programs and supporting excellence in the delivery of health services.

Council is committed to creating a supportive environment which enhances the health and wellbeing of the community. Council will work to build the resilience, initiative and capacity of the community to make quality health decisions to lead an active and healthy lifestyle.

Council seeks to encourage a range of local programs, services and community education to promote healthy lifestyles for its people. Council will collaborate with other levels of government who have primary responsibilities for health. Council will support and advocate for local health agencies to be able to improve the quantity and range of health services and health outcomes available locally so residents are not required to leave the region to receive higher levels of care.

Council acknowledges that health spending is a large impact on the State Government however Mount Gambier should not have service availability of a lesser standard than metropolitan Adelaide.

LEARNING

To be recognised as a learning community which encourages, respects and celebrates learning for all groups and members of our community.

Mount Gambier has much to be proud of with the achievements of its community, which is growing through a culture of lifelong learning incorporating in-formal learning and formal education. The City can expand on these achievements through the continuing development of its lifelong learning culture.

Council understands the key role of learning and education in building social capacity.

Lifelong learning does not start or end with tertiary education. Lifelong learning commences at birth and embraces early childhood development, primary, secondary education, trades and tertiary education and most importantly an ongoing involvement in community endeavours which is learning through life.



City of Mount Gambier

Mount Gambier has benefited from the expansion of degree programs offered through the University of South Australia, Flinders University and Southern Cross University as well as a wider range of TAFE programs. Council is committed to advocating for continuation of an expanded range of programmes to meet the needs and expectations of the community.

Council will create the environment for Mount Gambier to be (and recognised as) a learning City.

The stronger the knowledge and skills of our people the more dynamic and robust the community becomes.

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.

A local government has developed a number of indicators to measure a Council's Financial Sustainability. The principle indicators being:

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

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

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	LG Target
Operating Surplus Ratio	(8%)	4%	2%	<15%
Net Financial Liabilities Ratio	9%	27%	23%	<100%
Asset Sustainability Ratio	51%	52%	85%	90-110%

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 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 draft 2014/2015 Business Plan and Budget will provide generally for existing service levels to be maintained.

OUR DRAFT 2014/2015 BUDGET

The draft 2014/2015 Budget proposes to spend a total of \$31,835,000 million 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 in 2014/2015 is estimated to increase by 3.5% or \$787,000 on 2013/2014, a substantial proportion of which can be attributable to a number of one – off or periodic projects or initiatives referenced to previously as Budget Influences.

In comparison Operating revenue is anticipated to increase by \$807,000 principally attributable to increases in rate revenue and Grants Commission revenue.

This has resulted in minor Operating surplus (\$20,000) in the draft Budget.

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

When factoring in Non-Operating revenue and expenditure and Council's extensive Capital expenditure program, a balanced, end of year cash 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 2012/2013 financial year the LGPI was recorded as 2.8% whereas CPI was recorded at 2%.

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 2014/2015 draft Budget include:

Function/Activity	\$'000 Expenditure		\$ '000 Revenue
	Operating	Capital	
<u>Administration</u>			
Rates			17,183
Grants Commission – General Purpose Grant			2,313
– Road Grants			575
2014 General Election	80		
Civic Centre GRC Panels		120	
<u>Support Services</u>			
Periodic IT Infrastructure Upgrade		90	
<u>Community Services</u>			
General Community Support / Donations	150		
Community Celebrations	55		
Public Conveniences (inc depreciation)	222		
Main Corner Operating (inc depreciation)	682		70
Men's Shed - Establishment		80	
<u>Cultural Services</u>			
Library Services (Inc. depreciation)	2,059	110	208
Wehl Street Theatre – Remove Asbestos		50	
<u>Economic</u>			
Education Investment Fund – Initial Contribution	100		
Tourism – Major Event Support	143		
Tourism – Visitor Information Centre (inc depreciation)	923		384
<u>Environment</u>			
Waste Management - refuse collection	1,138	130	295
- waste transfer/landfill (inc depreciation)	1,218		1,407
Stormwater drainage (inc depreciation)	294	83	
Street cleaning / sweeping	320		
Street Lighting	497		
Street Trees	169	38	
<u>Recreation</u>			
Parks, Gardens, Reserves (inc depreciation)	1,277	65	
- Crater Lakes	339		
- Crater Lakes – diseased tree removal	100		
- Sporting Reserves (inc. depreciation)	463	108	
Aquatic Centre	373		
Sporting grants/ support	119		
Blue Lake – lighting of walking path		450	
Dog Park at Hastings Cunningham Reserve		50	

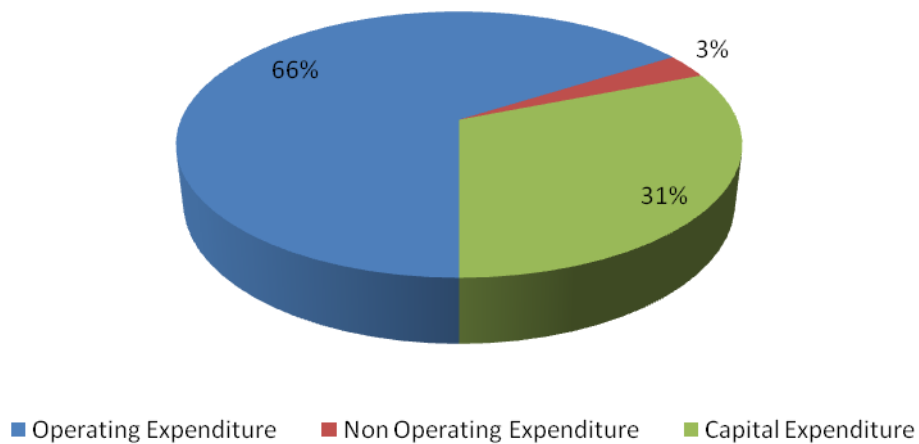
Function/Activity	\$'000 Expenditure		\$ '000 Revenue
	Operating	Capital	
Railway Lands Development Former Hospital Site		2,000 500	
<u>Regulatory</u>			
Development Control (Planning and Building Control)	668		220
Health Services	167		
Dog/Parking Control	282		189
<u>Transport / Engineering</u>			
Plant and Machinery replacement program		1,079	
Footpath / Kerbing – Maintenance (inc. depreciation)	515		
– Annual Program (inc bikeways)		289	
Road infrastructure – maintenance (inc. depreciation)	2,090		
- Annual capital program, includes:		2,690	
- CBD renewal \$300			
- Reseal program \$488			
- Boundary Roads \$246 (Wireless west)			
- Roads to Recovery \$270			
- Roads Reconstruction Program \$1,261			
Major projects: Webb Street			
Gray Street			
Wehl Street North			
Edward Street			
Commercial Street West			
Grantville Place			
Shelton Street			
North Terrace			
Lake Terrace East			
Commercial Street East			
Bailey Street			
Non-Operating			
- Annual Borrowing Program			1,093
(funding major capital works – CBD, Old Hospital, Rail Lands)			
- Work in Progress – Grant Funding – Rail lands			1,000
- Depreciation charged – written back			6,232

A draft Summary Budget arising from this 2014/2015 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 draft 2014/2015 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.

