

2020/21

Adopted budget and annual business plan

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Executive Summary

Introduction

This Budget and Annual Business Plan for 2020/21 is in a form adopted by Council on 10 December 2019. Key aspects of the combined budget and annual business plan include:

- An 'executive summary' to explain key aspects of the document and a 'glossary of terms';
- Strategic fundamentals that underpin the budget, including information from Council's community plan;
- Forward estimates and the ten year financial plan of the Council;
- A capital budget, including commentary and detailed information on the full capital works program;
- Operational budget information, including divisional level commentary, financial details and information on objectives, key activities, performance measures and budget highlights;
- Information on rates and rate modelling;
- Summary financial statements, including those specified in Regulation 5 of the Local Government (Financial Management) Regulations 2011.

The document is based on the divisional structure of the Council and meets all requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Strategic Fundamentals

The *Towards 2025 Community Plan* was adopted in September 2014, and subsequently updated in May 2017, it provides the strategic focus for the budget, annual business plan and long term financial plan of the Council. It has six broad themes, as follows:

- Community life;
- Natural environment;
- Built environment;
- City prosperity;
- Financial sustainability;
- Organisational strength.

Key influences on this budget and annual business plan of the Council are the themes of financial sustainability and the built environment, in particular:

- Sustainability;
- Asset management;
- Stormwater flood mitigation.

These strategic fundamentals provide the basis for forward estimates and Council's long term financial management plan which show:

- An ongoing operating surplus and a positive operating surplus ratio;
- A projected sustainability ratio which is favourable;
- A manageable level of debt;
- Favourable cash and cash reserve projections.

Responding to Covid-19

(a) Background

The coronavirus (Covid-19) pandemic presents many challenges for Council. Like other businesses, Council is a complex medium-sized enterprise experiencing many of the same challenges as other small to medium businesses, however we are often the first point of contact for our community as we play a key role in supporting local businesses and many others during such challenging times.

Our community and many local businesses are all facing unprecedented challenges and stress during this time and are increasingly looking to Council for help. Council does not generally have capacity or set aside funding in its budgets for crisis management, bringing additional financial pressures as we continue to deliver essential services and support to our community, whilst at the same time limiting budget increases and maintaining our financial sustainability.

Council will also now need to consider its capital expenditure program and the timing of its delivery, with significant business decisions needed to implement required process, policy and business model changes, to ensure we can continue to provide the necessary services. At the same time we will need to ensure that we do not close down important strategic priorities that will position the Council well for the recovery and the future beyond the pandemic.

There are also other considerations that need to be made especially around managing the workforce through this current situation. Differing demands on the business need to be properly resourced to ensure that capacity load is identified across the entire business and staff are deployed to support areas that are facing increased pressure.

Council has already implemented a number of measures that have provided help with local community economic support including:

- Permit relief, ranging from refunds to suspending fees for new permits and easing processes to enable fast tracking of permits and applications;
- Rent rebates for tenants, sporting clubs and community groups occupying Council buildings;
- Interest free rate deferrals and payment relief for all ratepayers; and
- Establishment of business networks for support and information.

These were however unbudgeted items and, coupled with the impact of reduced revenue, will have a considerable impact on the financial position of the council and its ability to deliver services and invest in the areas necessary to ensure sustainability into the future.

This proposed budget endeavours to minimise the financial impact on ratepayers while providing the expected level of amenities and services as we recover from the coronavirus pandemic.

(b) Operational Expenditure

Council's operational expenditure has been reduced significantly in the wake of Covid-19, with an amount of \$2.14 million taken out of the initial draft budget that was going to be presented to Council prior to the pandemic and the lockdown measures that followed. All expense lines have been reviewed aggressively, with most reduced. These reductions are unprecedented, but so are the difficulties we face as a Council and a community.

Key Covid-19 related changes included the following:

- A reduction in staffing related costs of \$1.3 million, which included the removal of a pay increase for all Council staff in 2020/21, the suspension of staff uniform entitlements for one year, a 50 per cent reduction of staff travel, conference and training budgets, and removal of budgeted overtime. New positions have also been removed;
- The suspension of the festival / events program for 2020/21, with an amount of \$163,000 added to the supplementary list of unfunded initiatives;
- The removal of \$585,500 in professional / consultant fees across most business areas of the Council;
- A reduction of \$55,533 in the catering / entertainment budget.

Some budget lines have needed to be increased, including financing costs because of budget and rate payment delays impacting Council's cash flow position.

These measures are expected to challenge and may unsettle Council operations, but are considered necessary in response to the impact of Covid-19. They change the look of the operational expenditure budget significantly, which is to be expected, with a modest expenditure increase now being budgeted before depreciation of \$392,115, up 0.8 per cent, relative to the original 2019/20 budget. We saw an increase of \$3.25 million or 7.2 per cent last budget.

(c) Capital Expenditure

Council also reduced its first draft of the capital budget in initially responding to Covid-19, but to a much lesser extent than occurred with the operational budget. A reduction of \$625,100 was made, largely to the plant and equipment budget.

Maintaining capital expenditure programs as best we can is considered a priority given the need for stimulus measures in 2020/21 to help kick-start the local economy post Covid-19.

(d) Income

Covid-19 has impacted Council's income budget and may impact further in time. Adjustments attributable to Covid-19 include:

- A reduction of \$250,000 following a decision by Council on 31 March 2020 to offer a relief package to property leaseholders and ratepayers impacted by Covid-19;
- A reduction of \$200,000 to the parking income budget, a sizeable component of which is airport related;
- A reduction in income of \$70,000 from the closure of the Thebarton Community Centre.

Action was also taken in response to Covid-19 to reduce the proposed rate increase from an intended 2.5 per cent to 1.0 per cent, which further reduced income by \$810,000. Rate equivalent payments from Adelaide Airport Limited have likewise been reduced by \$320,000, but this may require further adjustment given recent developments.

Council remains heavily rate dependant following these changes, with 87.7 per cent of its income derived from rates and rate equivalent payments, as shown in the chart on page 8.

(e) Covid-19 Reserve Fund

This budget response to Covid-19 has resulted in a reserve fund of \$651,514 being created for rate relief and / or stimulus measures to be taken. This is being added to the amount of \$1.07 million already established via the March budget review process.

A Balanced Budget

Council's operating statement in the proposed 2020/21 budget projects a surplus from operations of \$7,507,094 as follows, based on a 1.0 per cent rate increase:

	\$
Income	69,778,728
Expenditure	62,271,634

Operating Surplus	7,507,094

Note that the surplus above is an indicator of operating performance, including the funding of asset depreciation, not an indicator of the cash surplus of the Council. Capital expenditure referred to on the next page is not included in the expenditure above.

The proposed rate increase is 1.4 per cent lower than that projected in last years' budget. A modest increase in 2020/21 is considered necessary in the face of loan repayment and waste management cost pressures and the impact it has on the forward estimates and strategic fundamentals of the Council.

A rate increases of 2.4 per cent is projected for 2021/22, with 2.3 per cent thereafter, to address Council's strategic priorities, in particular sustainability, asset management and stormwater flood mitigation.

An increasing but manageable level of indebtedness is projected in the forward estimates of the Council.

After adjusting for reserve movements, including the Covid-19 reserve fund, a nominal cash surplus of \$20,531 is also projected.

Operational Expenditure

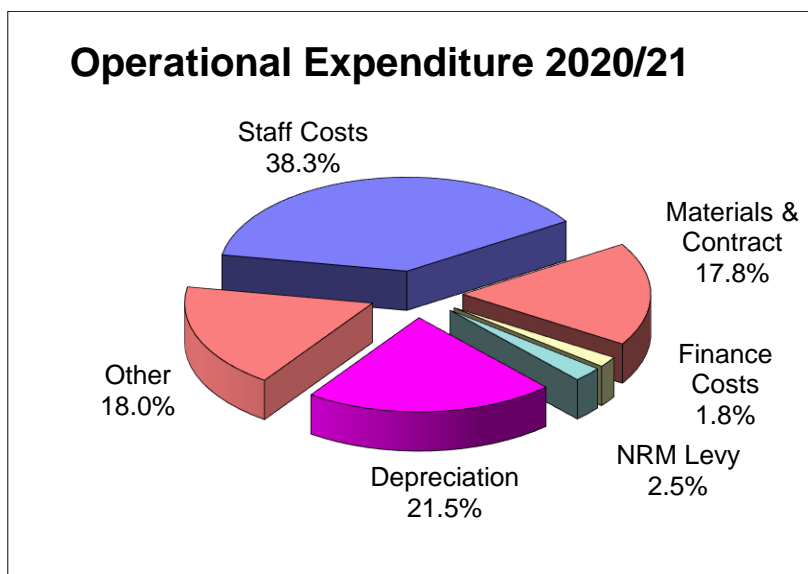
Operational costs across all areas of the Council before depreciation are increasing by \$392,115 or 0.8 per cent, the key movements being:

- Employment costs have decreased by \$542,145 or 2.2 per cent over the original budget estimates for 2019/20 (an increase of \$1,243,103 or 5.4 per cent occurred last budget);
- Finance related costs are budgeted to increase by \$460,563 or 69.0 per cent, being impacted by interest on new loans of \$301,000 and the provision of \$165,000 for the use of CAD borrowing to cover cash flow impacts from budget and rate payment delays;

- Councils' waste contract budget is increasing by \$883,000 or 15.8 per cent over that budgeted in 2019/20, the key increases being:
 - Recycling / China sword increases of \$370,000;
 - Waste levy increases, including flow-on increases from 2019, totalling \$257,000;
 - New contract increases of \$190,000.
- Contractor and materials budgets are otherwise increasing by \$224,437 or 5.1 per cent, with provision made for depot waste disposal charge increases (\$48,000) and PDI related resourcing needs (\$145,000);
- General operating costs have been reduced by \$795,872 or 17.2 per cent, which includes reductions in professional / consultant fees (\$591,880) and catering and entertainment (\$54,997);
- Council related expenditure reductions total \$95,320, down 4.1 per cent, and include a reduction in street lighting (\$49,782) and levies and charges (\$40,000);
- The Regional Landscape (RL) levy collected by Council on behalf of the SA Government is increasing by \$24,060 or 1.6 per cent.

Depreciation is set to increase by \$1,701,585 or 14.5 per cent based on current asset values and the impact of ongoing capital expenditure programs.

The following operational expenditure is budgeted in 2020/21, with more detailed information provided in the body of the budget document:

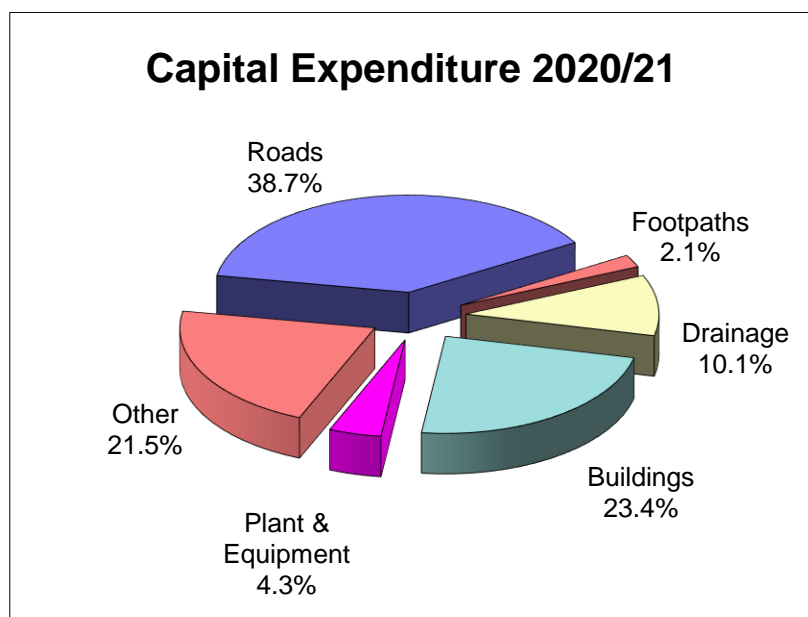


Capital Expenditure

Key aspects of the capital budget include:

- \$27.282 million is budgeted in 2020/21, an increase of \$2.341 million compared to 2019/20 budget. This includes an increase in grant and loan funded capital budget of \$3.412 million or 64.9 per cent to \$8.664 million, offset by a decrease in rate funded capital and capital works of \$1.071 million or 5.4 per cent, to \$18.617 million;
- \$13.846 million is budgeted for the transport program (\$12.736 million in 2019/20), largely for roadworks, but included are amounts of \$1.445 million for street lighting (\$695,000 in 2019/20) and \$563,776 for the replacement, remediation and construction of footpaths and pathways (\$655,305 in 2019/20);
- An amount of \$6.382 million is budgeted for land and buildings (\$4.98 million in 2019/20) including \$2.1 million in loan funding for redevelopment of community facilities and \$1.25 million for the Kings Reserve / Thebarton Oval redevelopment, largely loan funded;
- An amount of \$2.746 million is being committed to drainage and related construction, including \$1.346 million for the Brown Hill Keswick Creek project and \$650,000 for a stormwater upgrade in Packard Street North Plympton;
- \$3.125 million is budgeted for the recreation program (\$1.570 million in 2019/20), including \$485,000 for the ongoing playground upgrade program, \$775,000 for reserve irrigation, \$530,000 for reserve development and \$285,000 for the Linear Park;
- Rate funded expenditure on plant, equipment and furniture totals \$1.182 million (\$1.534 million in 2019/20).

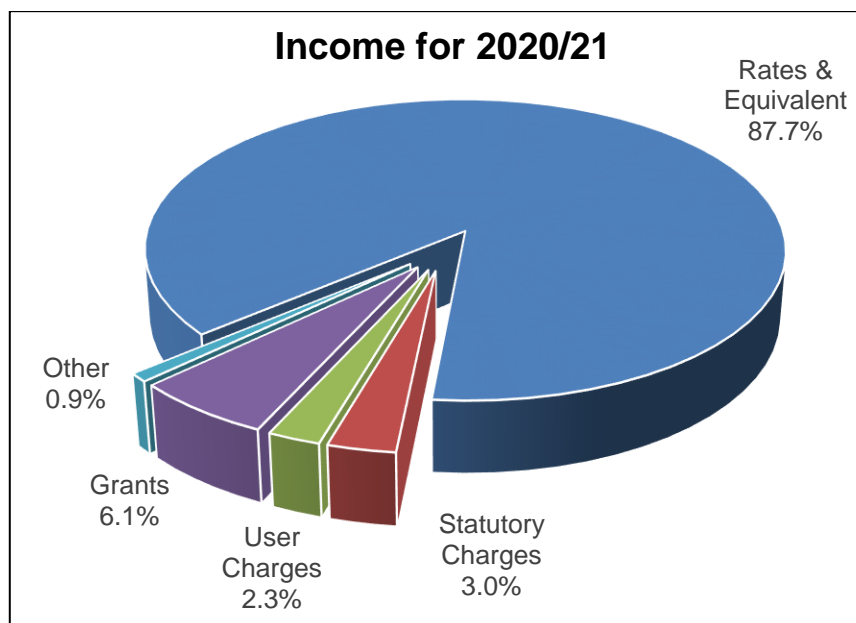
The following capital expenditure is budgeted in 2020/21, with more detailed information provided in the body of the budget document:



Rating in 2020/21

An overall average rate increase of 1.0 per cent excluding growth is proposed for 2020/21, 1.4 per cent lower than that foreshadowed in the forward estimates of last years' budget, given the impact of Covid-19. It is not proposed that more of the rate burden be moved from one land use to another this year, something that last occurred in the 2012/13 financial year.

The city's income has largely been generated from rates and rate equivalent payments over the years, comprising 87.7 per cent of total revenue in 2020/21, as shown in the chart below. West Torrens aims for rate revenue to be collected on an equitable basis, and for this reason has adopted differential rates for a number of years, to take into account the level of services provided to different types of properties, to reflect the cost of providing services to those categories of properties, as well as the need to encourage specific types of activities within the city. The differential rates have proven to be effective in achieving the desired results for West Torrens, and it is proposed that the practice be continued into 2020/21. The Local Government Act 1999 allows local governments to adopt differential rates.



Valuation volatility is relatively low again this year, reflecting in part that our general valuation is set by the Valuer-General as at 1 January of each year. Rate rebate and remission policies are in place to assist ratepayers affected by hardship or disproportionate rate increases, and rate postponement for seniors is now mandatory in certain circumstances under Local Government Act provisions.

Strategic Fundamentals

Introduction

The *Towards 2025 Community Plan* was adopted in September 2014, and subsequently updated in May 2017, it provides the strategic focus for the budget, annual business plan and long term financial plan of the Council.

The community plan is structured into six broad themes, four community focused and two corporate focused, as follows:

- Community life;
- Natural environment;
- Built environment;
- City prosperity;
- Financial sustainability;
- Organisational strength.

Community Life

Long term strategies for community life are as follows:

- Aspiration: A community that embraces diversity
 - Recognise and celebrate our diverse community and facilitate opportunities for community connection.
 - Instil a sense of identity and pride within the West Torrens community.
- Aspiration: Active, healthy and learning communities
 - Encourage all members of the community to pursue active and creative lifestyles.
 - Facilitate life-long learning.
 - Encourage community awareness of services and resources so they can make informed life choices.
 - Foster health, wellbeing and safety within the community.
- Aspiration: An engaged community
 - Encourage the community to participate in opportunities to influence Council's decision making.

Natural Environment

Long term strategies for the natural environment are as follows:

- Aspiration: Reduction of our ecological footprint
 - Facilitate the minimisation of waste production and maximise resource recovery.
 - Progress towards a water-sensitive city.
 - Prepare for and respond to the challenges of a changing climate.

- Aspiration: Enhanced natural environment
 - Protect and enrich local biodiversity, waterways and the coast.

Built Environment

Long term strategies for the built environment are as follows:

- Aspiration: A well-designed built environment
 - Facilitate development that meets the needs of the community.
 - Facilitate retail, commercial and industrial activity that is compatible with neighbouring land uses.
 - Foster well-being and safety within the built form.
 - Minimise the risk of flooding to existing communities and future developments.
- Aspiration: An appealing and valued open space network
 - Develop a network of open spaces across the city, based on a balance of environmental, social and economic factors.
- Aspiration: Accessible and reliable transport infrastructure
 - Facilitate the healthy, safe and effective movement of people through the city.

City Prosperity

Long term strategies for city prosperity are as follows:

- Aspiration: A thriving business environment
 - Encourage economic growth and productivity.
- Aspiration: A vibrant city
 - Foster a vibrant and inviting city.

Financial Sustainability

Long term strategies for financial sustainability are as follows:

- Aspiration: Sustainable financial management
 - Employ sustainable financial management principles.
- Aspiration: Proactive asset management
 - Ensure assets are utilised and maintained at their optimum.

Organisational Strength

Long term strategies for organisational strength are as follows:

- Aspiration: Strong partnerships and working relationships
 - Foster strong partnerships and working relationships with other organisations.
- Aspiration: Leading governance and technology
 - Adopt leading governance and information technology systems and practices.

Key Influences

Key influences on the budget and annual business plan of the Council are the themes of financial sustainability and the built environment, in particular:

- Sustainability;
- Asset Management;
- Stormwater Flood Mitigation.

Sustainability refers to Council's ability to manage its finances so it can meet spending commitments, both now and in the future, and ensure future generations of taxpayers do not face an unmanageable bill for services provided to the current generation.

Asset management refers to a systematic, structured approach to the maintenance, upgrade and operation of assets, on a whole of life basis, combining engineering principles with sound business practice and economic rationale, and providing the tools to facilitate a more organised and flexible approach to making decisions necessary to meet community expectations.

Stormwater flood mitigation refers to measures aimed at minimising the impact of floods in the West Torrens' community, including mitigation works associated with Brown Hill and Keswick Creeks.

Rationale for the Focus on Asset Management and Sustainability

Concerns continue to be raised in local government circles about the capacity of councils to be financially sustainable. It has been reported that:

- The financial sustainability of councils is vital to the interests of ratepayers, the community and the state, and is an important pillar of efficient and effective local government;
- Not all councils have the types of policies and practices in place that lock-in their financial sustainability;
- Not all councils in South Australia are financially sustainable, as evidenced by their high operating deficits and substantial infrastructure renewal and replacement backlogs;

- Unless the spending of unsustainable councils is cut or other governments come to the rescue, substantial rates increases are inevitable. The current or prospective financial performance and position of councils has been assessed as being not strong enough to absorb likely future developments and unanticipated financial shocks;
- More strategic expenditure decisions by local government – and more rigorous funding policies – must be pursued by local government.

