



DRAFT 2016/2017 BUSINESS PLAN AND BUDGET

FREQUENTLY ASKED QUESTIONS

Q. How is the Business Plan & Budget (BP&B) developed?

A. The BP&B is an important part of Council's overall planning and is developed with reference to Council's Strategic Plan, Long Term Financial Plan and Asset Management Plans.

It links our strategic goals with our long term financial planning with our annual Budget process to ensure our priorities reflect the needs of our community.

It defines our objectives for the year and is a statement of the City's intended programs and activities for the financial year.

Q. What does the Business Plan & Budget (BP&B) contain?

A. In defining Council's objectives for the year the BP&B contains a summary of estimated revenue and expenditure required to deliver intended programs and activities, all have been developed with the context of Council's commitment to financial sustainability and longer term financial planning. Importantly it also describes Council's rating strategy and the impact on rates for our ratepayers.

Despite expenditure impacts on Council's operating budget, Council continues to maintain a near balanced operating result in line with industry financial sustainability performance targets.

Particular impacts on the draft 2016/2017 operating budget include:

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

Q. What is the impact on rates for ratepayers in the Draft Business Plan & Budget (BP&B)?

A. Council's Draft Budget provides for a 4.5% rate revenue increase (same as last year) which includes a growth factor (new assessments) estimated to be in the order of 0.5% which is anticipated to result in an average rate increase in the order of 4% for 2016/2017.

Q. How do Mount Gambier rates compare on a state wide basis?

A. The most recent Local Government Association Rates Summary provide the following average residential rates comparative data:

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

Q. What are some of the more significant expenditure components contained in the Business Plan & Budget (BP&B)

A.		\$
•	CBD Renewal continuation	500,000
•	Skate park Development	700,000
•	Plant & Machinery Replacement	1,567,000
•	Road Infrastructure Program	2,590,000
•	Footpath Program	301,000
•	Parks, Gardens, Reserves Maintenance	1,430,000
•	Waste Management Services	2,621,000
•	Library Operating	1,383,000
•	Economic Development	476,000
•	Tourism Development	664,000
•	Art Gallery Operating	291,000
•	Main Corner Operating	521,000
•	Street Lighting	490,000
•	Public Conveniences	260,000
•	Regulatory (Planning / Building / Health) Services	1,198,000

Q. When does consultation close on the Draft Business Plan & Budget (BP&B)?

A. Friday, 29th April, 2016 after which time meetings of Council will be scheduled to consider public submissions and eventually finalise the 2016/2017 Business Plan and Budget.