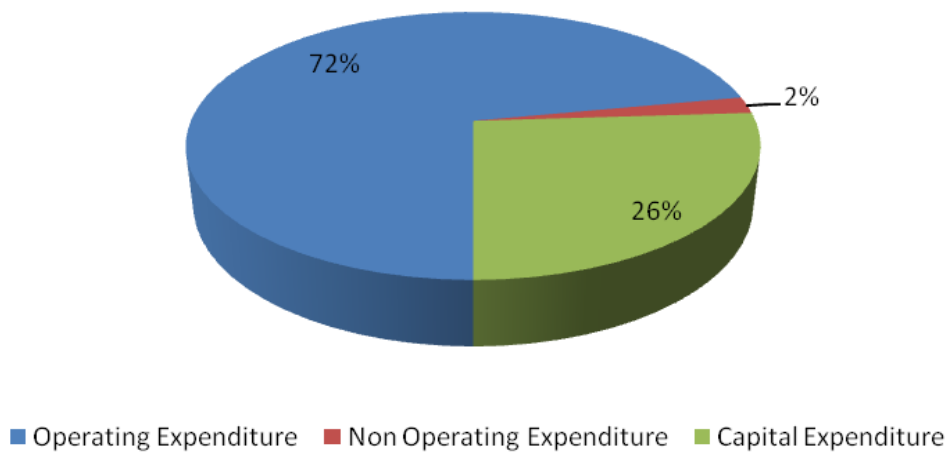


Expenditure Comparisons

Total Expenditure 2013/2014

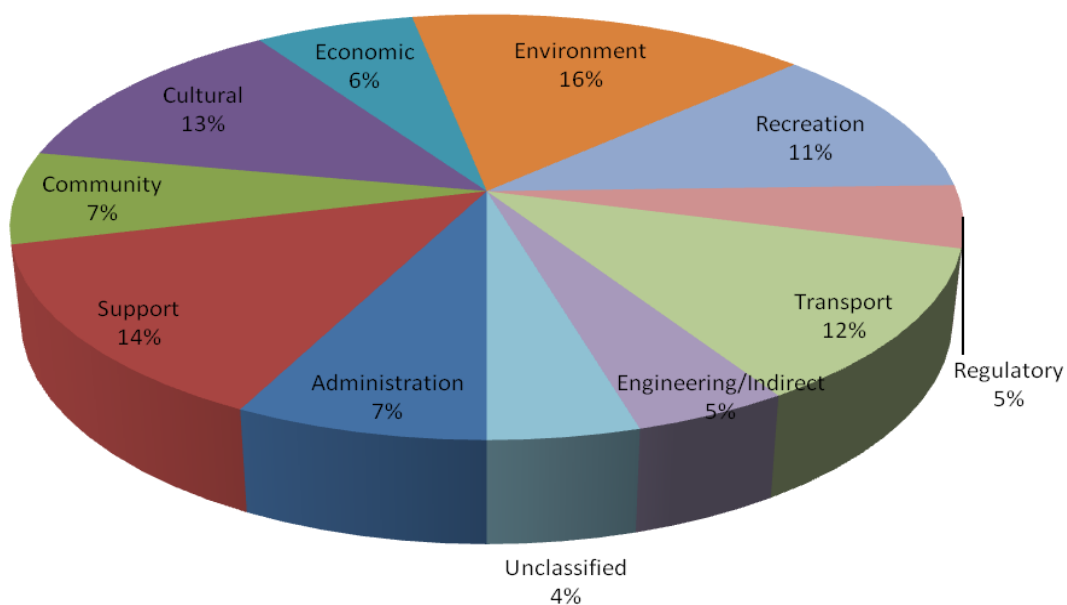


Total Expenditure 2014/2015

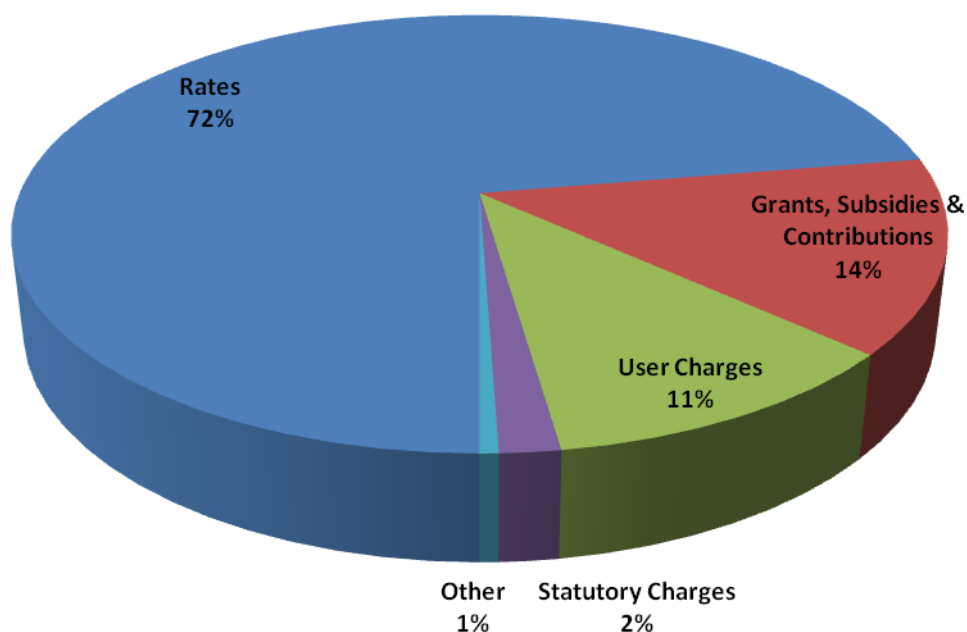


Operating Expenditure/Revenue

Operating Expenditure by Function 2014/2015



**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 participates in an annual Comparative Performance Measurement Project conducted on a statewide basis by the SA Local Government Association 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 2014/2015 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 draft 2014/2015 Budget proposes a lesser 4.8% 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
2009	1.8%	2.4%	4.2%
2010	5.9%	1.0%	6.9%
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 (est)	4.3%	0.5%	4.8%