Being a financially viable and sustainable Council received the strongest of all responses in a budget related Community Panel survey in December 2012 involving 181 respondents.

Rationale for the Focus on Flood Mitigation

The 2016 Stormwater Management Plan (SMP) for the Brown Hill Keswick Creek (BHKC) catchment was approved by the Stormwater Management Authority (SMA) and subsequently gazetted on 7 March 2017. Based on the current modelling associated with this plan, it is estimated that damage across the whole catchment from a 100 year average recurrence interval flood will cost \$122 million and affect 2,077 properties in the absence of flood mitigation action being taken.

Cost estimates associated with the flood mitigation required were reduced following a revision of the hydrology in 2013 from an estimate of \$160 million to \$140 million, with the City of West Torrens' share now being in the vicinity of \$22.9 million, based on both federal and state funding being provided. A commitment by the commonwealth has yet to be secured for the project.

There are a number of other flooding risks that exist within the city that are not associated with the BHKC catchment. These are the subject of ongoing assessment, with the implementation of flood mitigation systems intended.

Implications for the City of West Torrens

The key influences of sustainability, asset management and stormwater flood mitigation need to be viewed in terms of the following:

- Council has management responsibility for community assets valued at \$1.078 billion;
- Accumulated depreciation on Council assets totals \$303 million, being 37.5 per cent of all depreciable assets, and it is not funded by specific cash reserves;
- West Torrens has asset renewal and maintenance backlogs, most recently demonstrated to Council in reports on the condition of Council owned buildings;
- West Torrens Council has significant ongoing capital expenditure needs, particularly in relation to drainage infrastructure;
- The most recent cost estimates associated with the BHKC system mitigation works are in the region of \$140 million;
- A capital renewal expenditure spike could occur sometime into the future, possibly around the year 2050.

Legislative Changes

Legislative changes followed reports on financial sustainability in local government, and they incorporated the need for councils to:

- Address issues of sustainability, and prepare long-term asset and financial management plans;
- Prepare annual business plans that report on budget parameters, rating structures and policies, strategic plans, and Council's long-term asset and financial management plans;
- Report on financial indicators, including indicators of financial sustainability;
- Establish Audit Committees, and more rigorous and transparent processes of internal review;
- Consult with the community on budget and rating proposals prior to budgets being adopted and rates being declared.

We also have the Local Government (Stormwater Management) Amendment Act 2007 in place which has established a Stormwater Management Authority with responsibilities that include planning and undertaking stormwater management works on behalf of councils.

Further changes to legislation are expected in the near future.

Emerging Financial Issues

Council has responded strongly to the asset management and sustainability agenda, with work undertaken to revisit and update asset data, including condition assessment information, particularly in relation to infrastructure assets. This work is substantially completed for Council's road and footpath network, and building assets, with work in progress on drainage and land improvements.

Emerging issues for Council to consider from this and other work undertaken include:

- Drainage mitigation, including the need to commit at least at least \$20 million to BHKC drainage works, most of which is in the next 15 years;
- Projections in the asset management plans of the Council that \$121.1 million needs to be committed over the next ten years to road, kerbing and footpath maintenance and remediation works;
- Projections that up to \$28.5 million needs to be committed by Council to building maintenance and remediation works over the next ten years, based on current property holdings;
- Local drainage works, still being assessed by Council's asset management staff, may require expenditure totalling \$80 million over the next 30 years;
- The need to commit increasingly to initiatives associated with water management, renewable energy, energy efficiency and reducing carbon emissions.

The long term impact of the Covid-19 pandemic on the finances of the Council will also need to be taken into consideration.

Forward Estimates

Introduction

The strategic fundamentals described in this document provide the basis for the forward estimates and Council's long term financial plan. They are prepared pursuant to the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Key assumptions made in compiling these forward estimates and Council's long term financial plan are discussed in this section, along with summary projections and key financial indicators.

Detailed information, including long term financial statements, is provided in the 'Ten Year Financial Plan' section of this document.

Forward Capital Expenditure Estimates

Key assumptions made in relation to capital budget estimates include the following:

- \$15.1 million is committed to drainage works for the Brown Hill Keswick Creek (BHKC) project over a ten year period from the 2020/21 financial year, in addition to funds already committed, all of which is to be funded from the loan program;
- Council commits to rate funded capital works totalling \$121.1 million over a ten year period commencing in 2020/21 to fund road and footpath works identified in the infrastructure and asset management plans of the Council;
- Council commits to rate funded capital works for road construction and other capital works, totalling \$6.7 million in the 2020/21 budget, and that a level of funding is to be continued into the future;
- Council has rate funded local drainage commitments of \$750,000 from the 2020/21 financial year, with indexed increases annually thereafter;
- Loan funded capital drainage works, excluding BHKC, will be \$650,000 in the 2020/21 budget, then \$2.7 million indexed annually thereafter;
- Loan funding of \$1.0 million for Breakout Creek is budgeted in both the 2021/22 and 2022/23 financial years;
- Roads to recovery funding will end with a grant of \$617,418 in 2023/24;
- Capital expenditure on Council owned buildings, excluding hub and special developments, will be \$1.8 million in the 2020/21 budget, with indexed increases per annum thereafter;
- The capital budget for the replacement of plant, furniture and equipment will be \$1.2 million in 2020/21, and it has been indexed to cover estimated depreciation levels into the future.

Expenditure projections for 2020/21 and each of the next three years based on these assumptions are as follows:

	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$
Rate Funded Infrastructure	14,601,801	14,320,613	14,597,421	15,315,652
Rate Funded Local Drainage	750,000	767,250	784,897	802,949
Loan - Drainage / Bridges / Light	1,750,000	3,460,557	2,727,071	2,795,248
Loan - Brown Hill / Keswick Cr	1,345,711	1,383,752	1,418,346	1,453,804
Grants	1,268,884	1,283,216	1,297,864	1,312,834
Community Facilities	2,302,500	2,000,000	1,500,000	1,500,000
Building Other	4,080,000	2,496,530	2,586,980	2,681,528
Plant, Furniture & Equipment	1,182,300	1,746,670	1,786,844	1,827,941
Total	27,281,196	27,458,588	26,699,422	27,689,956

Forward Revenue Estimates

Forward revenue estimates have been extrapolated from an assessment of historical revenue movements, and what is expected to arise into the future. Key assumptions include the following:

- Council is prepared to increase rate revenue by 2.4 per cent plus growth in 2021/22 and 2.3 per cent thereafter;
- Rate equivalent payments by Adelaide Airport Limited will increase in line with the above rate increases;
- Statutory charges, which include parking, animal management and Development Act income, will increase by 2.2 per cent each year;
- User charges, which include property related income and transfer station royalties, will increase by 2.2 per cent each year;
- Grant income (roads to recovery grants excepted) will increase by 2.2 per cent per annum over the forecast period from 2020/21;
- Other income, excluding insurance premium refunds, will increase by 2.1 per cent over the forecast period from 2020/21.

Council's forward estimates will need to be adjusted if rate capping is introduced over the forecast period, although that appears unlikely at this stage.

Forward revenue estimates are as follows:

	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$
Rates	55,827,820	58,045,096	60,214,506	62,464,291
Rate Equivalents	5,380,000	5,564,211	5,749,110	5,940,153
Statutory Charges	2,071,620	2,335,904	2,387,294	2,439,814
User Charges	1,603,975	1,838,936	1,879,392	1,920,739
Grant & Subsidies	4,287,188	3,653,020	3,719,803	3,788,055
Other Income	608,125	702,436	717,179	732,236
Total	69,778,728	72,139,602	74,667,284	77,285,288

Forward Operational Expenditure Estimates

Operational expenditure increases have been extrapolated from an assessment of historical cost movements, and what is expected to arise into the future. Key assumptions include:

- Employee cost increases are significantly contained in 2020/21, then increasing by a modest 2.5 per cent in 2021/22 and thereafter, with little allowance for the addition of new staff;
- Contract and material expenditure increases of 2.8 per cent each year in support of Council's maintenance works program, including building and infrastructure maintenance. This includes an allowance for an increase in waste related charges;
- A depreciation expense increase of up to 3.0 per cent based on projected asset value movements;
- Finance charges include interest repayments on loans taken, and are estimated on the basis of loans projected to be taken using borrowing rates ranging between 2.45 and 2.95 per cent.

Forward operational expenditure estimates are as follows:

	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$
Employee Costs	23,864,811	24,789,431	25,409,167	26,044,396
Contractual Services	9,984,867	10,490,604	10,757,607	11,031,480
Materials	1,079,450	1,104,278	1,129,676	1,155,659
Finance Charges	1,127,939	1,096,809	1,232,087	1,325,943
Depreciation	13,412,965	13,815,932	14,231,133	14,658,943
Other Expenses	12,801,601	13,987,662	14,430,962	14,890,087
Total	62,271,634	65,284,716	67,190,632	69,106,509

Forward Loan Estimates

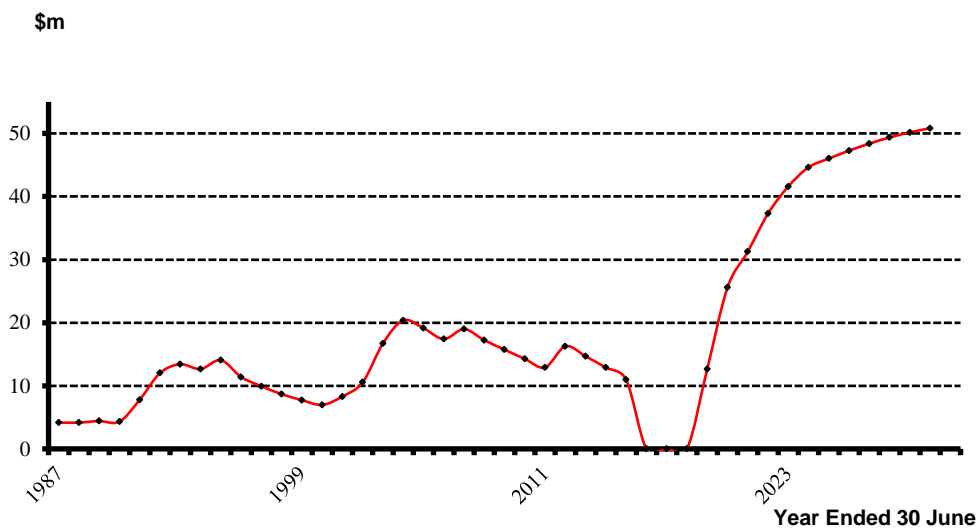
A loan program of \$52.12 million is projected in future dollar terms over the next ten years (down from \$54.84 million last budget), as follows:

	\$m
Local drainage	27.13
BHKC project	15.12
Various other	12.40
Works overhead	(2.54)
Total	52.12

This comprises the following:

Financial Year	Local Drainage \$	Brown Hill Keswick Drainage \$	Various Other	Works Overhead \$	Total Loans \$
2020/21	650,000	1,345,711	4,600,000	(59,091)	6,536,620
2021/22	2,660,557	1,383,752	3,800,000	(314,596)	7,529,713
2022/23	2,727,071	1,418,346	2,500,000	(247,916)	6,397,501
2023/24	2,795,248	1,453,804	1,500,000	(254,113)	5,494,939
2024/25	2,865,129	1,490,149	0	(260,466)	4,094,812
2025/26	2,936,757	1,527,403	0	(266,978)	4,197,183
2026/27	3,010,176	1,565,588	0	(273,652)	4,302,112
2027/28	3,085,431	1,604,728	0	(280,494)	4,409,665
2028/29	3,162,567	1,644,846	0	(287,506)	4,519,907
2029/30	3,241,631	1,685,967	0	(294,694)	4,632,904
Total	27,134,568	15,120,294	12,400,000	(2,539,506)	52,115,355

The indebtedness trend of the Council, with future loans structured over fixed 20 year terms, is projected as follows:



Asset sales, including the sale of the Marion Road depot, can be used to offset this predicted level of borrowing.

Council was debt free for almost three years from the end of the 2015/16 financial year, but a resumption of borrowing is expected to result in indebtedness increasing to peak at just over 50 million in the late 2020's.

Loan Repayments

Loan repayments to service projected loans, based on borrowing rates of 2.45 per cent until 2024/25 and 2.95 per cent thereafter, along with 20 year fixed loan terms, will be as follows:

Year	Projected Repayments \$	Increase/ (Decrease) \$
2020/21	1,691,847	576,828
2021/22	2,433,269	741,422
2022/23	3,183,968	750,698
2023/24	3,590,504	406,536
2024/25	3,937,143	346,640
2025/26	4,197,353	260,209
2026/27	4,476,673	279,320
2027/28	4,762,976	286,303
2028/29	5,056,438	293,461
2029/30	5,357,235	300,798

Council's current and projected loan program will impact loan repayments consistently over the forecast period, but these increases are manageable within the framework of the ten year financial plan.

Loan repayments as a percentage of rates is the industry accepted benchmark to assess a Council's relative indebtedness. The percentages for West Torrens based on the actual and projected loan program are as follows:

Year	Loans % of Rates
2020/21	3.0
2021/22	4.2
2022/23	5.3
2023/24	5.7
2024/25	6.1
2025/26	6.2
2026/27	6.4
2027/28	6.6
2028/29	6.7
2029/30	6.9

These percentages are extremely low by local government standards, with up to 25 per cent considered manageable.

Key Financial Indicators

The forward financial estimates of the Council have provided the basis of key financial indicator projections in relation to Council's:

- Operating result;
- Sustainability;
- Loan servicing capacity;
- Liquidity.

(a) Operating Result

An operating surplus represents the extent to which operating income exceeds operating expenditure, including depreciation, and is projected each year, as follows:

Financial Year	Operating Surplus \$	Operating Surplus Ratio %
2020/21	7,507,094	10.8
2021/22	6,854,886	9.5
2022/23	7,476,652	10.0
2023/24	8,178,779	10.6
2024/25	8,336,642	10.5
2025/26	9,194,825	11.2
2026/27	10,081,840	11.8
2027/28	11,019,208	12.5
2028/29	12,010,765	13.2
2029/30	13,057,274	13.8

A strong ongoing operating result is a positive indicator of financial viability for the City of West Torrens. LGA Information Paper 9 *Financial Indicators* (May 2015) suggests an operating break even position, or better, over time and an operating surplus ratio of between zero and 10 per cent on average. It is a positive that West Torrens is projected to operate beyond this range, demonstrating a strength in capital expenditure programs.

Note that the surpluses above are not cash surpluses and do not take capital expenditure programs into account.

(b) Sustainability

The sustainability ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the rate at which these assets are used or consumed, with the amount spent divided by the total depreciation expense. Achieving a break even result of 100 per cent or better demonstrates that the cost of consumption of assets in any one year is being met by current rates and current ratepayers.

Financial Year	Capital Expenditure \$	Depreciation Expense \$	Sustainability Ratio %
2020/21	14,089,685	13,412,965	104.5
2021/22	14,130,663	13,815,932	102.3
2022/23	14,235,705	14,231,133	100.0
2023/24	14,785,766	14,658,943	100.9
2024/25	15,687,964	15,099,748	103.9
2025/26	15,877,423	15,553,945	102.1
2026/27	16,587,026	16,021,943	103.5
2027/28	16,518,888	16,504,166	100.1
2028/29	17,148,657	17,001,049	100.9
2029/30	18,049,195	17,513,040	103.1

A sustainability ratio which is greater than 90 per cent but less than 110 per cent is the benchmark used in local government. This was achieved or is projected to be achieved in all years.

LGA Information Paper 9 suggests the same ratio range when benchmarking capital expenditure incurred against capital expenditure outlays in Infrastructure and Asset Management Plans (IAMP's), rather than depreciation. Forward capital estimates are matched over the ten year forecast period to the IAMP's adopted by Council, as shown in the table that follows.

Program	IAMP Amount \$m	10 Year Plan \$m	Met %
Roads Program			
Reseal / Maintenance	32.336	32.336	100
Reconstruction Renewal	31.876	31.876	100
Kerb & Gutter	39.481	39.481	100
Footpath Program			
Renewal	12.800	12.800	100
Construction	4.560	4.560	100
Building Program			
Renewal Expenditure	28.173	28.173	100

Additional amounts are included in the ten year financial plan to cover drainage and other infrastructure renewal works, along with new capital works. There is little need for renewal expenditure on stormwater assets over the next ten years, although Council is currently developing a stormwater masterplan that will clarify future capital expenditure requirements. Throughout the 2019/20 financial year Council staff continued to develop a more detailed assessment of the assets covered by the recreation program.

(c) Loan Servicing Capacity

To meet a structured long term asset renewal and replacement program, Council will need to commit to a loan program that will result in loan liabilities increasing from zero to \$55.5 million in 2029/30 - a sizeable but manageable increase as demonstrated below. Borrowing interest rates ranging from 2.45 to 2.95 per cent have been estimated, along with future 20 year fixed borrowing terms.

Loan repayments as a percentage of rates is the industry accepted benchmark to assess a Council's relative indebtedness. The percentages for West Torrens based on the actual and projected loan program are as follows:

Financial Year	Projected Loan Repayments \$	Loans to Rates %
2020/21	1,691,847	3.0
2021/22	2,433,269	4.2
2022/23	3,183,968	5.3
2023/24	3,590,504	5.7
2024/25	3,937,143	6.1
2025/26	4,197,353	6.2
2026/27	4,476,673	6.4
2027/28	4,762,976	6.6
2028/29	5,056,438	6.7
2029/30	5,357,235	6.9

A percentage between zero and 25 per cent would normally be considered as being reasonable.

(d) Liquidity

Based on the assumptions used, a relatively balanced budget is achieved in each year for the next ten years in terms of the projected cash flow of the Council, net of cash reserves, as follows:

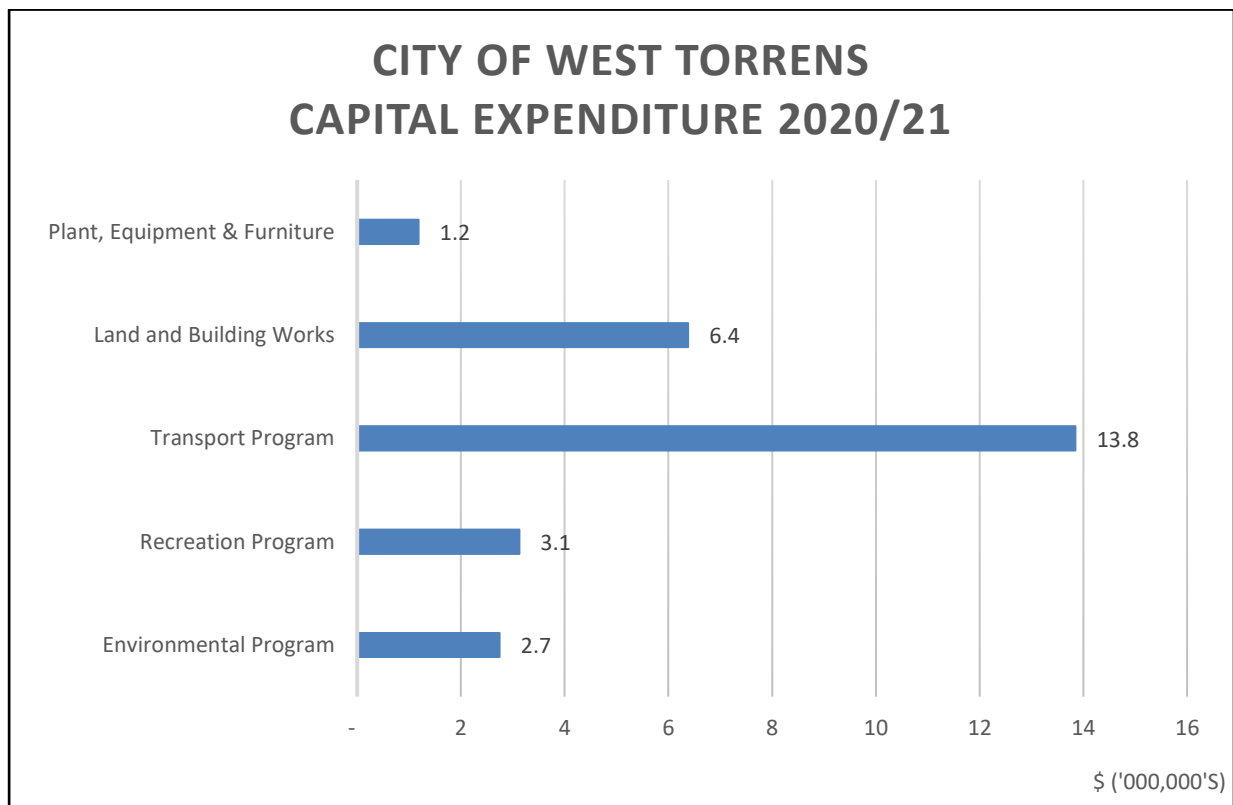
Financial Year	EOY Cash Estimate	Net Reserves	Surplus/ (Deficit)
2020/21	6,892,797	6,872,266	20,531
2021/22	7,056,646	7,036,093	20,552
2022/23	7,230,032	7,204,014	26,017
2023/24	7,401,695	7,376,133	25,561
2024/25	7,573,698	7,552,556	21,143
2025/26	7,750,136	7,733,388	16,748
2026/27	7,939,095	7,918,742	20,353
2027/28	8,109,131	8,108,729	402
2028/29	8,302,952	8,303,466	(514)
2029/30	8,509,900	8,503,071	6,829

Capital Budget

Introduction

The capital budget for 2020/21 totals \$27,281,196 as follows:

\$	
Capital Works	
Environmental Program	2,745,711
Recreation Program	3,125,000
Transport Program	13,845,685
Sub Total	19,716,396
Capital	
Land and Building Works	6,382,500
Plant, Equipment & Furniture	1,182,300
Sub Total	7,564,800
Total	27,281,196



Council also reduced its first draft of the capital budget in initially responding to Covid-19, but to a much lesser extent than occurred with the operational budget. A reduction of \$625,100 was made, largely to the plant and equipment budget.

