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| Date: 9 December 2019 | Embargo: None |
| Pages: 1 | Publication: All local media |

Council achieves \$77,000 surplus for 2018/19 financial year

The Town of Gawler achieved an underlying operating surplus of \$77,000 for the 2018/19 financial year, equating to an operating ratio of 0.3% when compared to the Council's total operating revenue of \$29m.

"This is the sixth consecutive year that Council has achieved a surplus result, which is another fantastic achievement, and testament to the ongoing fiscal discipline being applied by Council", said Mayor Karen Redman.

In the 2018/19 financial year, the Council also delivered a \$14.8m capital works program, ensuring that an appropriate investment was being maintained not only in the replacement/renewal of existing assets, but also in the construction of new/upgraded assets in recognition of being a major growth Council.

"Last financial year culminated in the completion of the Gawler Civic Centre, a \$15.8m project, which has transformed the State heritage-listed Institute and Town Hall", noted Mayor Redman. "The final outcome for the project has been magnificent and celebrated by our local community. To then achieve a Public Architectural award and more recently, Planning Institute of Australia Awards, is simply due reward for the diligent and dedicated work undertaken by all involved in the project".

The Council continues to focus on securing, where appropriate, external Federal and State Government grant funding to assist in the delivery of its capital works programs. "In the last three years, Council has proactively secured Government grant funding of approximately \$11m across a wide number of projects, which has consequently reduced the up-front capital investment required to be funded by ratepayers", Mayor Redman said.

Being a growth Council means investment in infrastructure and various projects will occur from time to time. Council's debt is currently \$20m as at 30 June 2019, however "this debt has been appropriately planned and provided for within Council's long term financial estimates. With a robust borrowing strategy, underpinned by adherence to effective treasury management principles, Council is able to fund such borrowings and so invest in important community projects, whilst at the same time maintaining modest annual General Rate increases".

Council's debt is appropriately maintained between a mix of fixed-interest rate long term debt and variable-interest rate short term debt. "Given Council's treasury management strategy, Council has been able to take full advantage of a number of interest rate cuts in recent years, such that over 70% of Council's debt is currently subject to variable-interest rate debt which is incurring an historically low interest rate of only 2.7%", Mayor Redman said.

Debt management and reduction will be a priority for Council over the next few years as part of good treasury management and will ensure Council continues to invest in new projects that will support our growth as a town.

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