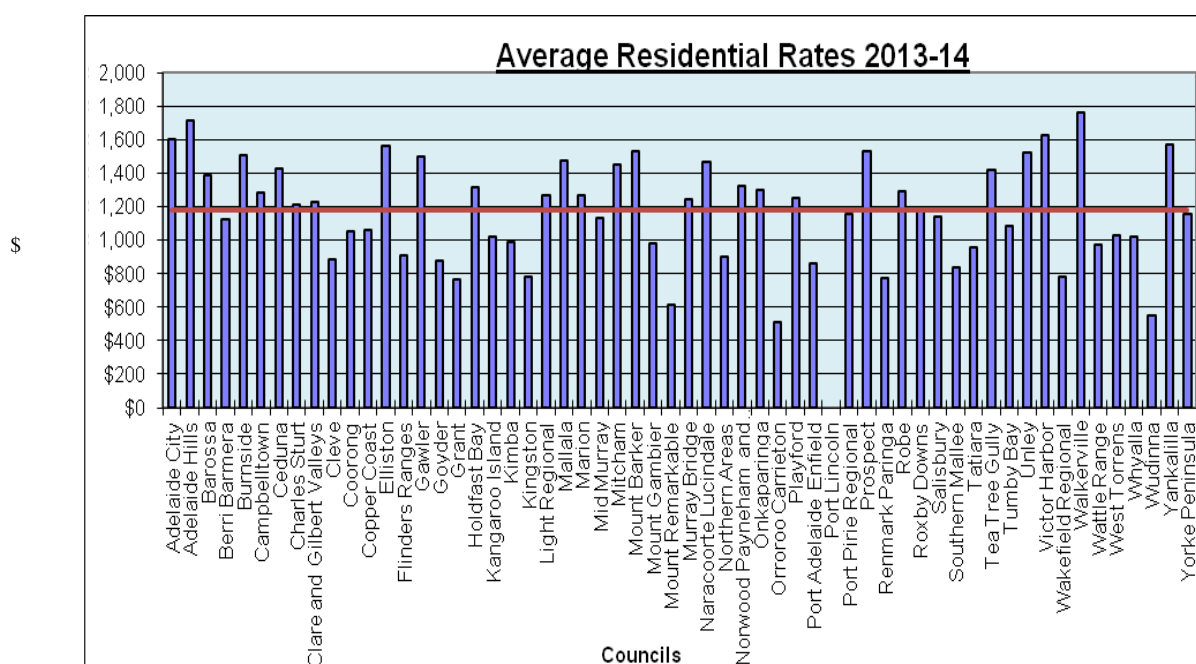
Notes: Growth is predominantly the result of new housing and property improvements as reported by the State Valuation Office.

Rate Comparisons

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

Average for all SA Council	\$1,178
Average for all SA Metro Council	\$1,360
Average for all SA Regional Councils	\$1,093
Average for City of Mount Gambier	\$984

Average Regional Residential Rates 2013/14



Source: Local Government Association 2013/2014 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 \$
2009/2010	2,685,536,884	144,457,608	2,829,994,492
2010/2011	3,070,009,269	184,819,073	3,254,730,340
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

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 2014/2015 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
2009/2010	\$428.90	45%
2010/2011	\$456.00	45%
2011/2012	\$480	45%
2012/2013	\$516.40	45%
2013/2014	\$544.80	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.



City of Mount Gambier

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
2009/2010	.1782	.4811	.4811	.1782	.7128	.1782
2010/2011	.1843	.4976	.4976	.1843	.4976	.1843
2011/2012	.1920	.5184	.5184	.1920	.5184	.1920
2012/2013	.19945	.5385	.5385	.19945	.5385	.19945
2013/2014	.21167	.57151	.57151	.21167	.57151	.21167

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
2009/2010	\$36.40 (per assessment)	\$467,121
2010/2011	\$36.20 (per assessment)	\$480,156
2011/2012	\$38.60 (per assessment)	\$513,500
2012/2013	\$39.80 (per assessment)	\$533,000
2013/2014	\$40.60 (per assessment)	\$544,445

Minimum Amount



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

Rate Concessions

The State Government, in providing equity across South Australia, funds a range of concessions on Council rates. The concessions are administered by various State Agencies who determine eligibility and pay the concession directly to Council on behalf of the ratepayer. Concessions are available only on the principal place of residence.

Rate Concessions most commonly are provided to eligible pensioners, state senior card holders (self funded retirees) and eligible persons receiving State and Commonwealth allowances.

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% plus the gross rate revenue percentage increase adopted for the 2014/2015 financial year (after considering other rebates).

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 2013
- 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

Eligible Pensioner Residential Rate Cap

This option will provide relief where a ratepayer (principal place of residence) with a residential land use who is entitled to an eligible pensioner concession, is levied an increase in rates greater than 15% inclusive of the gross rate revenue percentage increase adopted for the 2014/2015 financial year.

This rebate will not apply where the property exhibits the same characteristics as detailed in the Residential (Principal Place of Residence) Rate Cap.

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 2014/2015 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 2014/2015 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 2014/2015.

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

Submissions and/or questions regarding the draft 2014/2015 Business Plan and Budget will be received up to Friday 9th May, 2014 and can be made via:

- Email city@mountgambier.sa.gov.au
- 'Have Your Say' at www.mountgambier.sa.gov.au
- Written submission:
draft 2014/2015 Business Plan and Budget Consultation



City of Mount Gambier

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 2014/2015 Business Plan and Budget will be held to consider public submissions and eventually finalise the 2014/2015 Business Plan and Budget.