Maintaining capital expenditure programs as best we can is considered a priority given the need for stimulus measures in 2020/21 to help kick-start the local economy post Covid-19.

The capital budget as a result of these changes and others made by Council following review now shows an increase in spending of \$2,340,677 or 9.4 per cent over what was budgeted in 2019/20. Rate funded capital spending has however fallen by \$1,071,465 or 5.4 per cent, but this can be addressed longer term.

These movements are shown in the following table:

	Budget 2019/20	Budget 2020/21	Variance
	\$	\$	\$
Rate funded			
City works funds	13,600,984	15,351,801	1,750,817
Plant & Equipment	1,533,750	1,182,300	(351,450)
Land and Buildings	4,553,818	2,082,986	(2,470,832)
Sub Total	19,688,552	18,617,087	(1,071,465)
Other funded			
Grants	1,254,860	1,968,398	713,538
Reserves / Assets Sales	0	0	0
Loans	3,997,107	6,695,711	2,698,604
Sub Total	5,251,967	8,664,109	3,412,142
Total Capital Expenditure Budget	24,940,519	27,281,196	2,340,677

Capital funding from other than rates totals \$8,664,109, as shown in the following table:

	\$
Brown Hill and Keswick Creeks (Loan)	1,345,711
Packard Street Cut-off Drain (Loan)	650,000
Redevelopment - community facilities (Loan)	2,100,000
Thebarton Oval Redevelopment (Loan)	1,000,000
Thebarton Community Centre Upgrade Stage 2 (Loan)	500,000
LED street lighting upgrade (Loan)	1,100,000
Roads to recovery (Grant)	617,418
Urban local road (Grant)	651,466
Lockleys Oval - football oval lights (Grant)	425,000
Apex Park - toilet facility (Grant)	225,000
Camden Oval - football oval lights upgrade (Grant)	49,514
Total	8,664,109

Environment Program

The drainage budget comprises the following:

- \$350,000 for minor drainage upgrades and replacement works, including the following:
 - Replacement / upgrade of side entry pits and junction boxes, minor pipe replacements and upgrades due to damage and / or failure;
 - Stormwater pump station improvements;
 - Refurbishment of existing rain garden sites;
 - Asset conditioning, planning and minor investigations into the current drainage network.
- \$250,000 for outfall drain interface works in Stirling Street, Thebarton;
- \$150,000 for floor repairs in Keswick Creek, Keswick;
- \$650,000 for a stormwater upgrade in Packard Street, North Plympton;
- \$1,345,711 in loan funding as Council's contribution toward various works associated with the Brown Hill Keswick Creek project.

Recreation Program

Recreation works include the following:

- \$485,000 for new, replacement and upgraded playgrounds, based on a program developed in response to an audit report on playground safety undertaken in 2018. Nominated playgrounds for 2020/21 are:
 - Rex Jones Reserve, North Plympton;
 - Britton Street Reserve, West Richmond;
 - Helenslea Avenue Reserve, Brooklyn Park;
 - Westside Bikeway (Creslin Terrace), Camden Park - gym equipment;
 - River Torrens Linear Park (Michael Street), Lockleys - additional equipment;
 - Douglas Street (island), Lockleys;
 - Shade sail shelters (sites to be confirmed);
 - Additional gym equipment, selected locations;
 - Minor playground equipment;
 - Playground safety barrier fencing.
- \$530,000 for reserve upgrades, including:
 - Weigall Oval, Plympton - improvements to include additional reserve furniture and shelters;
 - Apex Park, West Beach - improvements to include additional reserve furniture and shelters, with funding for the investigation / planning for the next stage of the reserve upgrade;
 - Moss Avenue Dog Park, Marleston;
 - Streetscape upgrade - Sir Donald Bradman Drive (staged);
 - Streetscape upgrade - James Congdon Drive (staged);
 - Minor reserve improvements and upgrades;
 - Ongoing gazebo upgrades and replacements;
 - Various fencing and bollard replacements on reserves;

-
- Turf replacement and sundry reserve pathway upgrades;
 - Staged annual program to install new surrounds for litter bins;
 - Staged annual program to install new / replacement drinking fountains.
- \$260,000 for projects along the River Torrens Linear Park, including:
 - Continuation of a staged pedestrian upgrade / replacement lighting project (LED) to meet Australian standards and improve safety for users;
 - Selected areas of re-vegetation;
 - Path upgrades / reconstruction;
 - General fencing and the installation of retaining walls and barrier protection.
 - \$25,000 for the ongoing reseal of various pathway sections along the River Torrens Linear Park in order to meet the current path width standard;
 - \$775,000 for irrigation system upgrades for the following reserves:
 - Westside Bikeway, Marleston / Plympton (staged annual project, to continue the expansion of the selected areas within the linear park);
 - Camden Oval complex and surrounds, Novar Gardens;
 - River Torrens Linear Park (Michael Street), Lockleys;
 - River Torrens Linear Park (Autumn Avenue), Lockleys;
 - Britton Street Reserve, West Richmond;
 - James Congdon Drive and Sir Donald Bradman Drive, Mile End (verge areas);
 - Sir Donald Bradman Drive, Brooklyn Park (centre island median);
 - Captain McKenna Bikeway, Brown Hill Creek / Adelaide Airport, (section by the bikeway);
 - Weigall Oval, Plympton (bore and pump replacement);
 - Apex Park, West Beach (staged expansion of existing irrigation systems);
 - General irrigation equipment, including controllers, with the upgrade of network and backflow meter equipment.
 - \$50,000 for the staged resealing and reconstruction of various sections of city bikeways, a program that will be ongoing, subject to annual funding provision;
 - \$325,000 for the construction of two new tennis courts, including fencing (Glenlea Tennis Club) and minor repairs to Kesmond Reserve tennis courts;
 - \$550,000 for the staged upgrade of Kings Reserve and Thebarton Oval. Staged funding for the works as scoped from the Kings Reserve Masterplan for the development of the open space area;
 - \$125,000 for upgrades / improvements to open space / reserves / car park areas;

Transport Program

Funding totals \$13,445,685 (\$12,735,844 in 2019/20) as follows:

	\$
Road maintenance program	5,854,843
Road reconstruction program	4,692,066
Other road works	2,735,000
Footpath program	563,776
	<hr/>
Total	13,845,685
	<hr/>

Road Maintenance Program

In order to ensure that the Council manages its road assets (surface, pavement, kerb and gutter) in a manner most appropriate for the community, a commitment has been made to a road Infrastructure Asset Management Plan, which ensures adequate provision is made for existing and future infrastructure so that assets are fully utilised, i.e. their design life is achieved in a cost effective manner.

This years' capital works program for roads has been based on an updated and Council adopted Infrastructure and Asset Management Plan, which has taken into consideration the strategic report *City of West Torrens Transport Strategy - Transportation for the Next Generation 2025*. The schedule of capital works for roads is based on the principles / methodologies developed in the implementation of a ten year capital works program following a condition audit of Council's network undertaken in 2015 upon which Council's current long term financial plan is based. The schedule of works also considers customer requests.

This year Council has modelled a 10 year renewal program that includes road surface rejuvenation treatments and a kerbing program that provides for kerb and gutter work to be undertaken the year prior to the seal resurfacing.

This year's capital works program for road maintenance totals \$5,854,843 as follows:

	\$
Reseal / road maintenance program	2,465,706
Kerb and gutter program	3,389,137
	<hr/>
Total	5,854,843
	<hr/>

Details are provided later in this section, and include works from customer requests and a recent reconditioning audit of the road network.

Road Reconstruction Program

Council's road reconstruction program totals \$4,692,066 and comprises the following:

- Alexander Avenue, Ashford (Herbert Road to Day Avenue) (detailed design);
- Thanet Street, Brooklyn Park (Henley Beach Road to Marshall Terrace);
- Shannon Avenue, Glenelg North (Warren Avenue to McLachlan Avenue);
- Somerset Avenue, Hilton (Davenport Terrace to Sir Donald Bradman Drive);
- Fulham Park Drive, Lockleys (Corona Avenue to Property No. 47);
- St. Anton Street, Marleston (Sutton Terrace to Aldridge Terrace);
- Desmond Avenue, Marleston (Sutton Terrace to Marion Road);
- Stirling Street, Marleston (Bakers Road to South Road);
- Road Reserve, Marleston (Moss Avenue to Ritchie Terrace);
- Henley Street, Mile End (Property No. 48 to Bagot Avenue);
- William Street, Mile End South (Property No. 34 to South Road);
- Harvey Terrace and Streeters Road intersection, Netley;
- Wyatt Street, North Plympton (Allchurch Avenue to Talbot Avenue);
- St. Andrews Crescent, Novar Gardens (Hoylake Street to Links Road);
- Owen Street, Plympton (Long Street to end);
- Weaver Avenue, Richmond (Lane Street to Shierlaw Street);
- Ballantyne Street, Thebarton (Dew Street to South Road);
- Pearson Street, Thebarton (Kintore Street to George Street);
- Albert Street, Thebarton (George Street to Maria Street) (detailed design);
- Jervois Street, Torrensville (Henley Beach Road to North Parade);
- Meyer Street, Torrensville (West Street to Property No. 76B);
- Mellor Avenue, Underdale (Arnold Street to adjacent property No. 32);
- Burbridge Road (Service Road), West Beach (Burbridge Road to Weston Street);
- Simcock Street, West Beach (Cambridge Avenue to city boundary).

This schedule of works provides a balanced approach to assist renewal and maintain strategic roads to an acceptable level whilst managing the expectations of the community and road users.

This program is subject to change, but details will be provided to Council if this occurs.

Other Road Works

Other road works total \$2,735,000 and comprises:

- \$300,000 for the ongoing installation and upgrade of public bus shelters at identified sites;
- \$430,000 for the implementation of local area traffic management in Novar Gardens, Richmond and Hilton. Minor traffic management work at identified locations is also budgeted, including pavement bar layouts, pedestrian kerb ramps, stop and give way signage and line marking;
- \$560,000 for bicycle management schemes, including land purchase for the upgrade and renewal of the Rivers Torrens shared path, east of Hardy's Road, the upgrade of the Reece Jennings shared path and a new path linking Baroda Reserve and the Captain McKenna Bikeway;
- \$50,000 for the final staged upgrade of pedestrian lighting of the Westside Bikeway through Plympton / Camden Park;

- \$200,000 for the staged upgrade of new LED pedestrian lighting for the Sturt Creek shared pathway, (Anzac Highway to Pine Avenue);
- \$95,000 for minor street, off-street car parking and reserve / open space lighting upgrades throughout the city;
- \$1,100,000 for city-wide implementation of LED street lighting upgrades.

Footpath Program

A condition assessment of Council's 553 kilometres of footpaths was undertaken in mid-2017 and it provided the basis for the forward renewal and maintenance program.

Concurrently with this assessment, Council developed an *Installation of New Footpath Priority System* report to determine the order in which new footpaths are installed within Council. The installation of new footpaths applies to:

- Local roads that do not have a footpath on either side of the road;
- Collector and arterial roads that do not have footpaths on both sides of the road; and
- Local roads when a footpath is required on both sides of the road due to high pedestrian demand, such as occurs in areas adjacent to bus routes, schools, shopping centres and nursing homes.

It is a Disability Discrimination Act requirement that there be a footpath on one side of all roads, for the safety and accessibility of pedestrians. Local and major collector roads which carry over 3,000 vehicles per day and are defined in Council's transport's strategy should have a footpath on both sides of the road for the safety of pedestrians, along with areas that have high pedestrian demand.

The findings of the above formed the basis of the updated *Footpath Infrastructure and Asset Management Plan* that was last adopted in December 2017. The objective of the plan is to provide a safe and practically manageable footpath and cycle / shared path network with an emphasis on the reduction in risk as opposed to aesthetics, and set priorities for the renewal and provision of new footpaths and cycle / shared paths. The functional level of service for footpaths has and will continue to consider community expectations, legislative compliance and future demand needs.

A review of the risks associated with our footpath assets was undertaken in 2013/14 and confirmed a high risk along arterial roads. Council in past budgets has allocated funds to commence risk mitigation works, and it is proposed that this be continued with a budget allocation to city wide footpaths for upgrades to occur at various locations.

The footpath schedule of works this year is made up of \$208,898 for footpath renewal, \$60,875 for new footpath construction and \$294,003 for footpath remediation. The following work is proposed:

Footpath Renewal Program \$208,898

- Surrey Road, Keswick (Everard Avenue to Richmond Road);
- St. Anton Street, Marleston (Sutton Terrace to Aldridge Terrace);
- Birdwood Terrace, North Plympton (Talbot Avenue to Allchurch Avenue);

New Footpath Construction Program \$60,875

- Macumba Avenue, Lockleys (Fulham Park Drive to end);
- Michael Street, Lockleys (Peter Street to Matt Street);
- Hardys Road (Wilford Avenue to Property No. 95 to 99);

Footpath Remediation Program \$294,003

- City wide footpath remediation - upgrade to arterial road footpaths at street tree locations.

This footpath program is subject to change, but details will be provided to Council if this occurs.

Land and Buildings

The capital expenditure budget for land and buildings totals \$6,382,500 (\$4,980,000 in 2019/20) and comprises:

- \$25,000 for upgrades of Council owned facilities to meet Disability Discrimination Act requirements, as identified in Council's Building Asset Management Plan (2017);
- \$25,000 for asbestos removal as part of an on-going program of minor works involving Council owned buildings that have been identified in Council's Building Asset Management Plan (2017);
- \$25,000 for fire system upgrades, as part of an on-going program of minor works to bring Council owned buildings up to current building rules standards, as identified in Council's Building Asset Management Plan (2017);
- \$30,000 for on-going electrical compliance minor upgrades of Council owned facilities in accordance with current electrical compliance regulations, as identified in Council's Building Asset Management Plan (2017);
- \$200,000 for on-going building compliance upgrades of Council owned facilities as identified in Council's Building Asset Management Plan (2017), with projects to include:
 - Public toilet facilities - upgrades and improvements to existing toilet facilities located on reserves;
 - Sports facilities / buildings - minor improvements to existing buildings at Camden Oval and Lockleys Oval;
 - Civic centre / depot - investigation / planning options for emergency power supply and backup systems;
 - Other building and compliance improvements works as identified.
- \$150,000 to fund the continuing upgrade (fifth stage), of the Star Theatre complex, as identified in the Forward Maintenance Plan report presented to Council on 2 February 2016. Works are as detailed in the ten year maintenance plan;
- \$200,000 to fund further upgrade work at Thebarton Theatre, which includes electrical wiring and power supply replacements, and building structure improvements over a four year staged program which commenced in 2017/18. These are essential works that have been identified as part of the fire compliance upgrade building works;

-
- \$500,000 to fund staged building improvements and upgrades at the Thebarton Community Centre, a project that includes air-conditioning and the expansion of commercial kitchens;
 - \$75,000 to fund work associated with the upgrade of workshop and commercial tenant facilities at the Morphett Road depot;
 - \$250,000 for the staged upgrade and improvement of Plympton Community Centre, Plympton;
 - \$125,000 for the staged upgrade and improvement of Civic Centre air-conditioning;
 - \$832,500 to fund additional works associated with the ongoing upgrade of facilities at Lockleys Oval, Apex Park and Mellor Park. These works include staged improvements at:
 - Apex Park - Additional facilities and equipment for the building;
 - Lockleys Oval - Football / baseball scoreboard and additional football, baseball and tennis facilities / equipment;
 - \$220,000 for Camden Oval works, including staged improvements to the football oval scoreboard and training facilities; and staged improvements to the soccer clubrooms and training facilities;
 - \$1,250,000 for the Kings Reserve / Thebarton Oval complex redevelopment, including improvements to the building and associated facilities as detailed in the Kings Reserve masterplan;
 - \$100,000 for Richmond Oval for the staged commencement and implementation of the Venue Improvement Plan;
 - \$2,100,000 for redevelopment of community facilities;
 - \$25,000 to develop a masterplan for the improvement of facilities at Kesmond Reserve;
 - \$150,000 for accommodation improvements to the Civic Centre complex;
 - \$100,000 for the replacement of the security systems and CCTV improvements to the Civic Centre complex and Hamra Library.

Plant, Equipment and Furniture

The capital budget for plant, equipment and furniture totals \$1,182,300 (\$1,533,750 in 2019/20) and comprises:

- \$174,500 for the replacement of 14 motor vehicles, (including 8 light commercial vehicles) in the Council fleet;
- \$49,000 for furniture and equipment in both the library (\$19,000) and the Thebarton Community Centre (\$30,000);
- \$137,000 for IT hardware and related infrastructure replacements (\$300,000 in 2019/20), including PC's, multi-function devices and printers;
- \$209,000 to replace / upgrade / purchase three tipper trucks, all of which are used in the general civil, horticultural and city clean maintenance areas. The trucks being replaced range in loading capacity from three to ten tonne and age from eight to ten years;
- \$157,800 for various items of City Operations' plant and equipment, including two new truck scales to be fitted to existing vehicles (\$17,000), the replacement of five trailers (\$80,800), the purchase of one additional slurry vacuum (\$23,500) and minor plant and equipment purchases (\$36,500);
- \$55,000 for the replacement of one backhoe loader for the civil and horticulture teams;
- \$50,000 for the replacement of one tractor for the maintenance of sporting ovals;
- \$300,000 for the replacement of one road sweeper;
- \$50,000 for a fleet management and monitoring system incorporating workshop maintenance diagnostics.

