



# City of Mount Gambier

## 2014/15 Draft Business Plan and Budget Summary

### 2014/15 DRAFT BUSINESS PLAN

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 deliver the best possible mix of services, infrastructure and facilities.

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, that meets 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 2014/2015 Draft 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



Following the community engagement process, concluding on 9<sup>th</sup> 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 <http://haveyoursaymountgambier.com.au/20142015-draft-business-plan-and-budget>
- 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](mailto:city@mountgambier.sa.gov.au)
- write to us at P O Box 56, Mount Gambier



## 2014/15 DRAFT BUDGET

The 2014/2015 Draft 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 including:

- 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)

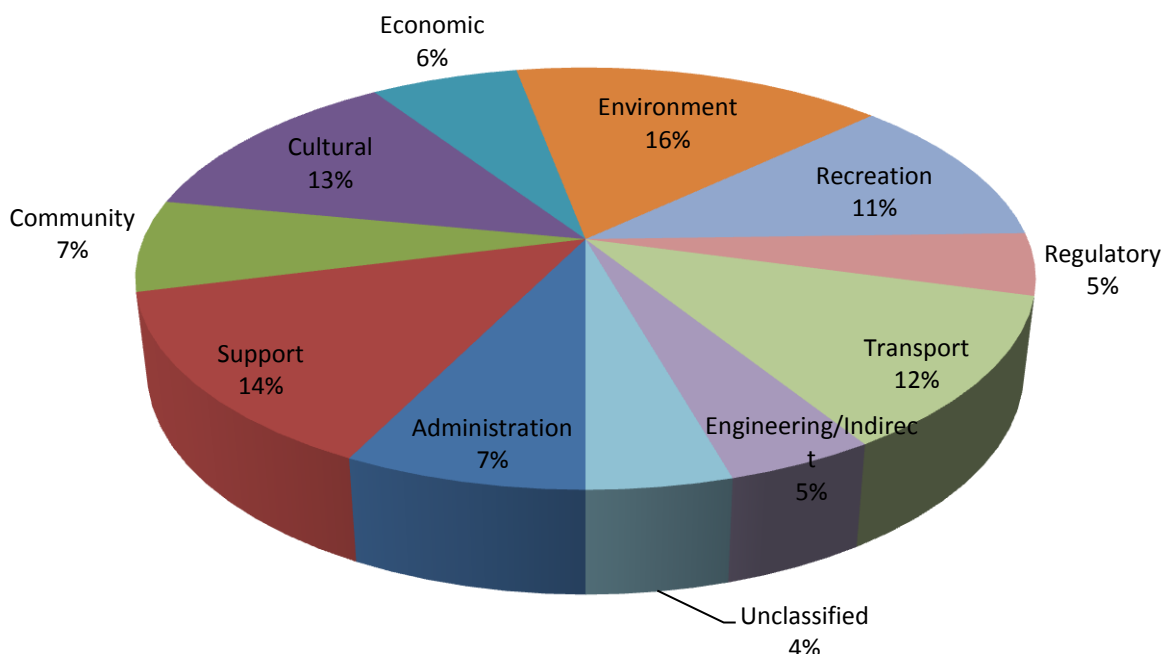
In comparison Operating revenue is anticipated to increase by \$807,000 or principally attributable to increases in rate revenue and Grants Commission revenue.

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.

## Operating Expenditure by Function 2014/2015



## FUNDING THE BUSINESS PLAN AND BUDGET

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 predicts a 5% increase in rate revenue the 2014/2015 Draft Budget proposes a lesser 4.8% rate revenue increase, including a growth factor (new assessments) estimated to be in the order of 0.5% which will result in an average rate increase of a little over 4% for 2014/2015.

Council's rating strategy uses a combination of a fixed charge on every rateable property and a differential or variable rating system, based on land use, when calculating general rates.

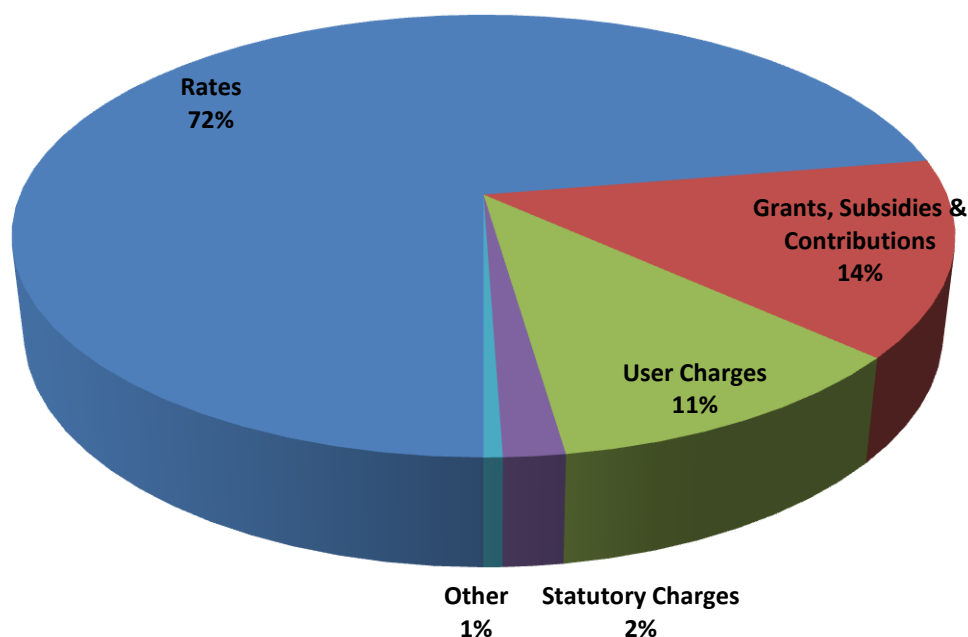
The fixed charge component applies to every rateable property and will continue to raise just under one half (45%) of Council's gross general rate revenue.

The differential or variable rating component that raises the remainder (55%) of Council's required gross general rate revenue is determined by multiplying the individual property value (capital value provided by State Valuation Office) by the differential rate in the dollar adopted for each separate land use category i.e. Residential, commercial, industrial, primary production, other and vacant land.

Comparative rates data (2013/14) provides the following information on the average residential rates for South Australian Councils:

- Average for all SA Councils \$1,178
- Average for all SA Regional Councils \$1,093
- **Average for City of Mount Gambier \$ 984**

## Total Operating Income 2014/2015





**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	
Railway Lands Development		2,000	
Old Hospital Site		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 (inc. depreciation)	515	289	
Road infrastructure (inc. depreciation)	2,090	2,690	