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

APPENDIX 1 DRAFT 2014/2015 SUMMARY BUDGET

APPENDIX 2 BUDGETED FINANCIAL STATEMENTS 2014/2015

Income Statement

Cash Flow Statement

Balance Sheet

Statement Of Changes In Equity

Uniform Presentation Of Finances

Financial Indicators

27th March, 2014
Ref. AF13/457 FM



City of Mount Gambier

APPENDIX 1

SUMMARY BUDGET



City of Mount Gambier Draft Summary Budget 2014/2015

2014/2015 Draft Summary Budget Adopted:



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

DRAFT SUMMARY BUDGET (BY FUNCTION) 2014/2015

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1. Function: Administration

1.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	ADMINISTRATION EXPENDITURE							
6000.0000	ELECTED MEMBERS EXPENDITURE	301	298	333	333	193	389	
6002.0000	ORGANISATIONAL EXPENDITURE	1,548	1,543	1,431	1,431	973	1,339	
			-					
	TOTAL OPERATING EXPENDITURE	1,849	1,841	1,764	1,764	1,166	1,728	

1.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7500.0000	CIVIC CENTRE	115	47	50	125	5	120	
	TOTAL CAPITAL EXPENDITURE	115	47	50	125	5	120	

1.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	RATES REVENUE							
4100.0000	RATES RAISED	15,861	15,861	16,941	16,941	16,936	17,744	
4112.0000	RATES REMITTED	(692)	(684)	(728)	(728)	(435)	(741)	
4113.0000	FINES ON RATES	65	65	60	60	33	65	
4114.0000	FINES REMITTED	(1)	(1)	(1)	(1)	(1)	(2)	
	Total	15,233	15,241	16,272	16,272	16,533	17,066	

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	GENERAL PURPOSE REVENUE							
4120.0000	GENERAL PURPOSE REVENUE	2,512	2,584	2,585	2,761	747	2,888	
	Total	2,512	2,584	2,585	2,761	747	2,888	
	TOTAL OPERATING REVENUE	17,745	17,825	18,857	19,033	17,280	19,954	

Commentary:**Operating Expenditure:**

- one off allocation of \$80,000 for election expenses
- reallocation of some salary positions following organisation review
- allocations for studies (China links, recreation needs)

Capital Expenditure:

- Civic Centre GRC Panels maintenance/repair

Operating Revenue:

- General Rate Revenue increase of 4.8% (+\$787k)
- Est. 5% increase in General Purpose FAG's Grant (+\$275k)

2. Function: Support Services

2.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	SUPPORT SERVICES EXPENDITURE							
6011.0000	ACCOUNTING/FINANCE EXPENDITURE	278	280	316	316	187	314	
6012.0000	PAYROLL EXPENDITURE	313	132	386	386	163	293	
6013.0000	HUMAN RESOURCES EXPENDITURE	246	208	251	276	192	265	
6014.0000	INFORMATION TECHNOLOGY EXPENDITURE	419	444	441	453	321	543	
6015.0000	COMMUNICATION EXPENDITURE	46	51	50	50	12	25	
6016.0000	RATES ADMINISTRATION EXPENDITURE	272	265	266	266	192	276	
6017.0000	RECORDS MANAGEMENT EXPENDITURE	171	167	186	186	98	191	
6018.0000	OCCUPANCY EXPENDITURE	371	698	467	467	226	741	
6020.0000	CUSTOMER SERVICE EXPENDITURE	128	129	170	170	115	183	
6021.0000	OTHER SUPPORT SERVICES EXPENDITURE	77	68	227	227	127	141	
6022.0000	COMMUNITY ENGAGEMENT	0	0	0	0	0	251	
	TOTAL OPERATING EXPENDITURE	2,321	2,442	2,760	2,797	1,633	3,223	

2.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7460.0000	OFFICE EQUIPMENT (PURCHASES)	60	48	78	90	47	110	
	TOTAL CAPITAL EXPENDITURE	60	48	78	90	47	110	

Commentary:

Operating Expenditure:

- reduced need for LSL provision
- increases in depreciation (throughout the schedules there will be some significant adjustments to depreciation sums allocated to various functions due to the review of Councils assets conducted during 2013, however the total sum charged to depreciation has not changed)
- allowance for employment of an IT Trainee
- reallocation of salary positions (community engagement, other support)

Capital Expenditure:

- includes cost of periodic replacement of Council Computer Network Equipment

Operating Revenue:

Nil

3. Function: Community Services

3.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	COMMUNITY SERVICES EXPENDITURE							
6100.0000	CRIME PREVENTION EXPENDITURE	50	46	39	43	30	46	
6102.0000	EMERGENCY SERVICES EXPENDITURE	16	73	17	17	15	17	
6103.0000	OTHER FIRE PROTECTION EXPENDITURE	1	0	1	1	1	1	
6104.0000	OTHER PUBLIC ORDER AND SAFETY EXPENDITURE	1	0	1	1	0	1	
6111.0000	HEALTH - PEST CONTROL EXPENDITURE	1	3	1	1	1	2	
6112.0000	IMMUNISATION EXPENDITURE	93	95	0	0	0	0	
6114.0000	PREVENTATIVE HEALTH SERVICES EXPENDITURE	129	112	81	129	75	27	
6115.0000	OTHER HEALTH SERVICES EXPENDITURE	11	9	32	32	11	32	
6121.0000	SENIOR CITIZENS EXPENDITURE	45	33	46	46	18	39	
6125.0000	CHILDREN AND YOUTH SERVICES EXPENDITURE	7	6	8	8	1	10	
6126.0000	COMMUNITY ASSISTANCE EXPENDITURE	135	126	209	209	110	164	
6129.0000	OTHER COMMUNITY SUPPORT EXPENDITURE	235	262	321	353	237	289	
6131.0000	BUS SHELTER EXPENDITURE	4	3	4	4	2	4	
6132.0000	CEMETERIES/CREMATORIA EXPENDITURE	70	99	75	75	51	96	

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
6134.0000	PUBLIC CONVENIENCES EXPENDITURE	234	241	205	205	162	222	
6135.0000	CARPARK EXPENDITURE	88	16	88	88	9	19	
6138.0000	OTHER COMMUNITY AMENITIES EXPENDITURE	588	580	624	624	352	686	
	TOTAL OPERATING EXPENDITURE	1,708	1,704	1,752	1,836	1,075	1,655	

3.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7560.0000	OTHER COMMUNITY SUPPORT	0	0	5	5	0	80	
7570.0000	BUS SHELTERS	30	27	32	32	23	0	
7580.0000	CEMETERIES	20	20	0	0	0	0	
7620.0000	CAR PARKS	40	7	43	43	0	46	
	TOTAL CAPITAL EXPENDITURE	90	54	80	80	23	126	

3.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	COMMUNITY SERVICES REVENUE							
4130.0000	PUBLIC ORDER AND SAFETY REVENUE	7	5	7	7	7	7	
4132.0000	HEALTH SERVICES REVENUE	68	67	50	50	38	12	
4133.0000	COMMUNITY SUPPORT REVENUE	8	8	8	8	13	24	
4134.0000	COMMUNITY AMENITIES REVENUE	119	112	83	83	47	76	
	TOTAL OPERATING REVENUE	202	192	148	148	105	119	