Road Reseal / Rehabilitation and Kerb and Gutter Program

Herbert Rd - (Farnham Rd to Property No 15)	Ashford
Beachway Av - (Airport Rd to Marshall Ter)	Brooklyn Park
Lipsett Ter - (Airport Rd to Clifford St)	Brooklyn Park
Lipsett Ter - (Elston St to Rushworth Av)	Brooklyn Park
Western Pd - (Marion Rd to Carnarvon Av)	Brooklyn Park
Capper St - (Carlton Rd to Stonehouse Av)	Camden Park
Carlisle St - (Creslin Ter to Carlton Rd)	Camden Park
Curzon St - (Victoria Av to Creslin Ter)	Camden Park
Whelan Av - (Melanto Av to Gardner St)	Camden Park
Ashburn Av - (Henley Beach Rd to Burnley St)	Fulham
Kandy St - (Raikoff Court to Chippendale Av)	Fulham
Riverside Dr - (Louise Av to Colwood Av)	Fulham
Grosvenor St - (Anzac Hwy to Property No 6)	Glandore
Grosvenor St - (Property No 16 to Forest St)	Glandore
Marlow Rd - (Hampton Rd to Richmond Rd)	Keswick
Cross Ter - (Daly St to Warwick Av)	Kurralta Park
Daly St - (Cross Ter to Garfield Av)	Kurralta Park
Mortimer St - (Selby St to South Rd)	Kurralta Park
Selby St - (Anzac Hwy to Mortimer St)	Kurralta Park
Franciscan Av - (Castlebar Rd to Property No 13)	Lockleys
Horsley St - (Frontage Rd to Corona Av)	Lockleys
Kent Ter - (End to Torrens Av)	Lockleys
Netley Av - (Rutland Av to Strathmore Av)	Lockleys
Sandilands St - (Dartmoor St to End)	Lockleys
Taylor Av - (Property No 14 to Rundle Av)	Lockleys
Wentworth St - (Brecon St to Darwin St)	Lockleys
Bakers Rd - (Major Av to Stirling St)	Marleston
Sarah St - (George St to Richmond Rd)	Marleston
St Anton St - (Cudmore Ter to Barnes Av)	Marleston
Henley St - (Henley Beach Rd to Property No 45)	Mile End
Parker St - (Rose St to Henley Beach Rd)	Mile End
Rankine Rd - (Elm Av to Property No 31)	Mile End
Victoria St - (Hughes St to King St)	Mile End
London Rd - (Railway Ter to South Rd)	Mile End South

Road Reseal / Rehabilitation and Kerb and Gutter Program

Fletcher St - (Pam St to Harvey Av)	Netley
Pembroke Av - (Ramsey St to Marion Rd)	Netley
Mooringe Av - (Deeds Rd to Property No 66)	North Plympton
Ayliffe Pl - (Ayliffe Pl to Stanford Av)	Novar Gardens
Coach House Dr - (Saratoga Dr to Old Dr)	Novar Gardens
Devlin Rd - (End to End)	Novar Gardens
Pine Av - (Bonython Av to Capri Av)	Novar Gardens
Crossley St - (Glenburnie Ter to Long St)	Plympton
Elizabeth Av - (Marion Rd to Maynard Rd)	Plympton
Gray St - (Mcarthur Av to End)	Plympton
Keily St - (Marion Rd to Owen St)	Plympton
Long St - (Anzac Hwy to Manfred St)	Plympton
Osborn Ter - (Property No 63 to Boswarva Av)	Plympton
Owen St - (Keily St to Anzac Hwy)	Plympton
Tilden St - (Mcarthur Av to James St)	Plympton
Zither St - (Anzac Hwy to Birkalla Ter)	Plympton
Holder Av - (Richmond Rd to Kingston Av)	Richmond
Kingston Av - (Brooker Ter to Deacon Av)	Richmond
Holland St - (Smith St to Light Tce)	Thebarton
Maria St - (James Congdon Dr to Property No 9)	Thebarton
Osman Pl - (Dew St to West Thebarton Rd)	Thebarton
Danby St - (Ashley St to North Pde)	Torrensville
North Pde - (Clifford St to Hayward Av)	Torrensville
Stephens Av - (Ashley St to Bray Av)	Torrensville
Joyce Av - (Garden Ter to End)	Underdale
Sherriff St - (Golden Glow Av to Hurtle St)	Underdale
Burbridge Rd (Service Road) - (Burbridge Rd to Weston St)	West Beach
Fawnbrake Cres - (Property No 15A to Property No 72)	West Beach
Indian Av - (Northern Av to Ingerson St)	West Beach
Ingerson St - (Davis St to Woodhead St)	West Beach
Leicester St - (Morley St to Norwich St)	West Richmond
Road Rejuvenation	Various Locations

Note: This schedule may change, but details on any changes will be provided to Council.

ORIGINAL BUDGET 2019/20	REVISED BUDGET 2019/20	DESCRIPTION	2020/21 BUDGET
<u>CAPITAL WORKS</u>			
<u>Environment Program</u>			
<i>Stormwater & Drainage</i>			
350,000	556,527	Minor Drainage Upgrades and Replacement Work	350,000
0	787,750	Lockleys Catchment	0
0	96,502	Ashley St (West St to Hayward Ave)	0
0	56,704	BHKC - Down Stream South Rd and Gray St Bend	0
0	50,000	Plympton Green	0
0	229,868	Shannon Ave Pump Station	0
2,212,151	1,812,151	Stormwater Upgrade - Stirling Street, Thebarton	0
200,000	200,000	Stormwater Upgrade - Sheriff Street, Underdale	0
0	0	Stirling Street Outfall Interface	250,000
0	0	Keswick Creek- Everard	150,000
0	0	Packard St Cut-off Drain	650,000
<i>Other Environment</i>			
1,358,774	2,272,340	Brown Hill and Keswick Creeks	1,345,711
4,120,925	6,061,842	Program Total	2,745,711
<u>Recreation Program</u>			
<i>Parks & Gardens</i>			
490,000	832,953	Playground Upgrade	485,000
400,000	616,565	Reserve Developments - Various	530,000
210,000	466,641	River Torrens Upgrade	260,000
25,000	80,943	River Torrens Path Upgrades	25,000
0	577,500	Kings Reserve Playspace	0
320,000	856,392	Reserve Irrigation Upgrades	775,000
50,000	50,000	Bikeway Path Upgrade and Reseal	50,000
<i>Sports Facilities</i>			
75,000	211,798	Tennis Court Upgrades	325,000
0	922,846	Thebarton Oval/ Kings Reserve	550,000
0	45,600	Airport Road	0
0	0	Car Parking Upgrade	125,000
1,570,000	4,661,238	Program Total	3,125,000

ORIGINAL BUDGET 2019/20	REVISED BUDGET 2019/20	DESCRIPTION	2020/21 BUDGET
<u>Transport Program</u>			
<i>Roads Sealed</i>			
9,467,163	11,655,127	City Funds/ULRG Funds/Carryovers	9,929,491
873,376	617,418	Roads to Recovery Grant Funds	617,418
<i>Other Transport</i>			
250,000	301,017	Bus Shelters	300,000
555,000	818,926	Traffic Management	430,000
240,000	386,911	Bicycle Management Schemes	560,000
695,000	1,107,337	Public Lighting	1,445,000
0	85,229	Bio-Science Precinct Works	0
<i>Bridges</i>			
0	33,308	Bridge Ancillary Works (as per Bridge Audit)	0
<i>Footpaths</i>			
178,139	178,139	Footpath Renewal Program	208,898
277,166	277,166	Footpath Construction Program	60,875
200,000	206,365	Footpath Remediation Program	294,003
12,735,844	15,666,943	Program Total	13,845,685
18,426,769	26,390,023	TOTAL - CAPITAL WORKS	19,716,396

ORIGINAL BUDGET 2019/20	REVISED BUDGET 2019/20	DESCRIPTION	2020/21 BUDGET
<u>Land and Buildings</u>			
25,000	25,000	DDA Upgrade Program	25,000
25,000	25,000	Asbestos Removal Program	25,000
25,000	39,000	Fire Systems Upgrades	25,000
30,000	30,000	Electrical Compliance Upgrades	30,000
200,000	200,000	Building Compliance Upgrade	200,000
200,000	316,742	Star Theatre - Building Compliance Works (Staged)	150,000
250,000	100,000	Thebarton Theatre Complex - Structural /Electrical Works	200,000
0	18,000	Peake Gardens Riverside Tennis Clubrooms	0
0	123,611	Thebarton Community Centre Upgrade Stage 2	500,000
0	100,000	Bluestone Cottage - Sir Donald Bradman Dr	0
400,000	400,000	Depot - 240/280 Morphett Rd - Upgrade Building Workshop	75,000
0	324,855	Depot - 112 Marion Rd - Decommission of Site	0
50,000	73,480	Plympton CC& Building Upgrade and Staged Works	250,000
0	200,000	Civic Centre Complex, Painting of External Building	0
0	125,000	Dog Kennels at Depot and Regular Services	0
0	18,000	Replacement of Hamra Library AC (Training Room)	0
125,000	125,000	Civic Centre Air-Conditioning [Replacement / Upgrade] - Staged	125,000
0	250,000	Camden Oval - Public Toilet Facilities (DDA)	0
3,000,000	7,030,260	Weigall Oval	0
650,000	6,202,210	Upgrade Lockleys Oval/Apex Park/ Mellor	0
0	52,884	Torrensville Bowling Club	0
0	40,931	WT Birkalla Soccer Club (Camden Oval) Financial Support	0
0	862,294	Camden Oval Community Facility-Other Consultant Fees	0
0	0	Apex Park	255,000
0	0	Lockleys Oval	577,500
0	0	Camden Oval	220,000
0	0	Kings Reserve / Thebarton Oval - Building Facilities	1,250,000
0	0	Richmond Oval - Staged Improvements	100,000
0	0	Redevelopment - Community Facilities	2,100,000
0	0	Kesmond Reserve, Keswick - Masterplan	25,000
0	0	Civic Centre (Ground Floor - Office / Lunchroom)	150,000
0	0	Civic Centre & Hamra - Security & CCTV upgrade	100,000
4,980,000	16,682,267	Total Land and Buildings	6,382,500

ORIGINAL BUDGET 2019/20	REVISED BUDGET 2019/20	DESCRIPTION	2020/21 BUDGET
<u>Plant, Equipment and Furniture</u>			
156,000	198,469	Motor Vehicle Replacements	174,500
37,750	69,826	Furniture and Equipment	19,000
300,000	320,000	IT Hardware & Infrastructure Replacement	135,000
0	0	Community Centre Furniture & Equipment Replacement	30,000
0	7,000	Replacement RFID wand	2,000
20,000	29,000	Lockleys Fit-Out for community programs and hire	0
0	57,000	Mercedes Sprinter Bus & Thebarton Digital Gallery	0
0	35,080	Animal unit for vehicle	0
25,000	152,287	Minor Depot Plant and Equipment	23,500
176,000	176,000	Replace Mowers (2019/20 x 3; 2020/21 x 1)	0
428,500	552,160	Replace Trucks/Tippers (2019/20 x 6; 2020/21 x 3)	209,000
22,500	22,500	Replace Trailers x 5	80,800
51,000	51,000	Truck scales x 2	17,000
0	0	Replace Backhoe Loader	55,000
0	0	Replace Tractor	50,000
0	0	Replace Road Sweeper	300,000
0	0	Fleet Management and Diagnostic System	50,000
0	0	Diesel fuel trailer (Backup/generators)	13,000
0	0	Slop mop slurry vacuum unit	23,500
51,000	51,000	Replace Community Bus	0
6,000	6,000	Thebarton Digital Art Gallery	0
95,000	95,000	Replace Chipper Truck	0
165,000	165,000	Replace Footpath Sweeper	0
1,533,750	1,987,322	Total Plant, Equipment and Furniture	1,182,300
6,513,750	18,669,589	TOTAL - OTHER CAPITAL	7,564,800
24,940,519	45,059,612	TOTAL ALL CAPITAL EXPENDITURE	27,281,196

ORIGINAL BUDGET 2019/20	REVISED BUDGET 2019/20	DESCRIPTION	2020/21 BUDGET
<u>CAPITAL INCOME</u>			
<u>Land and Buildings</u>			
0	-3,500,000	Sale of Marion Road Council depot	0
0	-3,500,000	Total Land and Buildings	0
0	-3,500,000	TOTAL ALL CAPITAL INCOME	0

Operational Budget

Summary

Council's operating statement in the 2020/21 budget projects a surplus from operations of \$7,507,094 as shown below, based on a 1.0 per cent rate increase. This rate increase is 1.4 per cent lower than that projected in last years' budget, due largely to the impact of Covid-19.

Income	\$
Rates and Rate Equivalents	61,207,820
Statutory Charges	2,071,620
User Charges	1,603,975
Grants and Subsidies	4,287,188
Sundry Income	608,125
	<hr/>
Total Income	69,778,728
	<hr/>
Expenditure	
Employee and Related	23,864,813
Material and Contract	11,064,317
Finance Costs	1,127,939
RL Levy	1,566,570
Depreciation	13,412,965
Other	11,235,030
	<hr/>
Total Expenditure	62,271,634
	<hr/>
Operating Surplus	7,507,094
	<hr/>

Note that the surplus above is an indicator of operating performance, including the funding of asset depreciation, but is not an indicator of the cash surplus of the Council. Capital expenditure covered in the previous section of this document is not included in the expenditure above.

After adjusting for reserve movements, a small cash surplus of \$20,531 is projected.

Operational Expenditure

Council's operational expenditure has been reduced significantly in the wake of Covid-19, with an amount of \$1.8 million taken out of the initial draft budget that was going to be presented to Council prior to the pandemic and the lockdown measures that followed. All expense lines have been reviewed aggressively, with most reduced. These reductions are unprecedented, but so are the difficulties we face as a Council and a community.

Key changes included the following:

- A reduction in staffing related costs of \$1.3 million, which included the removal of a pay increase for all Council staff in 2020/21, the suspension of staff uniform entitlements for one year, a 50 per cent reduction in staff travel, conference and training budgets, and removal of budgeted overtime. New positions have also been removed;

- The suspension of the festival / events program for 2020/21, with an amount of \$163,000 added to the supplementary list of unfunded initiatives;
- The removal of \$585,500 in professional / consultant fees across most business areas of the Council;
- A reduction of \$55,523 in the catering / entertainment budget.

Some budget lines have needed to be increased, including financing costs because of budget and rate payment delays impacting Council's cash flow position.

These measures are expected to challenge and may unsettle Council operations, but are considered necessary in response to the impact of Covid-19. They change the look of the operational expenditure budget significantly, which is to be expected, with a modest expenditure increase now being budgeted before depreciation of \$392,115 up 0.8 per cent, relative to the original 2019/20 budget. We saw an increase of \$3.25 million or 7.2 per cent last budget. This is summarised as follows:

	Budget 2019/20	Budget 2020/21	Variance	Variance
	\$	\$	\$	%
Employee Costs	24,406,957	23,864,813	-542,145	-2.2%
Building, Equipment and Related	2,180,579	2,194,354	13,775	0.6%
General Expenses	4,959,910	4,131,714	-828,196	-16.7%
Bank and Finance Charges	667,376	1,127,939	460,563	69.0%
Council Related Expenses	2,328,747	2,433,427	104,680	4.5%
Contract and Material Expenses	9,956,880	11,064,317	1,107,437	11.1%
RL Levy	1,542,510	1,566,570	24,060	1.6%
Occupancy and Property Costs	2,600,594	2,650,535	49,941	1.9%
Internal Charges / Recoveries	-177,000	-175,000	2,000	-1.1%
Sub Total	48,466,553	48,858,669	392,115	0.8%
Depreciation	11,711,380	13,412,965	1,701,585	14.5%
Total	60,177,933	62,271,634	2,093,700	3.5%

Key Expenditure Movements

Operational costs across all areas of the Council before depreciation are increasing by \$392,115 or 0.8 per cent, as shown on the previous page, the key movements being:

- Employment costs have decreased by \$542,145 or 2.2 per cent over the original budget estimates for 2019/20 (an increase of \$1,243,103 or 5.4 per cent occurred last budget);
- Finance related costs are budgeted to increase by \$460,563 or 69.0 per cent, being impacted by interest on new loans of \$301,000 and the provision of \$165,000 for the use of CAD borrowing to cover cash flow impacts from budget and rate payment delays;
- Council's waste contract budget is increasing by \$883,000 or 15.8 per cent over that budgeted in 2019/20, the key increases being:
 - Recycling / China sword increases of \$370,000;
 - Waste levy increases, including flow-on increases from 2019, totalling \$257,000;
 - New contract increases of \$190,000.
- Contractor and materials budgets are otherwise increasing by \$224,437 or 5.1 per cent, with provision made for depot waste disposal charge increases (\$48,000) and PDI related resourcing needs (\$145,000);
- General operating costs have been reduced by \$795,872 or 17.2 per cent, which includes reductions in professional / consultant fees (\$591,880) and catering and entertainment (\$54,997);
- Council related expenditure reductions total \$95,320, down 4.1 per cent, and include a reduction in street lighting (\$49,782) and levies and charges (\$40,000);
- The RL levy (previously known as the NRM levy) collected by Council on behalf of the SA Government is increasing by \$24,060 or 1.6 per cent.

Depreciation is set to increase by \$1,701,585 or 14.5 per cent based on current asset values and the impact of ongoing capital expenditure programs.

Operational expenditure, based on business functions of the Council, is as follows:



Employment Costs

Employment costs have decreased by \$542,145 or 2.2 per cent over the original budget estimates for 2019/20 (\$1,243,103 or 5.4 per cent last budget), it being noteworthy that:

- No provision has been made for a pay rise to occur in 2020/21;
- FTE numbers have not been increased;
- Corporate uniform budgets have been suspended for 2020/21, with a reserve created to allow for a small number of essential purchases to occur;
- Overtime is removed from the budget, with a reserve created to allow for essential overtime to be worked;
- A vacancy allowance of \$250,000 is factored into salary budgets.

The replacement of staff on leave is largely unfunded in the budget, apart from direct service providers such as the library and the Service Centre. A sufficient level of saving during the course of the year is expected to occur within the budget to fund any essential temporary staff replacements that may otherwise be required.

It is intended that only essential staff replacements occur in 2020/21, the expectation being that some positions will be abolished and some will not being filled during the year. All staff vacancies will required Executive sign-off before action to fill can be taken.

Income

All income is budgeted to increase by \$1,086,858 or 1.6 per cent over 2019/20 budget as follows:

	Budget 2019/20	Budget 2020/21	Variance
	\$	\$	\$
Rates & Rate Equivalent Payments	60,307,510	61,207,820	900,310
Statutory Charges	2,449,400	2,071,620	-377,780
User Charges	1,735,606	1,603,975	-131,631
Grants - General Purpose Grant	1,263,500	1,279,936	16,436
Grants - Other	2,185,969	3,007,252	821,283
Sundry Income	749,885	608,125	-141,760
Total	68,691,870	69,778,728	1,086,858

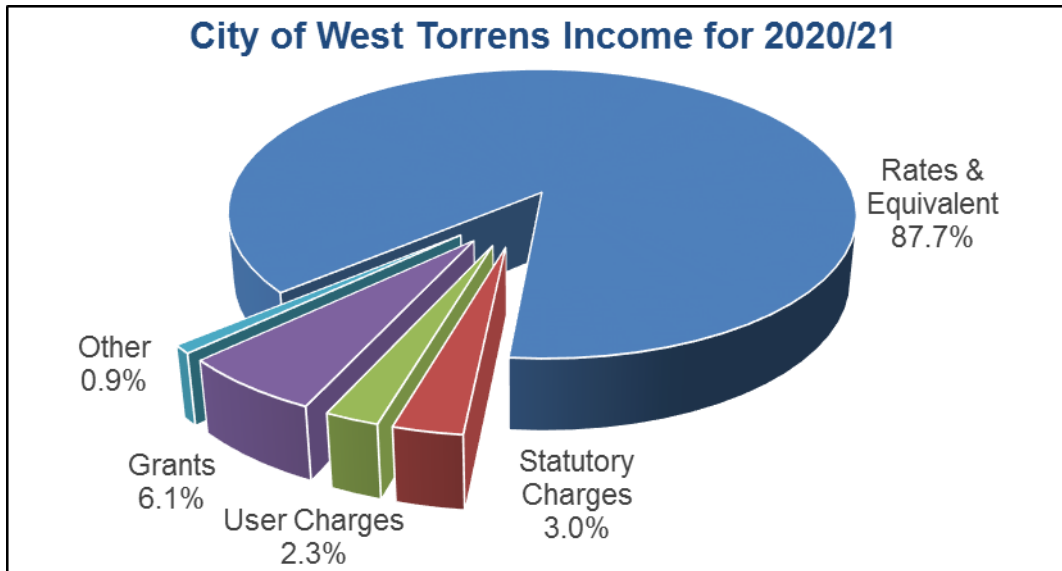
Covid-19 has impacted Council's income budget and may impact further in time. Adjustments attributable to Covid-19 include:

- A reduction of \$250,000 following a decision by Council on 31 March 2020 to offer a relief package to property leaseholders and ratepayers impact by Covid-19;
- A reduction of \$200,000 to the parking income budget, a sizeable component of which is airport related;
- A reduction in income of \$70,000 from the expected closure of the Thebarton Community Centre for the first 3 months of the financial year.

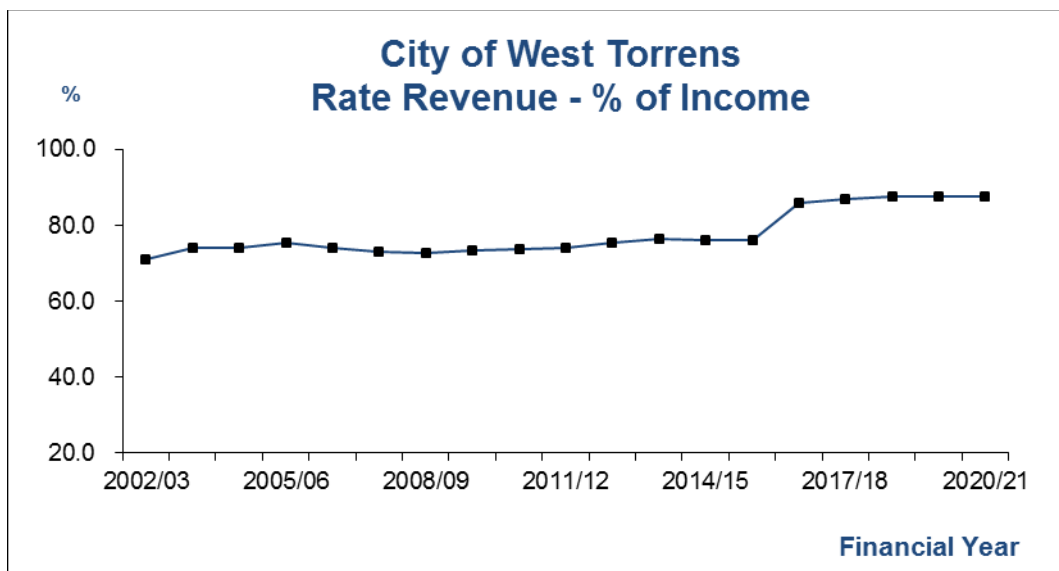
Action was also taken in response to Covid-19 to reduce the proposed rate increase from an intended 2.5 per cent to 1.0 per cent, which further reduced income by \$810,000. Rate equivalent payments from Adelaide Airport Limited have likewise been reduced by \$320,000, but this may require further adjustment given recent developments.

Rate Income

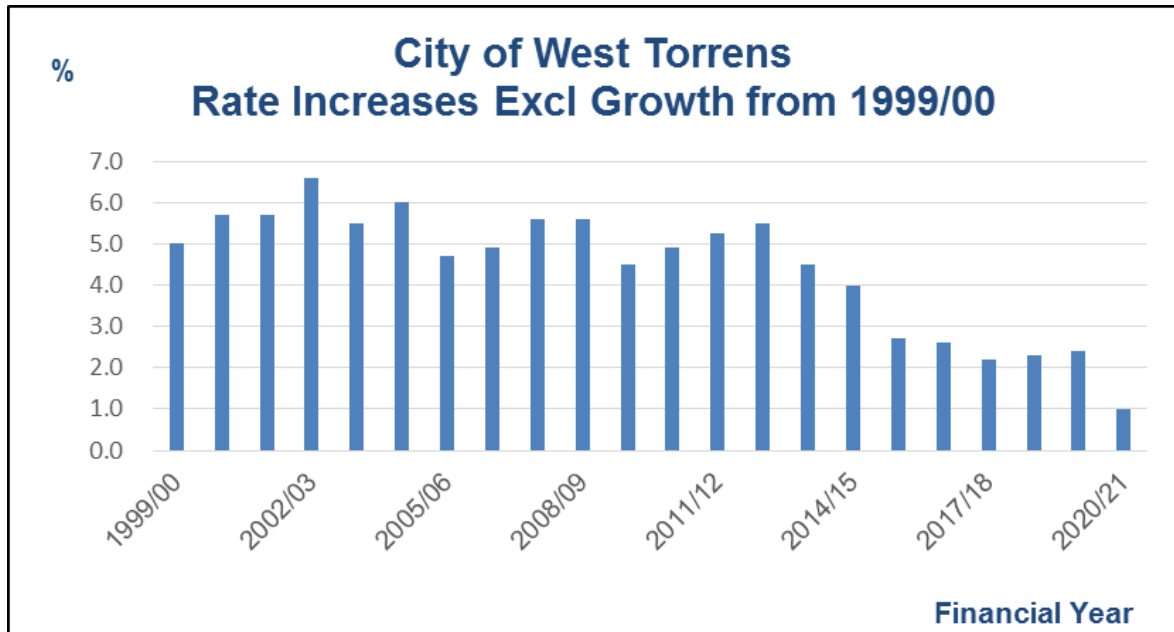
87.7 per cent of the income budgeted by Council is derived from rates and rate equivalent payments, as follows:



As can be seen in the following graph, Council's dependency on rate revenue continues to be significant, with no major growth in other income areas.



Council has endeavoured to limit increases in rates and since 1999/00 has achieved an average increase of 4.4 per cent (excluding natural growth), as shown in the chart below. Much lower increases are evident in recent years.



Rate Calculation

Rates in 2020/21 are determined on the following basis:

	\$
Rate Income 2019/20	53,943,433
Add Natural Growth @ Net 1.0%	539,434
	<hr/>
Rates Prior to Rate Increase	54,482,867
	<hr/>
Add Net Rate Increase @ 1.0%	547,133
	<hr/>
Rates Raised (excluding fines)	55,030,000
	<hr/>

Rate equivalent payments by Adelaide Airport Limited are excluded from the above rate calculations, along with the RL levy, rebates and remissions.

Minimum Rates

A minimum rate of \$944 is proposed for 2020/21 (\$935 in 2019/20), an increase of \$9 or 1.0 per cent.

This rate is expected to result in substantially less than 35 per cent of West Torrens Council properties being minimum rated and ensure compliance with Section 158 of the Local Government Act 1999.

West Torrens had the third lowest minimum rate in metropolitan Adelaide in 2019/20 at \$935. Minimum rates in metropolitan Adelaide average \$1,030 and range between \$850 (Unley) and \$1,239 (Prospect).

Rate Movements

It is proposed that rates be increased as follows:

Minimum Rate	:	Up 1.0%
Non-Residential	:	Up 1.0%
Residential	:	Up 1.0%
Overall Increase	:	Up 1.0%

Detailed rate modelling information, prepared pursuant to the requirements of Section 123 of the Local Government Act 1999, is included in section 7 of this document.

Rates Comparison with Other Councils

Average rates in metropolitan Adelaide ranged between \$1,617 (Campbelltown) and \$2,237 (Walkerville). The West Torrens average of \$1,755 is low by comparison.

West Torrens is able to offer an average residential rate of \$1,264, the second lowest in metropolitan Adelaide. Averages range from \$1,067 (Port Adelaide Enfield) to \$2,119 (Walkerville).

These averages are based on what occurred in the 2019/20 financial year.

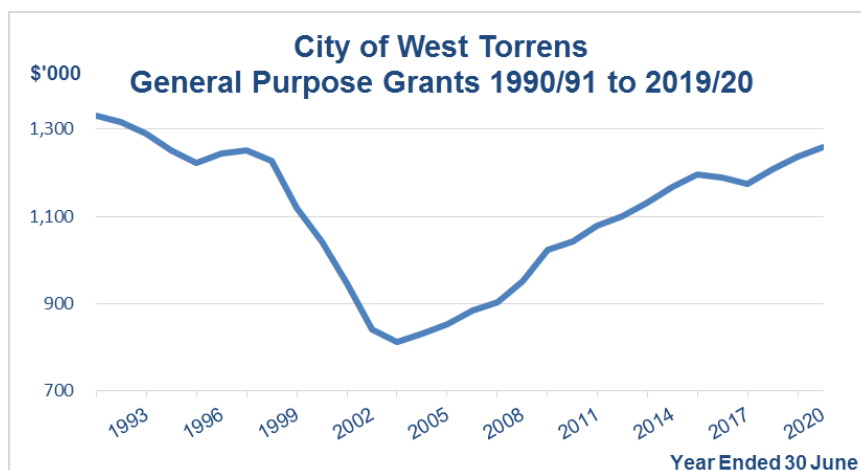
Grant Income

Grant income budgeted in 2020/21 totals \$4,287,188 (\$3,449,469 in 2019/20) up 24.3 per cent as follows:

	Budget 2019/20	Budget 2020/21	Variance
	\$	\$	\$
General Purpose Grant	1,263,500	1,279,936	16,436
Road Grants	637,442	651,466	14,024
Library	430,169	434,854	4,685
HACC / CHSP	465,440	502,000	36,560
Special Road Grants	617,418	617,418	0
Sundry Grants	35,500	801,514	766,014
Total	3,449,469	4,287,188	837,719

General Purpose Grant

The following table shows Council's general purpose grants from the South Australian Grants Commission since 1997/98. The decline reflects the impact of a methodology review by the Commission.



User Charges

User charges can be distinguished from taxes because they can be avoided by a ratepayer's decision not to use the good or service in question. The basis for raising general rates from ratepayers is to pay for the goods and services that a local government provides to its community. However, there are certain goods and services that the Council provides which are available specifically to individuals or groups and for which a user charge is appropriate. Councils already have a number of user charges e.g. library charges, hall hire, tennis court hire, community centre fees, etc.

User charges can help to reduce the rate burden on ratepayers.

User charges budgeted in the 2020/21 financial year total \$1,603,975 (or 2.3 per cent of all Council's operating income). They comprise of the following:

	Budget 2019/20	Budget 2020/21	Variance
	\$	\$	\$
Waste Royalties / Lease Fees	190,000	192,000	2,000
Hall and Theatre Hire / Rent	384,500	275,625	-108,875
Library Income	28,900	21,600	-7,300
Ovals Rents, Fees & Related	75,000	90,000	15,000
Home Support Charges	135,000	110,000	-25,000
House Rent & Related	35,800	38,000	2,200
Commercial Lease Fees	460,000	543,750	83,750
Sundry User Charges	426,406	333,000	-93,406
Total	1,735,606	1,603,975	-131,631

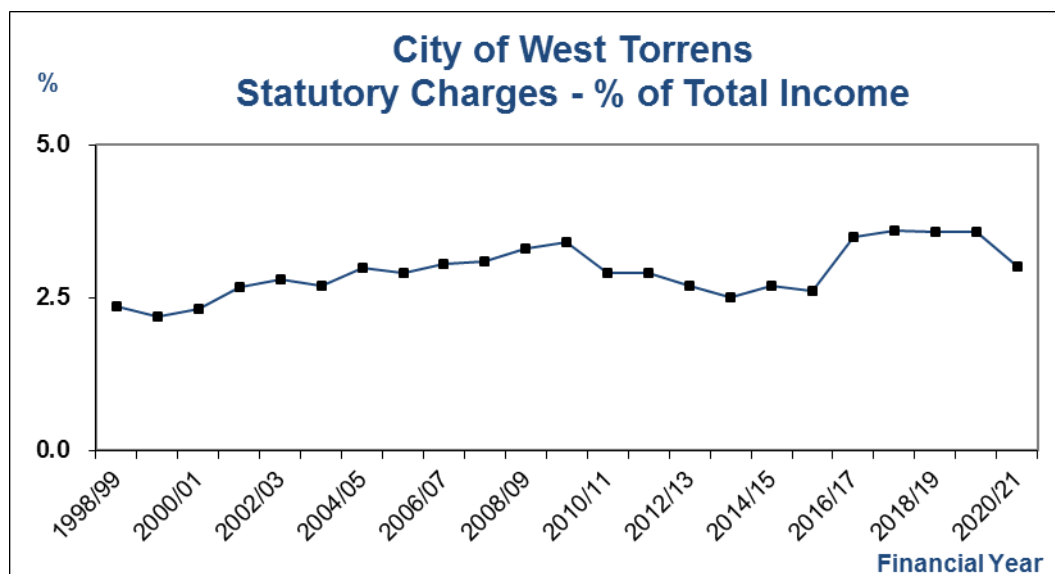
Commercial lease fees of \$543,750 are for the new depot facility. All user charges are reviewed annually by Council.

Statutory Charges

Statutory charges are substantially set by the State Government on regulatory services provided by local government, such as dog registration fees, building and planning fees, and parking fines. They comprise of the following:

	Budget 2019/20	Budget 2020/21	Variance
	\$	\$	\$
Parking Income	1,170,000	890,000	-280,000
Development Act Fees	670,000	630,000	-40,000
Animal Control Income	395,000	346,500	-48,500
Property Search Fees	115,000	115,000	0
Sundry Statutory Charges	99,400	90,120	-9,280
Total	2,449,400	2,071,620	-377,780

Statutory fees play an important role in enabling Council to provide a range of specific services and community facilities. However, these fees and charges make a relatively modest contribution to the overall budget. In the 2020/21 budget, statutory charges total \$2,071,620 or 3.0 per cent of all Council income (excluding capital revenues). The trend since 1997/98 has been as follows:



Other Income

Other income of the Council includes investment income, insurance returns and reimbursements, and comprises 0.9 per cent of all income budgeted in 2019/20 (excluding capital revenues).

	Budget 2019/20 \$	Budget 2020/21 \$	Variance \$
Investment & Related Income	216,000	144,000	-72,000
Reimbursement Income	251,800	272,125	20,325
Insurance Bonus	150,000	100,000	-50,000
Sundry Income	132,085	92,000	-40,085
Total	749,885	608,125	-141,760

Loan Program 2020/21

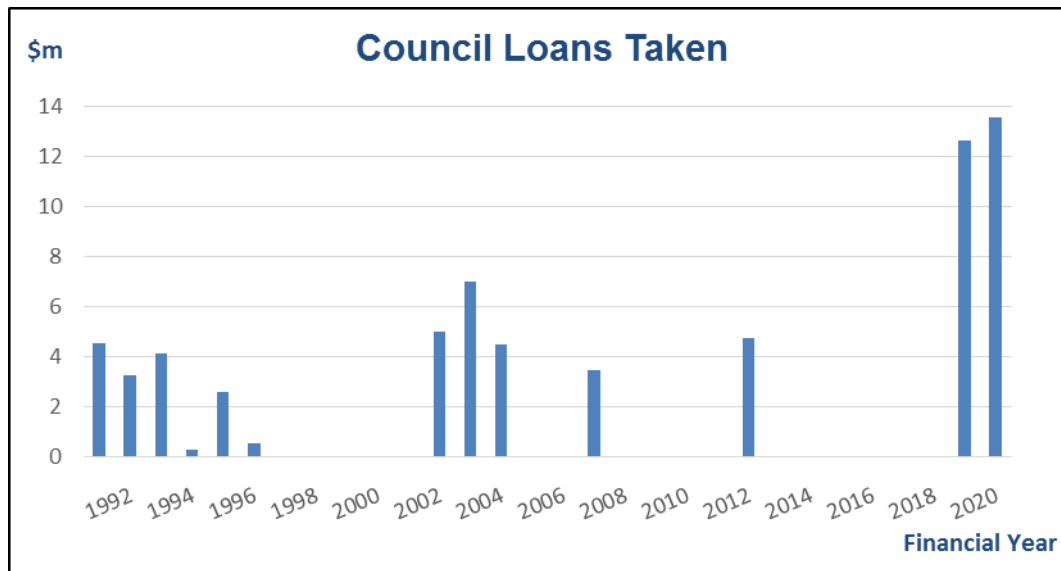
Council’s loan program for 2020/21 totals \$6,536,620 (\$3,796,002 in the 2019/20 original budget). Details of the loan program can be seen below:

**City of West Torrens
Loan Program 2020/21**

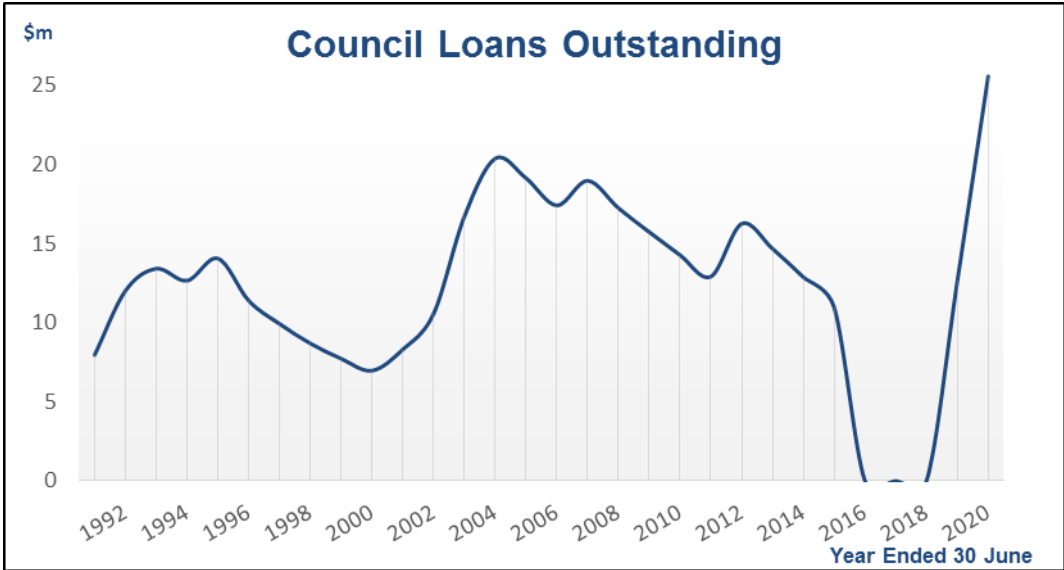
Project	\$
BHKC Project (no overhead)	1,345,711
Thebarton Oval Redevelopment	1,000,000
Packard Street Cut-off Drain	650,000
Redevelopment - Community Facilities	2,100,000
LED Lighting	1,100,000
Theb Comm Centre - Upgrade Stage 2	500,000
Overhead	-159,091
Balance	6,536,620

Historical Perspective on Loans

The following graphic shows new loans taken by Council since 1 July 1990, including those of both Thebarton and West Torrens Councils prior to amalgamation in 1997.



A new loan of \$13,554,958 was taken out during 2020 to fund major capital works projects currently in progress. This is the second loan Council has taken since January 2012. The next graph shows the balance of council loans outstanding at the end of each financial year.



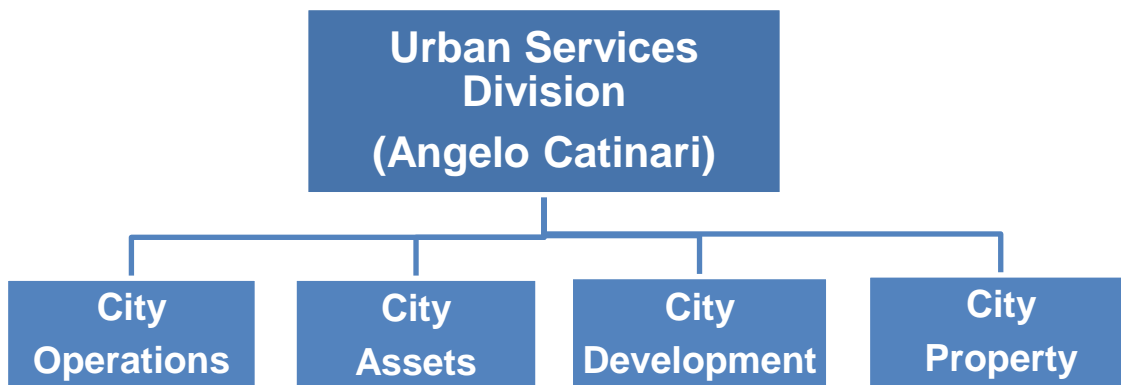
Increased borrowings in the 1991 to 1993 period were largely due to the redevelopment of the Hilton Civic Centre and property acquisitions associated with the Hilton Shopping Centre site.

A sizeable reduction of Council's indebtedness in the 1995 to 2001 period occurred because Council elected to use cash reserves rather than borrowings to fund the budgeted loan program. This has resulted in interest and principle repayments being avoided.

No loan liability in 2016, 2017 and 2018 reflect action taken to pay out loans using proceeds from the sale of St Martins aged care facility. The surplus funds from the sale allowed council to avoid borrowing until the 2019 financial year.

Operational Budgets by Division

Urban Services Division



The Urban Services Division covers a range of service areas responsible for the city's infrastructure as well as the built and natural environment. The division is responsible for the provision of services and resources that enhance life in the city and it plans, manages and reviews the delivery of Council's works, infrastructure, property, land use and planning services.

The Urban Services Division comprises the following:

- City Operations;
- City Assets;
- City Development;
- City Property.

Urban Services Division 2020/21 Business Plan and Budget Statement

Objective(s)

Support Council with the provision of a range of urban services for the city, which aim to maintain and improve public infrastructure and facilities, amenity and open space, and the built environment.