Commentary:

Operating Expenditure:

- Reduction in OPAL Expenditure (concludes September 2014)
- Reduction in Community Grant Funding Program
- Depreciation Adjustments (other community support/cemeteries/carparks/main corner)
- Salary Adjustments (other community support)

Capital Expenditure:

- includes cost of establishing Men's Shed at Council Depot (\$80k)

Operating Revenue:

- OPAL concludes in September 2014

4. Function: Cultural

4.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	CULTURAL EXPENDITURE							
6200.0000	LIBRARY SERVICES EXPENDITURE	1,956	1,926	1,881	1,911	1,190	2,044	
6202.0000	OTHER LIBRARY SERVICES	12	10	15	15	11	15	
6210.0000	CULTURAL VENUES EXPENDITURE	309	311	318	318	178	333	
6220.0000	HERITAGE EXPENDITURE	359	341	381	387	208	407	
6230.0000	MUSEUMS/ART GALLERY EXPENDITURE	64	63	61	61	60	61	
6240.0000	OTHER CULTURAL SERVICES EXPENDITURE	176	213	179	179	99	122	
	TOTAL OPERATING EXPENDITURE	2,876	2,864	2,835	2,871	1,746	2,982	

4.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7470.0000	LIBRARY	154	154	168	168	131	133	
7640.0000	CULTURAL	280	262	20	37	19	70	
7650.0000	HERITAGE	75	87	11	21	1	10	
	TOTAL CAPITAL EXPENDITURE	509	503	199	226	151	213	

4.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	CULTURAL REVENUE							
4140.0000	LIBRARY SERVICES REVENUE	443	446	389	389	218	208	
4142.0000	CULTURAL SERVICES REVENUE	155	200	226	226	135	180	
	TOTAL OPERATING REVENUE	598	646	615	615	353	388	

Commentary:

Operating Expenditure:

- Depreciation Adjustments (Library/City Hall)
- Increase in Library power/air conditioning costs
- Contributions to Show Society, Mayoral Gala Performance now concluded

Capital Expenditure:

- Includes \$50k allocation to remove asbestos in rear of building at Wehl Street Theatre

Operating Revenue:

- Loss of contribution to Library Operations from the District Council of Grant
- No sponsorship revenue from Family Fun Day

5. Function: Economic Development

5.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	ECONOMIC DEVELOPMENT EXPENDITURE							
6320.0000	REGIONAL DEVELOPMENT EXPENDITURE	72	60	79	102	29	143	
6350.0000	TOURISM GENERAL EXPENDITURE	372	324	449	479	204	429	
6360.0000	TOURISM - "THE LADY NELSON" EXPENDITURE	960	913	950	962	581	923	
	TOTAL OPERATING EXPENDITURE	1,404	1,297	1,478	1,543	814	1,495	

5.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7660.0000	TOURISM	480	488	0	0	0	8	
	TOTAL CAPITAL EXPENDITURE	480	488	0	0	0	8	

5.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	ECONOMIC DEVELOPMENT REVENUE							
4151.0000	ECONOMIC - SUNDRY GRANTS/CONTRIBUTIONS	0	24	0	0	0	0	
4152.0000	TOURISM GENERAL REVENUE	0	0	0	0	0	0	
4153.0000	TOURISM - "THE LADY NELSON" REVENUE	376	383	402	402	270	384	
	TOTAL OPERATING REVENUE	376	407	402	402	270	384	

Commentary:

Operating Expenditure:

- First Payment of \$100k to Education Investment Fund

Capital Expenditure:

- Includes minor allocation for telephone system upgrade at Lady Nelson

Operating Revenue:

- Includes Bus Ticketing Gross Revenue

6. Function: Environment

6.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	ENVIRONMENT EXPENDITURE							
6410.0000	WASTE MANAGEMENT EXPENDITURE	2,568	2,164	2,455	2,455	1,460	2,356	
6420.0000	STORMWATER AND DRAINAGE EXPENDITURE	253	197	270	280	150	294	
6430.0000	STREET CLEANING EXPENDITURE	257	256	311	287	177	320	
6440.0000	STREET LIGHTING EXPENDITURE	430	430	455	455	267	497	
6450.0000	STREETSCAPING EXPENDITURE	176	174	164	164	119	169	
6460.0000	ENVIRONMENTAL SUSTAINABILITY	148	117	107	131	67	131	
	TOTAL OPERATING EXPENDITURE	3,832	3,338	3,762	3,772	2,240	3,767	

6.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7600.0000	STREET TREE PROGRAM	29	29	37	37	21	38	
7670.0000	WASTE MANAGEMENT	127	124	2,020	2,276	258	130	
7800.0000	INFRASTRUCTURE STORMWATER	103	79	78	78	78	83	
	TOTAL CAPITAL EXPENDITURE	259	232	2,135	2,391	357	251	

6.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	ENVIRONMENT REVENUE							
4162.0000	WASTE MANAGEMENT REVENUE	1,799	1,823	1,674	1,699	1,238	1,702	
	TOTAL OPERATING REVENUE	1,799	1,823	1,674	1,699	1,238	1,702	

Commentary:

Operating Expenditure:

- Depreciation Adjustment (Waste Management)
- Increase in WTC Operational Costs and Solid Waste Levy Costs
- Street Lighting - Increases costs / Upgrade Project \$30k (Wireless Road East)
- Increased activity for Environmental Sustainability Activities

Capital Expenditure:

- Includes allocation (\$100k) for alterations to Eucalypt Drive Facility

Operating Revenue:

- Minor Increase in Greenwaste Revenue

7. Function: Recreation

7.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	RECREATION EXPENDITURE							
6500.0000	PARKS/GARDENS/RESERVES EXPENDITURE	1,485	1,491	1,532	1,556	893	1,716	
6520.0000	SPORTS FACILITIES - INDOOR EXPENDITURE	112	67	112	112	26	40	
6530.0000	SPORTS FACILITIES - OUTDOOR EXPENDITURE	266	407	342	342	229	463	
6550.0000	AQUATIC CENTRE (OUTDOOR) EXPENDITURE	248	273	276	316	331	373	
6560.0000	OTHER RECREATION EXPENDITURE	201	193	140	170	115	119	
	TOTAL OPERATING EXPENDITURE	2,312	2,431	2,402	2,496	1,594	2,711	