Key Activities 2020/21

Key activities include the following:

- Discharge functions and duties under the Development Act 1993, Development Regulations 2008, Planning, Development and Infrastructure Act 2016, and Planning, Development and Infrastructure Regulations;
- The effective and efficient creation / maintenance of Council's infrastructure and property assets, via on-going capital/maintenance works programs, 10 year asset management plans / long term financial plans and information systems;
- Undertake the planning, design, documentation and contract management of Council's annual capital works program;
- The management of stormwater by the establishment of new and upgraded drainage systems, localised flood analysis, water quality and stormwater harvesting;
- Provide engineering technical advice and manage urban design development;
- Oversee the implementation of Council's priorities for community facilities and recreational projects;
- Provide effective management and maintenance of all Council buildings and facilities, including leasing and licencing;
- Enhance and maintain Council's open space and community land facilities;
- Provide services to support delivery of Council's internal business operations, including vehicle fleet management and plant and equipment maintenance;
- The measurement and study of traffic and parking, including activities ranging from traffic data collection and analysis, to parking signage and line marking, accident studies, travel demand management and the development of intelligent transport systems;
- Undertake works and services to provide and maintain community assets including:
 - footpaths and roads (incl. cleaning);
 - street furniture and regulatory signage;
 - drainage systems;
 - street trees; and
 - parks, gardens and playgrounds.

Performance Measures

Performance measures, both financial and non-financial, against which the Urban Services Division will be assessed, are:

- Statutory development assessment and development compliance obligations are met in an efficient and timely fashion, consistent with the planning and development statutory framework and policies of the Council;
- Effective provision of support to the Council Assessment Panel and Building Fire Safety Committee;
- Projects are completed on time, on budget and with quality outcomes;

- Stormwater flood mitigation measures are effective throughout the city and meet community expectations;
- Asset management plans are in place and support asset maintenance requirements of the city;
- Traffic management measures that demonstrate safety improvements while providing increased levels of community satisfaction;
- Asset maintenance is timely, cost effective, of a high quality and meets community expectations;
- Service frequencies that meet community expectations, including street sweeping and parks and landscape maintenance;
- Compliance with codes, policies and legislation for all properties and facilities;
- High service levels are maintained and key performance indicators are met.

2020/21 Budget Highlights

1. Income

- Urban Services' income is budgeted to increase by \$686,837 or 19.5 per cent in 2020/21 to \$4,205,903;
- Roads to recovery funding of \$617,418 is budgeted to continue in 2020/21;
- Council's identified local road grant is budgeted at \$651,466, (\$637,442 budgeted originally in 2019/20);
- \$192,000 has been budgeted for royalty payments and lease income associated with the waste transfer station, up \$2,000 or 1.1 per cent on 2020/21;
- Income from sporting facilities has been budgeted to increase by \$12,375 to \$97,875 (\$85,500 in 2019/20), with new income anticipated from facility upgrades, although this increase is offset by rent and related relief measures offered to the leaseholders of Council facilities in response to Covid-19;
- Thebarton Theatre complex income of \$45,000 is budgeted (\$85,000 in 2019/20);
- Property related reimbursements of utility and related charges (such as water and electricity) of \$225,000 are budgeted (\$198,000 in 2019/20);
- Lease income of \$543,750 from the new depot is budgeted (\$460,000 in 2019/20), some of which is currently under review;
- City Operations' income of \$174,000 is budgeted (\$144,500 in 2019/20), most of which involves reimbursement for work undertaken by depot staff, and includes \$35,000 for maintaining selected highway medians on Sir Donald Bradman Drive, Airport Road and Henley Beach Road for the Department of Planning, Transport and Infrastructure;
- Development application fees of \$630,000 are budgeted (down 6.0 per cent from \$670,000 in 2019/20);
- Property search fees are budgeted at \$115,000 (unchanged from 2019/20).

2. Operational Expenditure

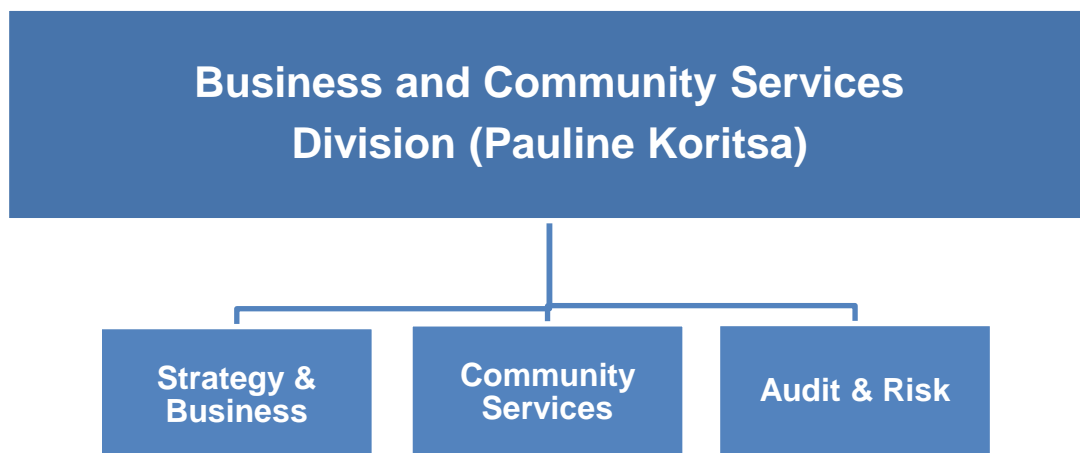
- Operational expenditure (excluding depreciation) has increased by \$487,065 or 2.0 per cent to \$24,455,915 (\$23,968,851 in 2019/20);
- Employment expenses have fallen by \$140,785 or 1.3 per cent, to \$10,954,428;
- Street lighting expenditure has decreased by \$49,782 or 5.0 per cent to \$945,218 (\$995,000 in 2019/20). This excludes capital expenditure (refer to capital program);
- Professional fees have decreased by \$290,000 or 37.2 per cent to \$490,000, to fund the following:
 - \$100,000 for specialist engineering advice;
 - \$60,000 for Lands Titles Office and topographical surveys;

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- \$50,000 for environmental monitoring and reporting;
 - \$50,000 for rolling stormwater audit work to be undertaken;
 - \$45,000 technical advice for planning during significant industry reform;
 - \$40,000 for asset management development.
 - \$40,000 for general consultancy advice;
 - \$25,000 for landscape concept designs;
 - \$25,000 for arboriculture, heritage, engineering and specialist planning advice;
 - \$25,000 for investigation and design for minor building projects, including repairs and maintenance activities, inspection, minor audits and professional advice (including heritage), and property transactions;
 - \$20,000 for transport strategy implementation;
 - \$10,000 for geotechnical testing;
- Depreciation costs are budgeted to increase by \$1,690,315 or 15.2 per cent to \$12,791,595 as facility upgrades become operational;
 - Contract maintenance expenditure has increased by \$242,359 or 8.4 per cent to \$3,112,559 and includes:
 - \$902,607 for road, road reserve and footpath maintenance;
 - \$505,000 for building and contract maintenance;
 - \$440,000 for horticulture and landscape maintenance;
 - \$276,393 for tree pruning;
 - \$295,200 for inspection, cleaning and maintaining the street and drainage network and stormwater pump stations;
 - \$220,000 for weed control;
 - \$180,000 in waste disposal costs, which includes illegally dumped rubbish;
 - \$145,359 for Council Assessment Panel support and the implementation of increased statutory building inspection requirements;
 - \$85,000 for graffiti removal;
 - \$51,000 for turf / irrigation maintenance and compliance testing;
 - \$12,000 for sundry operational expenditure.
 - Material costs for maintenance works have increased by \$28,270 or 2.8 per cent to \$1,049,450, and includes:
 - \$474,774 for road maintenance and concrete material;
 - \$398,272 for the greening program (tree replacement, plantings and biodiversity WSUD plantings);
 - \$151,404 for line marking and signage / furniture;
 - \$25,000 for building materials and fixtures / fittings.
 - Interest expense of \$819,939 is budgeted (\$518,976 in 2019/20) as Council resumes borrowing for major capital projects;
 - Rental, sundry and land tax equivalent payments to Adelaide Airport Limited totalling \$780,000 are budgeted (\$765,000 in the original 2019/20 budget);
 - Levies and charges have decreased by \$40,000 or 38.1 per cent to \$65,000 and cover EPA licence fees for Deeds Road / Waste Transfer Station (\$40,000) and decreased planning fees payable to the SA Government (\$20,000);
 - Plant and equipment costs (excluding plant hire and depreciation) of \$742,703 are budgeted (\$739,140 in 2019/20);
 - Water rates have increased by \$18,000 or 2.7 per cent to \$695,000;
 - Sitting fees for independent members of the Council Assessment Panel of \$31,400 is factored into the budget, based on allowances set by the SA Remuneration Tribunal (\$30,200 in 2019/20).

BUDGET 2020/21 URBAN SERVICES DIVISION OPERATIONAL EXPENDITURE & INCOME
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2019/20 BUDGET		DESCRIPTION	2020/21 BUDGET	VARIATION TO 2019/20 ORIGINAL	
ORIGINAL	REVISED				
Income					
785,000	745,000	Statutory Charges	745,000	(40,000)	-5.1%
1,156,206	1,060,741	User Charges	1,116,505	(39,701)	-3.4%
1,290,360	1,140,277	Grants & Subsidies	2,038,898	748,538	58.0%
220,500	217,703	Reimbursements	265,000	44,500	20.2%
67,000	448,253	Other Income	40,500	(26,500)	-39.6%
3,519,066	3,611,974	Total Income	4,205,903	686,837	19.5%
Operational Expenditure					
10,523,275	10,424,566	Staff Costs	10,490,963	(32,312)	-0.3%
571,938	492,856	Staff Related Costs	463,465	(108,473)	-19.0%
2,148,190	2,236,350	Buildings Furniture & Fittings	2,354,185	205,995	9.6%
1,406,470	1,453,626	Plant & Equipment	1,440,673	34,203	2.4%
6,910	5,680	Computer Expenditure	5,270	(1,640)	-23.7%
8,391,900	9,683,670	Community Assets	9,857,970	1,466,070	17.5%
1,773,337	1,796,939	General	1,599,094	(174,243)	-9.8%
518,976	518,976	Bank & Finance	819,939	300,963	58.0%
1,151,475	1,161,170	Council Expenditure	1,063,618	(87,857)	-7.6%
2,870,200	2,839,500	Contract Expenditure	3,112,559	242,359	8.4%
1,021,180	1,003,680	Materials	1,049,450	28,270	2.8%
2,176,900	2,217,900	Occupancy & Property	2,231,700	54,800	2.5%
(200,000)	(200,000)	Internal - Expenditure Recovered	(175,000)	25,000	-12.5%
32,360,751	33,634,913	Total Operational Costs	34,313,886	1,953,135	6.0%
(28,841,685)	(30,022,939)	Operational Surplus/(Deficit)	(30,107,983)	(1,266,298)	4.4%

Business and Community Services Division



The Business and Community Services Division is primarily responsible for governance and risk management, media and events, procurement, internal audit, strategic planning, the development of policy and the provision of services to the community as approved in Council's strategic directions and annual budget.

The Business and Community Services Division comprises the following:

- Strategy and Business;
- Community Services;
- Audit and Risk.

Business and Community Services Division 2020/21 Business Plan and Budget Statement

Objective(s)

- Influence the implementation of departmental strategies that are consistent with the aspirations and principles detailed in Council's Community Plan;
- Coordinate high level strategic land use planning policy, corporate planning and environmental services;
- Build stronger relationships and partnerships between Council, the community and state and other local governments, to build the social capital of the local community;
- Deliver responsive services that address health and wellbeing, and the social and educational needs of people of all ages;
- Promote literacy by making it easy for people of all ages, cultures and interests to get into reading at all levels. Reading plays a crucial role in creating independent learners, underpins literacy skills and educational attainment and helps people understand themselves and others;
- Deliver the provision of community based support and services for older people, people with disabilities and their carers, and other specifically funded (external and council) target groups;
- Achieve excellence in governance, internal audit, risk management and procurement;
- Deliver high quality media, communication, events and community engagement programs.

Key Activities 2020/21

Key divisional activities include:

- City Strategy, including the coordination of land use planning policy, corporate and strategic planning and performance of the Community Plan;
- Community Services, including the provision of centre and outside based programs and services to people of all ages, mobile and home library services, volunteer, community bus, children and youth programs, and aged support programs;
- Business Services, which includes procurement, internal audit, risk management, governance, and creative services.

Performance Measures

Performance measures, both financial and non-financial, against which the Business and Community Services Division will be assessed, include:

- The degree to which Council implements policies, plans, programs, activities and procedures recommended by the division;
- Successful performance within the procurement program, emergency management, business and continuity plans, and community engagement framework;
- The degree to which the organisation achieves the objectives and targets set in its key climate change adaptation programs;
- The performance of Council's aged services program against the independently assessed Commonwealth accreditation, validation and certification standards;
- Financial management of all programs within the budgets set and to the standards required by the funding bodies, including Council itself;
- Community participation in the summer festival program.

2020/21 Budget Highlights

1. Income

- Divisional income is budgeted to fall by \$29,775 or 2.2 per cent to \$1,341,754;
- Income from library users of \$33,800 is budgeted (\$41,100 in 2019/20);
- A component of the library budget is externally funded by the State Government (total of \$434,854), and this represents 15.1 per cent of the total operational budget of the library (\$430,169 in 2019/20);
- User charges for the Commonwealth Home Support program (CHSP) have decreased by \$20,000 to \$90,000;
- Grant income for CHSP is expected to be \$502,000 (\$465,440 in 2019/20);
- Income for Community Development includes transport fees and charges of \$8,100, community centre hire charges of \$210,000 and fees from home advantage services of \$20,000.

2. Operational Expenditure

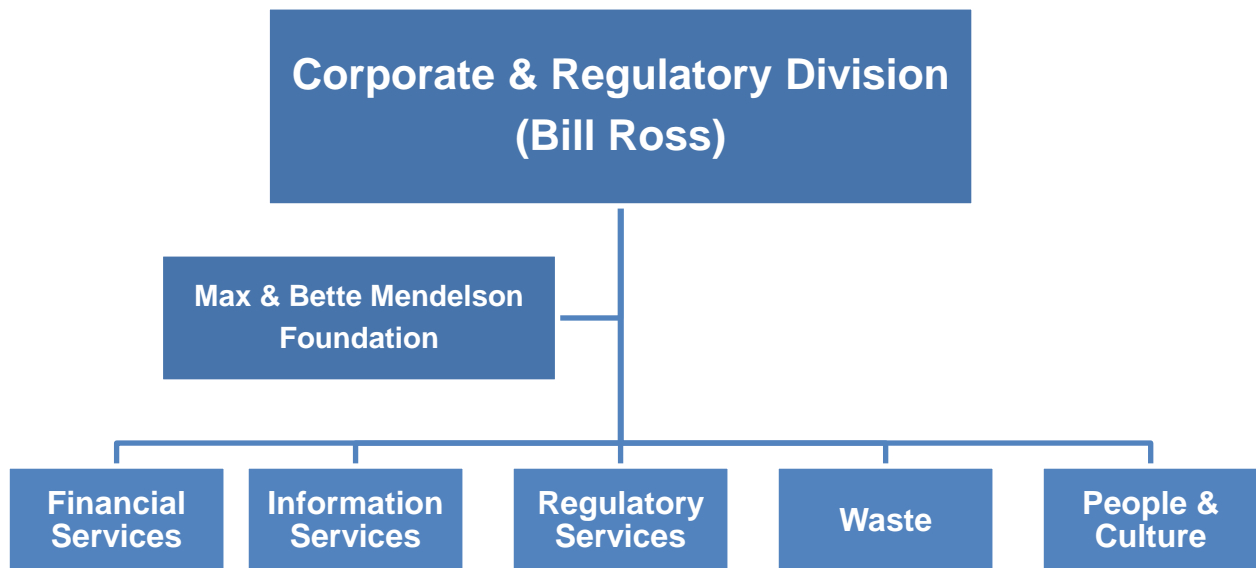
- Operational expenditure for the Business and Community Services Division is budgeted to fall by \$695,095 or 7.9 per cent to \$8,053,233, further details of which are provided below;
- Employment expenses have fallen by \$123,250 or 2.2 per cent, to \$5,457,047;
- \$157,000 has been budgeted for professional fees, down \$183,500 or 53.9 per cent on what was funded in 2019/20. The budget amount includes:
 - \$65,000 for Adapt West programs;
 - \$30,000 for a Public Health Plan review;
 - \$25,000 for internal audit support;
 - \$20,000 for planning reform projects;
 - \$10,000 for a carbon monitoring licence;
 - \$7,000 for other sundry support.
- Grants of \$320,600 are proposed in 2020/21 (\$372,082 in 2019/20). Funded items include:
 - \$156,600 for annual partnership grants to the Fulham Community Centre, Western Youth Centre and Camden Community Centre;
 - Community grants of \$100,000;
 - Sundry partnership grants of \$34,000;
 - Rainwater tank and rain garden rebates of \$15,000;
 - Environment grants of \$10,000;
 - Donations of \$5,000.
- The budget for community programs has fallen from \$306,650 in 2019/20 to \$154,600 in 2020/21, largely due to the suspension of Council's events / summer festival program. Items being funded include the following:
 - \$60,000 for Community Development programs listed below;
 - \$59,600 for special library programs;
 - \$35,000 for other programs and support, including the provision of heat and household support packs.
- The Community Development budget of \$60,000, which has been reduced by \$28,000 from 2019/20, and includes funding for:

- School holiday events, such as "Little Day Out" activities;
 - Community and celebratory activities and projects e.g. volunteer thank you Christmas lunch, community gardens, and walking and sewing groups;
 - Youth initiatives e.g. after school and school holiday activities, and youth expo;
 - Community participation and engagement, including disability and volunteer expos, training and support, anti-poverty week, harmony day and cultural evenings;
 - Active ageing initiatives to facilitate opportunities for older people to be active in the community;
 - Initiatives and activities to implement actions in accordance with the Disability, Access and Inclusion Strategy;
 - Arts and cultural activities and events.
-
- Library resources, most of which are grant funded, have been budgeted at \$293,192 (\$325,516 in 2019/20);
 - The operational bottom line for CHSP is budgeted to be substantially break-even in 2020/21, with contractor support budgeted at \$166,908 (\$185,000 in 2019/20);
 - Subscription budgets have increased by \$16,212 or 16.9 per cent to \$112,119 and this covers library resources, such as magazines, media and music, along with survey and media monitoring tools;
 - Publications and printing costs of \$80,000 are proposed (\$88,775 in 2019/20);
 - Advertising and publicity costs of \$14,440 are budgeted in 2020/21 (\$47,300 in 2019/20).

BUDGET 2020/21 BUSINESS & COMMUNITY SERVICES DIVISION OPERATIONAL EXPENDITURE & INCOME

2019/20 BUDGET		DESCRIPTION	2020/21 BUDGET	VARIATION TO 2019/20 ORIGINAL	
ORIGINAL	REVISED				
Income					
1,000	1,000	Statutory Charges	1,000	0	0.0%
472,920	393,920	User Charges	383,900	(89,020)	-18.8%
895,609	943,513	Grants & Subsidies	936,854	41,245	4.6%
0	2,587	Reimbursements	1,500	1,500	N/A
2,000	16,527	Other Income	18,500	16,500	825.0%
1,371,529	1,357,547	Total Income	1,341,754	(29,775)	-2.2%
Operational Expenditure					
5,335,887	5,242,487	Staff Costs	5,254,818	(81,069)	-1.5%
244,409	201,165	Staff Related Costs	202,229	(42,180)	-17.3%
171,200	178,563	Buildings Furniture & Fittings	177,380	6,180	3.6%
145,710	131,454	Plant & Equipment	122,806	(22,904)	-15.7%
156,619	174,649	Computer Expenditure	143,289	(13,330)	-8.5%
1,615,424	1,593,310	General	1,175,046	(440,378)	-27.3%
2,400	4,900	Bank & Finance	6,000	3,600	150.0%
380,684	487,691	Council Expenditure	329,522	(51,162)	-13.4%
290,000	295,014	Contract Expenditure	259,908	(30,092)	-10.4%
31,000	31,000	Materials	30,000	(1,000)	-3.2%
351,994	332,994	Occupancy & Property	352,235	241	0.1%
23,000	0	Internal - Expenditure Recovered	0	(23,000)	-100.0%
8,748,327	8,673,227	Total Operational Costs	8,053,233	(695,095)	-7.9%
(7,376,798)	(7,315,680)	Operational Surplus/(Deficit)	(6,711,479)	665,320	-9.0%

Corporate and Regulatory Division



The Corporate and Regulatory Division is responsible for the provision of a range of support services across Council and the provision of operational support to the Chief Executive Officer.