7.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7680.0000	PARKS/GARDENS/RESERVES	1,657	284	4,537	5,684	2,911	3,260	
7690.0000	SPORTS FACILITIES (INDOOR)	62	57	15	15	0	35	
7700.0000	SPORTS FACILITIES (OUTDOOR)	36	32	41	45	15	73	
7730.0000	AQUATIC CENTRE (OUTDOOR)	410	218	0	192	56	7	
	TOTAL CAPITAL EXPENDITURE	2,165	591	4,593	5,936	2,982	3,375	

7.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	RECREATION REVENUE							
4170.0000	RECREATION REVENUE	75	105	63	63	40	88	
	TOTAL OPERATING REVENUE	75	105	63	63	40	88	

Commentary:

Operating Expenditure:

- Depreciation Adjustment (Parks, Gardens, Reserves, Sporting Facilities, Aquatic Centre)
- Crater Lakes Tree Removal Project + \$100k
- Aquatic Centre - increased Operating Costs (power, water, woodchips)
- Sport and Recreation Major Capital Works Program (\$80k)

Capital Expenditure:

- Includes allocation of \$50k for establishment of Dog Park at HCR
- Includes allocation of \$450k for installation of lighting around Blue Lake Walking Path
- Includes allocation of \$50k to commence replacement of air conditioning in Council Buildings
- Includes allocation of \$2m for Rail Lands Development (\$1m Grant/\$1m Council Loan)
- Includes allocation of \$500k for Old Hospital landscaping and allied works
- Includes allocations for instal of fire hydrants at Malseed Park and Basketball Stadium

Operating Revenue:

- Minor revenue from sale of timber from diseased trees at Crater Lakes

8. Function: Regulatory Services

8.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	REGULATORY SERVICES EXPENDITURE							
6600.0000	DOG CONTROL EXPENDITURE	161	154	194	194	128	264	
6620.0000	BUILDING CONTROL EXPENDITURE	268	267	285	285	190	295	
6630.0000	CITY PLANNING EXPENDITURE	588	486	317	442	250	373	
6660.0000	HEALTH INSPECTION EXPENDITURE	159	152	169	174	77	167	
6670.0000	PARKING CONTROL EXPENDITURE	103	101	63	63	43	18	
	TOTAL OPERATING EXPENDITURE	1,279	1,160	1,028	1,158	688	1,117	

8.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	

8.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	REGULATORY SERVICES REVENUE							
4180.0000	REGULATORY SERVICES REVENUE	352	357	361	361	321	418	
	TOTAL OPERATING REVENUE	352	357	361	361	321	418	

Commentary:

Operating Expenditure:

- Salary Adjustment (from Parking to Dog Control)

Capital Expenditure:

Nil

Operating Revenue:

- Minor increases in Dog, Planning, Building, Parking Fees

9. Function: Transport

9.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	TRANSPORT EXPENDITURE							
6720.0000	BRIDGES EXPENDITURE	4	3	4	4	1	8	
6730.0000	FOOTPATHS AND KERBING EXPENDITURE	426	507	440	440	294	515	
6740.0000	ROADS SEALED EXPENDITURE	1,297	1,940	2,627	2,627	1,018	2,090	
6780.0000	TRAFFIC MANAGEMENT EXPENDITURE	165	165	165	165	99	170	
	TOTAL OPERATING EXPENDITURE	1,892	2,615	3,236	3,236	1,412	2,783	

9.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7300.0000	PLANT AND MACHINERY (PURCHASES)	512	487	1,087	1,113	382	1,079	
7450.0000	MINOR PLANT (PURCHASES - NEW ASSETS)	117	15	10	110	9	0	
7830.0000	FOOTPATHS/KERBING	255	259	251	263	170	289	
7900.0000	ROADS SEALED	4,618	3,231	2,076	4,487	1,091	2,690	
	TOTAL CAPITAL EXPENDITURE	5,502	3,992	3,424	5,973	1,652	4,058	

9.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	TRANSPORT REVENUE							
4192.0000	FOOTPATHS AND KERBING REVENUE	26	26	27	27	0	0	
4193.0000	ROADS REVENUE	455	346	311	411	256	316	
	TOTAL OPERATING REVENUE	481	372	338	438	256	316	

Commentary:

Operating Expenditure:

- Depreciation adjustments (infrastructure)

Capital Expenditure:

- Plant Replacement Program (as approved by Council)
- Infrastructure Program
- Includes allocations for Traffic Control (replace Traffic Light Controllers/Buronga Avenue Carpark)
- Includes allocations for CBD Renewal Project of \$300k

Operating Revenue:

Nil

10. Function: Engineering/Indirect

10.1 Type: Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	ENGINEERING/INDIRECT EXPENDITURE							
6800.0000	ENGINEERING DEPARTMENT EXPENDITURE	643	640	581	581	397	607	
6810.0000	ASSET MANAGEMENT	16	16	23	23	11	17	
6820.0000	ENGINEERING - AWU EMPLOYEES EXPENDITURE	986	991	1,153	1,153	832	1,100	
6830.0000	INDIRECT EXPENDITURE	320	317	453	453	301	490	
6840.0000	INDIRECT EXPENDITURE - LABOUR ONCOSTS	(1,053)	(1,050)	(1,194)	(1,194)	(709)	(1,194)	
6850.0000	PLANT AND MACHINERY EXPENDITURE	1,620	1,478	1,634	1,634	942	1,699	
6860.0000	PLANT AND MACHINERY - INTERNAL HIRE	(1,490)	(1,494)	(1,654)	(1,654)	(991)	(1,654)	
	TOTAL OPERATING EXPENDITURE	1,042	898	996	996	783	1,065	

10.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7740.0000	WORKS DEPOT	58	56	0		0	12	
	TOTAL CAPITAL EXPENDITURE	58	56	0		0	12	

10.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	

Commentary:

Operating Expenditure:

Nil

Capital Expenditure:

- Minor allocation for Dog Holding Facilities at Depot

Operating Revenue:

Nil

11. Function: Unclassified**11.1 Type: Operating Expenditure**

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	UNCLASSIFIED ACTIVITIES EXPENDITURE							
6900.0000	PRIVATE WORKS EXPENDITURE	138	126	65	65	22	35	
6940.0000	SUNDRY EXPENDITURE	258	192	328	408	144	357	
6960.0000	FINANCE CHARGES EXPENDITURE	330	336	369	369	121	644	
	TOTAL OPERATING EXPENDITURE	726	654	762	842	287	1,036	