The Corporate and Regulatory Division comprises the following:

- The Mendelson Foundation;
- Financial Services;
- Information Services;
- Regulatory Services;
- Waste;
- People and Culture.

Corporate and Regulatory Division 2020/21 Business Plan and Budget Statement

Objective(s)

Support Council with the provision of corporate services, including financial, human resource management and information services, and deliver effective and efficient waste, environmental health, compliance, call centre services to the community.

Key Activities 2020/21

Key activities include the following:

- Finance;
- Human resource management;
- Counter and call centre services;
- Information technology (IT);
- Information management;
- Compliance and environmental health services;
- Waste management;
- Mendelson Foundation administration.

Performance Measures

Performance measures, both financial and non-financial, against which the Corporate and Regulatory Division will be assessed, are:

- The achievement of quality outcomes for the benefit of both Council and the West Torrens' community;
- City of West Torrens remains financially sustainable as an entity;
- The delivery of a high level of financial accountability;
- Compliance with all relevant legislation and regulations;
- High level support in human resource management is provided;
- Quality work health and safety outcomes are achieved;
- High standards of call centre service are maintained;
- A high level of IT network and application availability occurs;
- A policing presence is maintained within the community in parking administration, animal management and general compliance operations;
- Quality immunisation outcomes are achieved;
- Waste to landfill is reduced and recycling increased;
- Ongoing success is achieved with food waste recycling and illegal dumping programs;
- Prudent management of Mendelson Foundation investments occurs.

2020/21 Budget Highlights**1. Income**

- Corporate and Regulatory income, which includes rates and rate equivalent payments, has increased by \$430,296 or 0.7 per cent, to \$64,229,071;
- Rates are budgeted to increase by 1.0 per cent, based on the calculation that follows. This represents an increase in income from rates of \$1,086,567 over what was raised in 2019/20.

	\$
Rate Income 2019/20	53,943,433
Add Natural Growth at 1.0%	539,434
Sub Total	54,482,867
Add Rate Increase at 1.0%	547,133
Total	55,030,000

- Rate equivalent payments for Adelaide Airport have increased to \$5,380,000, based on growth of 1.0 per cent and a 1.0 per cent increase, as follows:

	\$
Net REP's in 2019/20	5,276,931
Add growth at 1.0%	52,769
Add increase at 1.0%	50,300
Total	5,380,000

- Income from investments has decreased by \$72,000 or 33.3 per cent to \$144,000, based on an assessment of Mendelson investment performance and Council's future cash flow position;
- An amount of \$1.280 million is budgeted for Council's financial assistance grant in 2020/21 (\$1.264 million in 2019/20);
- Environmental Health income is budgeted to fall by \$23,410 or 21.8 per cent to \$83,990, reflecting changes to immunisation service provision and a Council decision to waive inspection fees for food premises until 30 September 2020;
- Parking expiation income is decreasing by \$300,000 or 28.6 per cent to \$750,000, largely due to the impact of Covid-19, including an expected significant reduction associated with Adelaide Airport.

2. Operational Expenditure

- Operational costs for the Corporate and Regulatory Division have increased by \$774,062 or 4.6 per cent to \$17,554,881, largely fuelled by an increase in waste management costs;
- Employment and related costs have fallen by \$236,640 or 3.6 per cent, to \$6,349,278;
- An amount of \$1,566,570 is budgeted for the RL levy, up \$24,060 or 1.6 per cent on 2019/20;
- The budget for rate rebates and remissions for 2020/21 totals \$990,000, an increase of \$80,000 or 8.8 per cent compared to the 2019/20 original budget;
- Valuation charges of the Valuer-General are budgeted to increase by \$11,000 to \$226,000;
- Training and development costs have fallen by \$60,094 or 53.4 per cent to \$52,496, with reductions made in response to Covid-19, including reductions to travel and conference budgets. The amount budgeted includes corporate and mandatory training requirements;
- Council's waste contract budget is increasing by \$883,000 or 15.8 per cent to \$6.47 million over that budgeted in 2019/20, the key increases being:
 - Recycling / China sword increases of \$370,000;
 - Waste levy increases, including flow-on increases from 2019, totalling \$257,000;

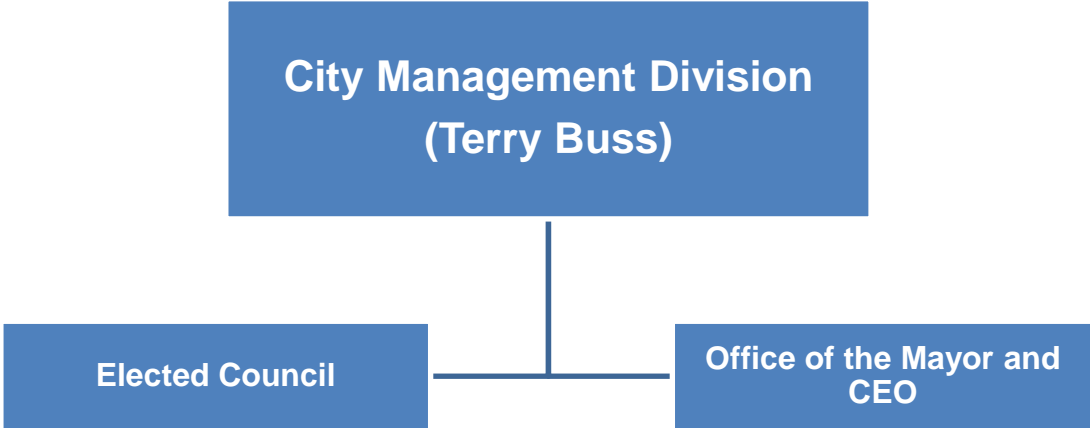
- New contract increases of \$190,000.
- The collection budget amount of \$4,120,000 includes an allowance of \$538,000 for the following items (\$484,455 in 2019/20):

	\$
Hard waste	380,000
Mattresses	20,000
E-waste collection	8,000
Vouchers - 6 x 4 trailer	130,000
Total	538,000
- Waste to landfill costs has increased by \$280,000 or 13.5 per cent to \$2,350,000, largely because of a waste levy increase imposed by the state government;
- The corporate software budget has increased by \$18,500 or 1.9 per cent to \$973,000, an increase impacted by:
 - The annual spend on several products including Google, Pathway and our Seamless web solution has been managed down (\$40,000);
 - The take-up of new software subscriptions, including Qualtrics to help manage our community experience, and Forestry to help manage and maintain our council trees (\$10,000);
 - Organic growth in the use of our current products, including business demand for additional licences, new positions, hot-desking and job-sharing have driven an increase (\$40,000).
- The professional fees budget has fallen by \$72,380 or 22.2 per cent to \$254,000 and includes:
 - \$102,500 in debtor management and debt recovery support (offset by income recoveries);
 - \$48,000 in HR and related professional support, including the provision for pre-employment medicals, security checks, counselling support, WHS and workers compensation assistance and cultural program and team building support;
 - \$44,000 in support of new waste education programs and kerbside audit arrangements;
 - \$25,000 for statutory auditing;
 - \$20,000 in specialist support of IT operations;
 - \$14,500 for investment advice for the Mendelson Foundation.
- Contractor expenses have decreased by \$15,100 to \$142,400 for the following to be provided:
 - Out-of-hours and backup parking and related compliance support (\$52,000);
 - Contracted immunisation service delivery (\$69,400);
 - European wasp eradication program support (\$16,000);
 - Waste support (\$5,000).

BUDGET 2020/21 CORPORATE & REGULATORY DIVISION OPERATIONAL EXPENDITURE & INCOME
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2019/20 BUDGET		DESCRIPTION	2020/21 BUDGET	VARIATION TO 2019/20 ORIGINAL	
ORIGINAL	REVISED				
Income					
60,307,510	60,261,064	Rates	61,207,820	900,310	1.5%
1,663,400	1,307,916	Statutory Charges	1,325,620	(337,780)	-20.3%
106,480	112,480	User Charges	103,570	(2,910)	-2.7%
1,263,500	627,420	Grants & Subsidies	1,311,436	47,936	3.8%
28,800	28,580	Reimbursements	3,625	(25,175)	-87.4%
429,085	173,699	Other Income	277,000	(152,085)	-35.4%
63,798,775	62,511,159	Total Income	64,229,071	430,296	0.7%
Operational Expenditure					
6,163,370	6,177,564	Staff Costs	6,018,391	(144,979)	-2.4%
422,548	382,926	Staff Related Costs	330,888	(91,660)	-21.7%
15,230	18,810	Buildings Furniture & Fittings	15,940	710	4.7%
128,200	133,478	Plant & Equipment	142,684	14,484	11.3%
1,288,340	1,302,900	Computer Expenditure	1,309,840	21,500	1.7%
0	0	Community Assets	0	0	N/A
912,941	910,606	General	819,537	(93,404)	-10.2%
146,000	136,000	Bank & Finance	302,000	156,000	106.8%
1,896,190	1,901,190	Council Expenditure	1,943,802	47,612	2.5%
5,744,500	5,730,680	Contract Expenditure	6,612,400	867,900	15.1%
0	0	Materials	0	0	N/A
63,500	63,500	Occupancy & Property	59,400	(4,100)	-6.5%
0	0	Internal - Expenditure Recovered	0	0	N/A
16,780,819	16,757,654	Total Operational Costs	17,554,881	774,062	4.6%
47,017,956	45,753,505	Operational Surplus/(Deficit)	46,674,190	(343,766)	-0.7%

City Management Division



The City Management Division is responsible for the provision of a range of services to elected representatives, the community and the Council.

The City Management Division comprises the following:

- Elected Council;
- Office of the Mayor and CEO.

City Management Division 2020/21 Business Plan and Budget Statement

Objective(s)

The objectives of the City Management Division are to:

- Make responsible and informed decisions in the interests of the community;
- Manage Council operations and the provision of public services and facilities;
- Exercise, perform and discharge the powers, functions and duties of local government under the Local Government Act and other related legislation;
- Represent the interests of the West Torrens' community to the wider community;
- Encourage and develop community initiatives in order to improve the quality of life for residents;
- Drive innovation and efficiency across the organisation through the lean thinking program;
- Promote and support economic development within the city including the provision of a supportive environment for developing sustainable business opportunities;
- Research and coordinate applications for external grant funding and industry related awards.

Key Activities 2020/21

Key activities include the following:

- Office of the Mayor and CEO;
- Business of the Elected Council;
- Delivery of continuous improvement and economic development initiatives.

Performance Measures

Performance measures, both financial and non-financial, against which the Office of the CEO and Council will be assessed, are:

- Compliance with legislative and good governance responsibilities and obligations;
- Observance of Council policy;
- Evidence of the Council working within a strategic planning framework;
- Proper discharge of powers, functions and duties under the Local Government Act and other related legislation;
- Evidence of timely and responsible decision making;
- Evidence that Council decisions are implemented without undue delay;
- Evidence of open, responsible and accountable government;
- Evidence that the assets and resources of the Council are properly managed and maintained;
- Evidence that an appropriate organisational structure for the Council is established and maintained and contemporary human resource management principles are given effect;
- Attendance at Council meetings, workshops and community forums;
- Active representation of community interests;
- Positive feedback from the community;
- Positive media;
- Responsible management of Council services to the community;

- Unqualified audit report;
- Evidence of steps being taken in relation to sustainable development and the protection of the environment;
- Lean thinking program delivers meaningful and sustainable continuous improvement;
- Activities undertaken in support of economic development within the Council area.

2020/21 Budget Highlights

1. Income

- Reimbursement income of \$2,000 is budgeted in 2020/21 (\$2,000 in 2019/20).

2. Operational Expenditure

- Operational expenditure has increased by \$61,598 or 2.7 per cent to \$2,349,634;
- Employment costs have fallen by \$41,470 or 3.6 per cent to \$1,104,060;
- Council's budget includes \$200,000 for Covid-19 resilience grants to support the local community;
- Council's donations budget of \$30,000 includes \$20,000 for Mendelson Foundation scholarships (\$25,000 in 2019/20);
- Allowances for Elected Members of \$433,055 are budgeted, based on allowances adopted by Council and mandatory increases anticipated in November 2020 (\$417,908 in 2019/20);
- Annual subscription payments to the LGA, Australian Airports Association, Australia Day Council, etc. totalling \$78,700 are budgeted (\$101,000 in 2019/20). AMAC (\$12,000) and the Murray Darling Association (\$3,300) are not budgeted in 2020/21;
- Legal costs of Council are substantially budgeted in the City Management Division, and an amount of \$230,000 has been budgeted (\$260,000 in 2019/20);
- Professional fees of \$61,000 are budgeted (\$77,000 in 2019/20), with provision made for advice on property and other strategic initiatives, along with payments for electoral roll maintenance and photography.

BUDGET 2020/21 CITY MANAGEMENT DIVISION OPERATIONAL EXPENDITURE & INCOME

2019/20 BUDGET		DESCRIPTION	2020/21 BUDGET	VARIATION TO 2019/20 ORIGINAL	
ORIGINAL	REVISED				
Income					
2,500	2,000	Reimbursements	2,000	(500)	-20.0%
2,500	2,000	Total Income	2,000	(500)	-20.0%
Operational Expenditure					
1,066,517	1,042,427	Staff Costs	1,043,576	(22,941)	-2.2%
79,013	59,278	Staff Related Costs	60,484	(18,529)	-23.5%
8,360	5,147	Buildings Furniture & Fittings	5,140	(3,220)	-38.5%
21,840	23,190	Plant & Equipment	23,202	1,362	6.2%
2,990	8,820	Computer Expenditure	8,940	5,950	199.0%
658,208	525,770	General	538,037	(120,171)	-18.3%
442,908	449,908	Council Expenditure	663,055	220,147	49.7%
8,200	8,200	Occupancy & Property	7,200	(1,000)	-12.2%
2,288,036	2,122,740	Total Operational Costs	2,349,634	61,598	2.7%
(2,285,536)	(2,120,740)	Operational Surplus/(Deficit)	(2,347,634)	(62,098)	2.7%

Rating

Introduction

The City of West Torrens uses capital values as the basis for valuing land within its Council area, with valuations purchased from the Valuer-General on an annual basis and adopted by Council for its use. Council currently adopts a rate in the dollar to apply against each separate valuation to arrive at a property levy (rate).

This simple formula is adjusted by the application of a minimum rate set by Council each year to ensure that all property owners contribute to the cost of services and the maintenance of infrastructure that supports each property. It should be noted that a council cannot apply the minimum rate to more than 35 per cent of properties within its area.

Rate in the Dollar

To determine the amount of rates paid, and in order to share the costs, Council uses a formula that is based on property values as required under the Local Government Act. This formula divides the total amount the Council needs to raise from rates by the total value of all properties in the Council area:

$$\frac{\text{Total rate revenue required}}{\text{Total value of rateable properties}} = \text{rate in the dollar}$$

The determination of a rate in the dollar provides a mechanism to avoid a windfall gain from changes in property values.

The Amount of Rates Levied

Council uses the following formula to determine the amount of rates levied on each property.

Capital value of property multiplied by the rate in \$ = rate levied (subject to minimum rate).

Example 1 - Residential (based on previous year data)

Capital Value = \$550,000
 Rate in the Dollar = 0.00243017
 Minimum Rate = \$935.00
 Rates = Capital Value * Rate in the Dollar

Rates = \$550,000 * 0.00243017
 = \$1,336.55

As this amount is greater than the minimum rate, the rate applied by Council remains at \$1,336.55.

Example 2 - Residential with an Adjustment for the Minimum Rate

Capital Value = \$350,000
 Rate in the Dollar = 0.00243017
 Minimum Rate = \$935.00
 Rates = Capital Value * Rate in the Dollar

Rates = \$350,000 * 0.00243017 = \$850.55

This is below the minimum rate (of \$935.00) and must therefore be adjusted:

$$\begin{aligned} \text{Rates} &= \$850.55 + \text{Adjustment} \\ &= \$850.55 + \$84.45 \\ &= \$935.00 \end{aligned}$$

The rates are adjusted up by \$84.45 and set by Council at the minimum rate of \$935.00.

Council set the minimum rate on 26.8 per cent of all residential properties in 2019/20 and all were valued at less than \$385,000.

Rating Principles

There are five principles that apply to the imposition of taxes on communities. These principles are:

- Equity - taxpayers with the same income should pay the same tax (*horizontal equity*), while wealthier taxpayers pay more (*vertical equity*);
- Benefit - taxpayers should receive some benefits from paying tax, but not necessarily to the extent of the tax paid;
- Ability-to-pay - in levying taxes, the ability of the taxpayer to pay the tax must be taken into account;
- Efficiency - if a tax is designed to change consumers' behaviour and that behaviour changes, then the tax is efficient (eg: tobacco taxes). If the tax is designed to be neutral in its effect on taxpayers, but it changes that behaviour, then the tax is inefficient;
- Simplicity - the tax must be understandable, hard to avoid and easy to collect.

To some extent these principles are in conflict with each other. Governments must therefore strike a balance between the:

- Application of the principles;
- Policy objectives of taxation;
- Need to raise revenue;
- Effects of the tax on the community.

Council has considered each principle when reviewing the various rating options available.

Alternative Options

There are a number of alternative rating options available under the Local Government Act 1999, including:

- Capital versus site valuation;
- Differential rating;
- Rating without a minimum rate;
- Application and impact of the minimum rate;
- Impact of reducing the minimum rate;
- Fixed charges;
- Service rate or charge;
- Rate capping.

Capital Versus Site Valuation

Local government may adopt one of three valuation methodologies to value the properties in its area. They are:

- *Capital Value (CV)* – the value of the land and all the improvements on the land;
- *Site Value (SV)* – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements;
- *Annual Value (AAV)* – a valuation of the rental potential of the property.

Capital values have been adopted by Council as its valuation method for rating purposes because this is considered the fairest approach, based on the ability-to-pay principle, with the owners of higher value properties paying higher rates and the owners of lower value properties paying lower rates.

How might this work in practice?

Consider two adjoining properties in a particular council area. Property A is a quarter acre block with a four bedroom house, in ground pool and well developed garden. Property B is a quarter acre block with a three bedroom house and average garden. The following valuations might apply to the two properties:

	Property A	Property B
Capital Value	\$600,000	\$400,000
Site Value	\$200,000	\$200,000
Annual Value	\$36,000	\$30,000

What rates would be paid by the two property owners under the different valuations? Excluding minimum rates or a fixed charge, the tax burden would fall as follows:

- Under *Capital Value*, the owner of Property A would pay 50 per cent more than the owner of Property B;
- Under *Site Value*, the two property owners would pay the same;
- Under *Annual Value*, the owner of Property A would pay 20 per cent more than the owner of Property B.

Which is the fairer valuation system?

In the local government rating context, the high level assumption is that people with more expensive homes are better off than people with less expensive homes and that they have the capacity to shoulder more of the rate burden. However, rebate and remission provisions and the ability of councils to tailor payments and make other administrative arrangements, recognises that some ratepayers need special consideration.

Council is also mindful of the impact and implications of changing to an alternative valuation method.

Differential Rating

The Local Government Act allows councils to differentiate rates based on the use of the land, the locality of the land, or the use and locality of the land. Definitions of the use of the land are prescribed by regulation and the current definitions are:

- Residential
- Commercial – Shops
- Commercial – Office
- Commercial – Other
- Industrial – Light
- Industrial – Other
- Primary Production
- Vacant Land
- Other

A significant majority of South Australian councils use differential rates.

West Torrens Council uses two different rates with expected income compared to last year being as follows:

Land Use	Budgeted Income	Budgeted Income
	2019/20	2020/21
	\$m	\$m
Residential	35.19	35.90
Non-residential	18.75	19.13

In 2019/20 West Torrens Council had the third highest differential between residential and commercial / industrial properties in the metropolitan area, as follows:

Council	Commercial	Industrial
Playford	5.9	5.9
Charles Sturt	3.2	4.3
West Torrens	2.5	2.5
Pt Adelaide Enfield	2.4	2.4
Mitcham	2.1	2.1
Unley	2.0	2.0
Prospect	2.0	2.0
Marion	1.7	1.6
Walkerville	1.6	1.6
Holdfast Bay	1.5	1.5
Salisbury	1.5	1.5
Tea Tree Gully	1.5	1.5
Onkaparinga	1.5	1.5
Campbelltown	1.0	1.0
Burnside	1.0	1.0
Average	2.1	2.2

This differential is a measure of the extent to which the commercial and industrial rates in the dollar for each council exceed their rates for residential properties.