11.2 Type: Capital Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
7750.0000	UNCLASSIFIED							
	TOTAL CAPITAL EXPENDITURE							

11.3 Type: Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	UNCLASSIFIED ACTIVITIES REVENUE							
4210.0000	PRIVATE WORKS REVENUE	57	56	117	117	36	57	
4230.0000	SUNDRY REVENUE	258	281	190	260	222	151	
4240.0000	INVESTMENT REVENUE	20	20	10	10	16	5	
	TOTAL OPERATING REVENUE	335	357	317	387	274	213	

Commentary:

Operating Expenditure:

- Private Works (reduced activity)
- Repayments (increased borrowings)

Capital Expenditure:

Nil

Operating Revenue:

- Private Works (reduced activity)
- Loss of rental revenue (SAAS at Frew Park)

12. Function: Non Operating

12.1 Type: Non-Operating Expenditure

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	NON OPERATING EXPENDITURE							
7000.0000	COMMUNITY LOANS EXPENDITURE	10	0	10	10	0	10	
7020.0000	LOAN REPAYMENTS EXPENDITURE	664	438	600	600	207	716	
7031.0000	APPROPRIATION TO RESERVES - GENERAL	406	0	268	268	0	0	
	TOTAL NON OPERATING EXPENDITURE	1,080	438	878	878	207	726	

12.2 Type: Non-Operating Revenue

Acct	Details	2012/2013		2013/2014			2014/2015	
		Budget '000	Final '000	Original Budget '000	Revised BR2 '000	YTD 28/2/2014 '000	Draft Budget '000	
	NON OPERATING REVENUE							
4250.0000	LOAN FUNDS REVENUE	1,450	0	4,588	4,588	0	1,093	
4260.0000	LOAN REPAYMENT REVENUE	71	114	100	100	78	108	
4270.0000	APPROPRIATION FROM RESERVES	164	0	105	3,642	0	1,075	
4280.0000	REVENUE - OTHER SOURCES	4,933	0	6,420	6,420	0	6,290	
4300.0000	DISPOSAL OF ASSETS	187	169	224	238	59	229	
4480.0000	DISPOSAL OF LAND	45	45	0	0	0	0	
4500.0000	GRANT FUNDING	0	0	0	1,005	1,978	184	
	TOTAL NON OPERATING REVENUE	6,850	328	11,437	15,993	2,115	8,979	

Commentary:

Non-Operating Expenditure:

- Increased principal repayments on Loans
- No allocation to Reserve Funds - now full Treasury Management

Non-Operating Revenue:

- Decreased Loan Revenue (Major Projects mostly completed)
- \$1m grant for Rail Lands held in reserve (received in 2013/14 financial year)
- Depreciation written back (\$6.232m)
- Reduction in accrued LSL provision
- ; - Grant Funding received for Capital Projects now recorded as Non-Operating

13. Summary

13.1 By Function

Details	EXPENDITURE '000			REVENUE '000	
	Operational	Capital	Non Operational	Operational	Non Operational
ADMINISTRATION	1,728	120		19,954	
SUPPORT	3,223	110		0	
COMMUNITY	1,655	126		119	
CULTURAL	2,982	213		388	
ECONOMIC	1,495	8		384	
ENVIRONMENT	3,767	251		1,702	
RECREATION	2,711	3,375		88	
REGULATORY	1,117	0		418	
TRANSPORT	2,783	4,058		316	
ENGINEERING / INDIRECT	1,065	12		0	
UNCLASSIFIED	1,036	0		213	
NON OPERATING	0	0	726	0	8,979
TOTALS	23,562	8,273	726	23,582	8,979

13.2 By Type

Type of Exp/Rev.	2012/2013	2013/2014		2014/2015
	Adopted Budget '000	Adopted Budget '000	Revised BR2 '000	Proposed Budget '000
OPERATING REVENUE	21,468	22,775	23,146	23,582
OPERATING EXPENDITURE	21,308	22,775	23,311	23,562
OPERATING (DEFICIT) / SURPLUS	160	0	(165)	20
PLUS * NON OPERATING REVENUE	6,752	11,437	15,993	8,979
LESS * NON OPERATIONAL EXPENDITURE	1,080	878	878	726
* CAPITAL EXPENDITURE	5,832	10,559	14,821	8,273
CASH BUDGET (DEFICIT) / SURPLUS	0	0	129	0



City of Mount Gambier

APPENDIX 2

BUDGETED FINANCIAL STATEMENTS

**CITY OF MOUNT GAMBIER
BUDGET 2014/15**

Statement of Comprehensive Income

BUDGET 2013/14 \$ '000		DRAFT 2014/15 \$ '000
	INCOME	
16,272	Rates	17,066
361	Statutory Charges	418
2,623	User Charges	2,596
3,253	Grants Subsidies and Contributions	3,374
10	Investment Income	5
229	Reimbursements	123
0	Other	0
0	Share of profit - joint ventures and associates	0
<hr/>		
22,748	TOTAL REVENUES	23,582
	EXPENSES	
8,491	Wages and Salaries	8,761
7,683	Materials, contracts & other expenses	7,926
369	Finance Costs	644
6,232	Depreciation, amortisation & impairment	6,231
0	Share of loss - joint ventures & associates	0
<hr/>		
22,775	Total Expenses	23,562
<hr/>		
-27	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	20
0	Net gain (loss) on disposal or revaluation of assets	0
27	Amounts specifically for new or upgraded assets	0
0	Physical resources received free of charge	0
0	NET SURPLUS/(DEFICIT)	20
<hr/>		

**CITY OF MOUNT GAMBIER
BUDGET 2014/15**

Cash Flow Statement

BUDGET 2013/14 \$ '000		DRAFT 2014/15 \$ '000
		Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
22,738	Operating Receipts	23,577
10	Investment Receipts	5
	PAYMENTS	
-16,149	Operating payments to suppliers & employees	-16,687
-369	Finance Payments	-644
<hr/>		<hr/>
6,230	Net Cash provided by (or used in) Operating Activities	6,251
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
27	Grants specifically for new or upgraded assets	0
224	Sale of Assets	184
100	Repayments of loans by community groups	108
	PAYMENTS	
-10	Loans made to community groups	-10
-3,850	Expenditure on renewal / replacement of assets	-1,678
-6,709	Expenditure on new / upgraded assets	-6,595
<hr/>		<hr/>
-10,218	Net Cash provided by (or used in) Investing Activities	-7,991
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
4,588	Proceeds from Borrowings	1,800
	PAYMENTS	
-600	Repayment of Borrowings	647
<hr/>		<hr/>
3,988	NET CASH USED IN FINANCING ACTIVITIES	2,447
	NET INCREASE (DECREASE) IN CASH HELD	707
0	CASH AT BEGINNING OF YEAR	650
650	CASH AT END OF YEAR	1,357
<hr/>		<hr/>
650		

**CITY OF MOUNT GAMBIER
BUDGET 2014/15**

Balance Sheet

BUDGET 2013/14 \$ '000		DRAFT 2014/15 \$ '000
	ASSETS	
	CURRENT ASSETS	
650	Cash and cash equivalents	1,357
1,149	Trade & other receivables	1,149
40	Inventories	40
0	Other Financial Assets	0
1,839		2,546
0	Non-Current Assets held for Sale	0
1,839	TOTAL CURRENT ASSETS	2,546
	NON-CURRENT ASSETS	
158	Financial Assets	60
0	Equity accounted investments in Council businesses	0
0	Investment Property	0
198,114	Infrastructure, Property, Plant & Equipment	199,972
0	Other Non-current Assets	0
198,272	TOTAL NON-CURRENT ASSETS	200,032
200,111	TOTAL ASSETS	202,578
	LIABILITIES	
	CURRENT LIABILITIES	
1,116	Trade & Other Payables	1,116
356	Borrowings	356
1,723	Short-term Provisions	1,723
0	Other Current Liabilities	0
3,195		3,195
0	Liabilities relating to Non-current Assets held for Sale	0
3,195	TOTAL CURRENT LIABILITIES	3,195
	NON-CURRENT LIABILITIES	
0	Trade & Other Payables	0
7,606	Long-term Borrowings	10,053
257	Long-term Provisions	257
0	Other Non-current Liabilities	0
7,863	TOTAL NON-CURRENT LIABILITIES	10,310
11,058	TOTAL LIABILITIES	13,505
189,053	NET ASSETS	189,073
	EQUITY	
47,897	Accumulated Surplus	47,992
131,574	Asset Revaluation	131,574
9,582	Other Reserves	9,507
189,053	TOTAL EQUITY	189,073

**CITY OF MOUNT GAMBIER
BUDGET 2014/15**

Statement of Changes in Equity

BUDGET 2013/14 \$ '000		DRAFT 2014/15 \$ '000
	ACCUMULATED SURPLUS	
48,060	Balance at end of previous reporting period	47,897
0	Net Result for Year	20
105	Transfer From Reserves	75
<u>-268</u>	Transfer To Reserves	<u>0</u>
47,897	BALANCE AT END OF PERIOD	47,992
	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	619
0	Transfer to reserve from accumulated surplus	0
105	Transfer from reserve to accumulated surplus	<u>-75</u>
<u>619</u>	BALANCE AT END OF PERIOD	544
	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	<u>0</u>
<u>267</u>	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	<u>0</u>
<u>1,561</u>	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	<u>0</u>
<u>6</u>	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	<u>0</u>
<u>1,296</u>	BALANCE AT END OF PERIOD	1,296

**CITY OF MOUNT GAMBIER
BUDGET 2014/15**

Statement of Changes in Equity

BUDGET 2013/14 \$ '000		DRAFT 2014/15 \$ '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
<u>232</u>	BALANCE AT END OF PERIOD	<u>232</u>
	DOWNSTREAM DRAINAGE	
116	Balance at end of previous reporting period	116
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
<u>116</u>	BALANCE AT END OF PERIOD	<u>116</u>
	WORK IN PROGRESS	
3,537	Balance at end of previous reporting period	3,537
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
<u>3,537</u>	BALANCE AT END OF PERIOD	<u>3,537</u>
	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
<u>688</u>	BALANCE AT END OF PERIOD	<u>688</u>
	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
<u>482</u>	BALANCE AT END OF PERIOD	<u>482</u>
	RESERVE FUNDS TOTAL	
0	Balance at end of previous reporting period	268
268	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
<u>268</u>	BALANCE AT END OF PERIOD	<u>268</u>
	MOUNT GAMBIER CEMETERY TRUST	
466	Balance at end of previous reporting period	466
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
<u>466</u>	BALANCE AT END OF PERIOD	<u>466</u>
	JUNIOR SPORTING FUND	
44	Balance at end of previous reporting period	44
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	0
<u>44</u>	BALANCE AT END OF PERIOD	<u>44</u>
<u><u>188,785</u></u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u><u>189,073</u></u>

**CITY OF MOUNT GAMBIER
BUDGET 2014/15**

Uniform Presentation of Finances

BUDGET 2013/14 \$ '000		DRAFT 2014/15 \$ '000
22,748	Operating Revenues	23,582
<i>-22,775</i>	<i>less Operating Expenses</i>	<i>-23,562</i>
<u>-27</u>	Operating Surplus / (Deficit) before Capital Amounts	<u>20</u>
	<i>Less Net Outlays in Existing Assets</i>	
	Capital Expenditure on renewal and replacement of Existing Assets	1,678
3,850		
<i>-6,232</i>	<i>less Depreciation, Amortisation and Impairment</i>	<i>-6,231</i>
<i>-224</i>	<i>less Proceeds from Sale of Replaced Assets</i>	<i>-184</i>
<u>-2,606</u>		<u>-4,737</u>
	<i>Less Net Outlays on New and Upgraded Assets</i>	
	Capital Expenditure on New and Upgraded Assets	6,595
6,709		
<i>-27</i>	<i>less Amounts received specifically for New and Upgraded Assets</i>	0
<u>0</u>	<i>less Proceeds from Sale of Surplus Assets</i>	
6,682		<u>6,595</u>
<i>-4,103</i>	Net Lending / (Borrowing) for Financial Year	<i>-1,838</i>

**CITY OF MOUNT GAMBIER
BUDGET 2014/15**

BUDGET	FINANCIAL INDICATORS	DRAFT
2013/14		2014/15

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.

-27	Operating Surplus (\$'000)	20
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Being the operating surplus (deficit) before capital amounts .

0%	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.

9,101	Net Financial Liabilities (\$'000)	10,939
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Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).

41%	Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	48%
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2%	Interest Cover Ratio <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income	3%
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Asset Sustainability Ratio

58%	<u>Net Asset Renewals</u> Depreciation Expense	24%
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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.

67%	Asset Consumption Ratio <u>Carrying value of depreciable assets</u> Gross value of depreciable assets	91%
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Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.