Charging a differential rate can be justified on the grounds that commercial and industrial users consume a greater proportion of council resources than residential properties, particularly in regard to the use of roads, traffic, parking, stormwater, etc.

The maintenance of city roads, bridges and kerbing infrastructure requires significant planning time and funding from Council. Heavy vehicle movements e.g. semi-trailers, trucks, vans and light commercial vehicles impact on the life of road infrastructure placing an increased burden on the community (ratepayers). Footpaths and walkways are another area, which require ongoing improvement and maintenance by Council, concentrating on high pedestrian traffic areas such as retail and commercial zones. In addition many of the studies and installations required for effective traffic management and control, result from heavy traffic load generated by commercial and industrial zones.

Commercial and industrial properties, because of large buildings and covered ground for car parking, generate a high percentage of the stormwater volume carried by the West Torrens drainage system. Businesses, and in particular industries, are also responsible for many of the gross pollutants that contaminate stormwater and degrade our environment. Council both maintains the stormwater drainage network and works with businesses to lessen the negative environmental effects of their activities.

A differential rating system provides Council with more tools to moderate large movements in valuations that occur periodically in the market.

Without a Minimum Rate

This system is based on the premise of a single rate in the dollar, with all properties paying a rate based directly on the capital value of the property.

The City of West Torrens has one of the lowest minimum rates in metropolitan Adelaide and it would be difficult to justify its removal. 93 per cent of minimum rated properties are flats or units, and a majority, possibly up to 80 per cent, are not owner-occupied.

Application and Impact of the Minimum Rate

The Local Government Act allows councils to impose a minimum rate, which must not apply to more than 35 per cent of rateable properties. Only one minimum rate can be imposed on two or more adjoining properties with the same owner. A minimum rate cannot be used in conjunction with a fixed charge.

The argument in favour of the minimum rate is that in terms of the benefits received by all ratepayers it is appropriate that every ratepayer make a minimum contribution to the cost of the services provided.

Fixed Charge

Under this system a fixed amount is first applied evenly against all ratepayers and the minimum rate is abolished. The only restriction under new Local Government Act provisions is that the rates generated by a fixed charge cannot exceed 50 per cent of all rates revenue raised.

The fixed charge may be set at a level designed to ensure everyone pays a fair share of services, with the remaining amount of rate revenue based on the valuation of the property. The introduction of a fixed charge is not favoured as it benefits owners of higher valued property, arguably the more fortunate within our community, and its adverse impacts on large numbers of owners of lower valued property.

Service Rate or Charge

Council could apply a service rate, say \$150.00 for waste management, in addition to raising general rates. Unlike fixed charge arrangements, the minimum rate is not abolished and the rate can only be based on the nature of the service, the level of usage of the service or a combination of the two.

The introduction of a service rate or charge is not favoured because of its adverse impact on the owners of low valued property and the less fortunate within our community.

Rate Capping

Rate capping can not only be used to limit the magnitude of rate increases, as proposed by the newly elected South Australian government, but it can also be used to moderate irregular rate increases brought about by irregular valuation movements. Initial valuations provided for 2020 by the Valuer-General indicate residential property value movements within the West Torrens Council area are as follows:

Suburb	No. of Assessments	Average CV	Increase \$	Increase %
West Richmond	445	411,739	5,061	1.2%
Richmond	1,489	483,735	3,882	0.8%
West Beach	757	680,086	5,425	0.8%
Marleston	859	430,835	2,513	0.6%
Lockleys	2,353	674,069	2,485	0.4%
Kurralta Park	1,411	416,867	1,178	0.3%
Glandore	524	567,210	1,494	0.3%
Underdale	1,044	525,635	1,318	0.3%
Novar Gardens	881	617,151	1,526	0.2%
Glenelg North	431	615,914	1,311	0.2%
Brooklyn Park	2,096	453,807	707	0.2%
Mile End	2,006	562,784	688	0.1%
Plympton	2,418	439,077	222	0.1%
Thebarton	657	519,085	254	0.0%
Fulham	1,191	638,078	262	0.0%
Camden Park	1,528	419,098	-179	0.0%
Netley	770	501,586	-280	-0.1%
Cowandilla	549	515,809	-1,744	-0.3%
North Plympton	1,427	483,253	-2,627	-0.5%
Torrensville	1,796	553,820	-3,343	-0.6%

Hilton	377	485,080	-3,374	-0.7%
Keswick	344	426,198	-3,356	-0.8%
Ashford	506	457,125	-5,127	-1.1%
Mile End South	11	420,000	-35,833	-7.9%
Total	25,870	518,752	78	0.015%

Valuations increased by just 0.015 per cent on average in 2020, ranging from a decrease of 7.9 per cent in Mile End South to an increase of 1.2 per cent in West Richmond. Movements in prior years ranged from:

- A decrease of 0.6 per cent in Underdale to an increase of 8.0 per cent in Netley (2019);
- An increase of 3.6 per cent in Plympton to an increase of 19.8 per cent in Cowandilla (2018);
- An increase of 1.1 per cent in West Richmond to an increase of 9.7 per cent in Mile End South (2017).

Capping makes the tax system more complex and less understandable for ratepayers, and this has some effect on the *simplicity* principle. Rate capping has not enjoyed much favour in past years, for a number of reasons including that it compromises the rating process, and there is not a great deal of support for it currently in the local government industry.

Postponement of Rates for Seniors

Rate postponement for seniors is now mandatory in certain circumstances following amendments to the Local Government Act 1999 and the Local Government (General) Regulations 1999. These changes mandate an entitlement to postponement where:

- The ratepayer holds a state seniors card or has an application pending where an entitlement exists;
- The property in question is the principal place of residence;
- The property is owned by the principal ratepayer or the principal ratepayer and their spouse.

This legislation is available at www.legislation.sa.gov.au. Information can be obtained about Council's administration of these provisions by contacting Council's Service Centre on 8416 6333 or by emailing csu@wtcc.sa.gov.au.

Rate postponement has been available to senior West Torrens Council residents since July 2007, but only three applications have been received, despite publicity about its availability. Other councils that offer policy support for the postponement of rates have likewise experienced few applications for support.

Rate Rebates and Remissions

Chapter 10 of the Local Government Act 1999 (the Act) provides Council with authority to grant the following:

- Mandatory and discretionary rebates of rates to a person or body (Division 5, Sections 159 to 166 of the Act);
- Rate remissions (Division 9, Section 182 of the Act).

Council policy Rate Rebates and Remissions clarifies requirements in the administration of these provisions. It is available on Council's web-site at www.westtorrens.sa.gov.au, or a copy can be obtained by contacting Council's Service Centre on 8416 6333 or by emailing csu@wtcc.sa.gov.au. It deals in detail with:

- Discretionary rebates, in particular what is taken into account in determining applications and rebate amounts;
- The approach taken in deciding vacant land rebates, including rebate amounts;
- Rate remissions available when Council is satisfied on the application of a ratepayer that payment would cause hardship;
- The approach taken in deciding mandatory rebates;
- How to go about applying for a rebate or remission.

Proposed Rate Model

The proposed rate model for 2020/21 is shown on the page following.

MODELLING RESULTS 2020-2021

Capital Value @ 1% Increase

MINIMUM = \$944.00

2 RATES

CODE	No. PROP 2020/2021	INCOME 2019/2020	PROP ON MIN	NATURAL INCREASE + REDISTRIB	RATE IN DOLLAR	ACTUAL INCOME PER MODEL	VARIATION PERCENT
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RESIDENTIAL

1	28,007	\$34,971,584	8091	\$35,591,356.79	0.00246710	35,930,423.45	
	28007	\$34,971,584	8091	\$35,591,356.79		\$35,930,423.45	1.0%

NON-RESIDENTIAL

2	870	\$4,582,701	83	\$4,632,147.68	0.00624800	\$4,637,038.60	
3	350	\$2,136,730	88	\$2,142,852.03	0.00624800	\$2,189,457.05	
4	1,001	\$6,754,810	61	\$6,902,895.13	0.00624800	\$7,043,959.25	
5	108	\$405,136	5	\$407,759.45	0.00624800	\$416,665.25	
6	206	\$2,351,773	3	\$2,284,904.42	0.00624800	\$2,205,151.70	
7	2	\$8,858	0	\$8,857.60	0.00624800	\$8,965.85	
8	379	\$1,069,932	1	\$1,012,649.56	0.00624800	\$1,052,115.05	
9	151	\$1,668,941	2	\$1,728,119.62	0.00624800	\$1,749,350.80	
	3,067	\$18,978,879	243	\$19,120,185.50		\$19,302,703.55	1.0%

Allowance for objections (\$203,127.00)

TOTAL	31,074	\$53,950,464	8,334	\$54,711,542.29		\$55,030,000.00	
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MINIMUM % 26.8%

Regional Landscape Levy

Required

Actual

RL	\$1,542,510.00	\$1,583,970.00	0.00009554	\$1,584,037.80
Less rebates	(\$14,000.00)	(\$17,400.00)		(\$17,400.00)
	\$1,528,510.00	\$1,566,570.00		\$1,566,637.80

Summary Financial Statements

City of West Torrens

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Original Budget 2019/20	Original Budget 2020/21
Income		
Rates Revenues	60,308	61,208
Statutory Charges	2,449	2,072
User Charges	1,736	1,604
Grants, Subsidies and Contributions	3,449	4,287
Investment Income	216	144
Reimbursements	252	272
Other Income	282	192
Net Gain - Equity Accounted Council Businesses	-	-
Total Income	68,692	69,779
Expenses		
Employee Costs	24,407	23,865
Materials, Contracts & Other Expenses	23,392	23,866
Depreciation, Amortisation & Impairment	11,711	13,413
Finance Costs	667	1,128
Net loss - Equity Accounted Council Businesses	-	-
Total Expenses	60,178	62,272
Operating Surplus / (Deficit)	8,514	7,507
Asset Disposal & Fair Value Adjustments	-	-
Amounts Received Specifically for New or Upgraded Assets	-	-
Physical Resources Received Free of Charge	-	-
Net Surplus / (Deficit) ¹	8,514	7,507
Other Comprehensive Income		
<i>Amounts which will not be reclassified subsequently to operating result</i>		
Changes in Revaluation Surplus - I,PP&E	-	-
<i>Amounts which will be reclassified subsequently to operating result</i>		
Total Other Comprehensive Income	-	-
Total Comprehensive Income	8,514	7,507

¹ Transferred to Equity Statement

City of West Torrens

Statement of Financial Position

as at 30 June 2021

\$ '000	Original Budget 2019/20	Original Budget 2020/21
ASSETS		
Current Assets		
Cash and Cash Equivalents	-	6,893
Trade & Other Receivables	2,266	2,241
Other Financial Assets	1,240	1,463
Inventories	16	18
Subtotal	3,522	10,615
Non-Current Assets Held for Sale	-	-
Total Current Assets	3,522	10,615
Non-Current Assets		
Financial Assets	-	-
Equity Accounted Investments in Council Businesses	-	1,964
Infrastructure, Property, Plant & Equipment	752,259	795,104
Other Non-Current Assets	5,739	6,991
Total Non-Current Assets	757,998	804,059
TOTAL ASSETS	761,520	814,674
LIABILITIES		
Current Liabilities		
Cash Advance Debenture	4,401	-
Trade & Other Payables	5,831	5,226
Borrowings	835	1,482
Provisions	4,888	4,842
Subtotal	15,955	11,551
Liabilities relating to Non-Current Assets Held for Sale	-	-
Total Current Liabilities	15,955	11,551
Non-Current Liabilities		
Borrowings	14,555	29,764
Provisions	427	246
Total Non-Current Liabilities	14,982	30,010
TOTAL LIABILITIES	30,937	41,561
Net Assets	730,583	773,113
EQUITY		
Accumulated Surplus	96,374	127,908
Asset Revaluation Reserves	594,020	638,690
Other Reserves	40,189	6,515
Total Council Equity	730,583	773,113

City of West Torrens

Statement of Cash Flows

for the year ended 30 June 2021

	Original Budget 2019/20	Original Budget 2020/21
Cash Flows from Operating Activities		
<u>Receipts</u>		
Rates Receipts	60,308	61,208
Statutory Charges	2,449	2,072
User Charges	1,736	1,604
Grants, Subsidies and Contributions (operating purpose)	3,449	4,287
Investment Receipts	216	144
Reimbursements	228	252
Other Receipts	306	212
<u>Payments</u>		
Payments to Employees	(24,297)	(23,766)
Payments for Materials, Contracts & Other Expenses	(23,392)	(23,866)
Finance Payments	(667)	(1,128)
Net Cash provided by (or used in) Operating Activities	20,335	21,019
Cash Flows from Investing Activities		
<u>Receipts</u>		
Amounts Received Specifically for New/Upgraded Assets	-	-
Sale of Replaced Assets	630	775
Sale of Surplus Assets	-	-
Repayments of Loans by Community Groups	147	-
<u>Payments</u>		
Expenditure on Renewal/Replacement of Assets	(12,608)	(14,795)
Expenditure on New/Upgraded Assets	(11,411)	(11,591)
Net Cash provided by (or used in) Investing Activities	(23,242)	(25,611)
Cash Flows from Financing Activities		
<u>Receipts</u>		
Proceeds from Borrowings	3,796	6,537
<u>Payments</u>		
Repayments of Borrowings	(623)	(865)
Net Cash provided by (or used in) Financing Activities	3,173	5,672
Net Increase (Decrease) in Cash Held	266	1,080
plus: Cash & Cash Equivalents at beginning of period	(5,999)	5,813
Cash & Cash Equivalents at end of period	(5,733)	6,893
Total Cash, Cash Equivalents & Investments	(5,733)	6,893

City of West Torrens

Statement of Changes in Equity
for the year ended 30 June 2021

\$ '000	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
Original Budget 2019/20				
Balance at the end of previous reporting period	87,860	594,020	40,189	722,069
Restated Opening Balance	87,860	594,020	40,189	722,069
a. Net Surplus / (Deficit) for Year	8,514	-	-	8,514
b. Other Comprehensive Income				
- Gain (Loss) on Revaluation of I,PP&E	-	-	-	-
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8,514	-	-	8,514
c. Transfers between Reserves	-	-	-	-
Balance at the end of period	96,374	594,020	40,189	730,583
Original Budget 2020/21				
Balance at the end of previous reporting period	120,401	629,085	17,339	766,825
a. Net Surplus / (Deficit) for Year	7,507	-	-	7,507
b. Other Comprehensive Income				
- Gain (Loss) on Revaluation of I,PP&E	-	(1,219)	-	(1,219)
Other Comprehensive Income	-	(1,219)	-	(1,219)
Total Comprehensive Income	7,507	(1,219)	-	6,288
c. Transfers between Reserves		10,824	(10,824)	-
Balance at the end of period	127,908	638,690	6,515	773,113

City of West Torrens

Financial Indicators

for the year ended 30 June 2021

\$ '000	Original Budget 2019/20	Original Budget 2020/21
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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.

1. Operating Surplus Ratio

Operating Surplus	12%	11%
Total Operating Revenue		

This ratio expresses the operating surplus as a percentage of total operating revenue.

1a. Adjusted Operating Surplus Ratio

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.	12%	11%
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2. Net Financial Liabilities Ratio

Net Financial Liabilities	40%	44%
Total Operating Revenue		

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

3. Asset Renewal Funding Ratio

Net Asset Renewals	103%	105%
Infrastructure & Asset Management Plan required expenditure		

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

City of West Torrens

Uniform Presentation of Finances

for the year ended 30 June 2021

\$ '000	Original Budget 2019/20	Original Budget 2020/21
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	68,692	69,779
<i>less</i> Expenses	<u>(60,178)</u>	<u>(62,272)</u>
Operating Surplus / (Deficit)	8,514	7,507
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	12,608	14,795
<i>less</i> Depreciation, Amortisation and Impairment	(11,711)	(13,413)
<i>less</i> Proceeds from Sale of Replaced Assets	<u>(630)</u>	<u>(775)</u>
Subtotal	267	607
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	11,411	11,591
<i>less</i> Amounts Received Specifically for New and Upgraded Assets	-	-
<i>less</i> Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	<u>-</u>	<u>-</u>
Subtotal	11,411	11,591
Net Lending / (Borrowing) for Financial Year	(3,164)	(4,691)

Ten Year Financial Plan

CITY OF WEST TORRENS
SUMMARY - ACTUAL & PROJECTED
FORWARD ESTIMATES FOR 10 YEARS TO 2029/30

ACTIVITIES	NOTE	BUDGET 2019/20		BUDGET 2020/21		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	
		ORIGINAL	REVISED	ORIGINAL	REVISED	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
OPERATING														
Receipts	1	68,691,870	70,814,365	71,009,004	69,778,728	72,139,602	74,667,284	77,285,288	79,380,964	82,191,116	85,103,398	88,119,976	91,246,253	94,484,608
Payments	2	47,961,574	47,576,195	50,136,402	48,354,791	50,952,309	52,430,112	53,904,944	55,388,388	56,872,254	58,415,271	59,997,650	61,620,512	63,285,020
Net Operating		20,730,296	23,238,170	20,872,602	21,423,937	21,187,293	22,237,172	23,380,344	23,992,577	25,318,862	26,688,127	28,122,326	29,625,740	31,199,588
FINANCING														
Principal Receipts - Loan		3,796,002	16,740,908	6,036,620	6,536,620	7,529,713	6,397,501	5,494,939	4,094,812	4,197,183	4,302,112	4,409,665	4,519,907	4,632,904
Principal Receipts - Overdraft		0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Payments		623,220	623,220	864,525	864,525	1,482,321	2,100,658	2,416,313	2,703,174	2,944,142	3,187,322	3,441,711	3,707,745	3,985,877
Net Financing		3,172,782	16,117,688	5,172,095	5,672,095	6,047,392	4,296,843	3,078,626	1,391,639	1,253,041	1,114,790	967,954	812,161	647,027
OTHER														
Asset Sales		0	3,500,000	0	0	0	0	0	0	0	0	0	0	0
Receipts - Other		146,675	146,675	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	3	23,388,883	42,410,972	25,522,597	25,611,134	25,655,712	24,935,126	25,851,166	24,765,167	25,937,245	27,144,282	28,438,826	29,750,628	31,133,877
Net Unspent Funds		0	0	0	0	0	0	0	0	0	0	0	0	0
Payments - Other		395,000	395,000	405,000	405,000	1,415,125	1,425,503	436,141	447,044	458,220	469,676	481,418	493,453	505,790
Net Other		-23,637,208	-39,159,297	-25,927,597	-26,016,134	-27,070,837	-26,360,629	-26,287,307	-25,212,211	-26,395,465	-27,613,958	-28,920,244	-30,244,081	-31,639,667
NET INCREASE/(DECREASE)														
IN CASH		265,870	196,561	117,100	1,079,899	163,848	173,386	171,663	172,004	176,437	188,959	170,036	193,820	206,949
<i>Add</i>														
OPENING CASH		854,540	5,616,338	4,973,894	5,812,899	6,892,797	7,056,646	7,230,032	7,401,695	7,573,698	7,750,136	7,939,095	8,109,131	8,302,952
CLOSING CASH		1,120,410	5,812,899	5,090,994	6,892,797	7,056,646	7,230,032	7,401,695	7,573,698	7,750,136	7,939,095	8,109,131	8,302,952	8,509,900
CASH RESERVES:														
Committed		23,954,871	13,428,483	12,720,788	14,494,767	14,658,592	14,826,513	14,998,632	15,175,055	15,355,887	15,541,241	15,731,228	15,925,965	16,125,570
Less Used		22,855,303	7,622,498	7,638,862	7,622,499	7,622,499	7,622,499	7,622,499	7,622,499	7,622,499	7,622,499	7,622,499	7,622,499	7,622,499
Net Cash Reserves		1,099,567	5,805,985	5,081,926	6,872,268	7,036,093	7,204,014	7,376,133	7,552,556	7,733,388	7,918,742	8,108,729	8,303,466	8,503,071
SURPLUS/(DEFICIT)		20,842	6,914	9,067	20,531	20,552	26,017	25,561	21,143	16,748	20,353	402	-514	6,829

NOTE 1
CITY OF WEST TORRENS
REVENUE PROJECTIONS
FORWARD ESTIMATES FOR 10 YEARS TO 2029/30

DESCRIPTION	BUDGET 2019/20 ORIGINAL	BUDGET 2019/20 REVISED	BUDGET 2020/21 ORIGINAL	BUDGET 2020/21 REVISED	ESTIMATES 2021/22	ESTIMATES 2022/23	ESTIMATES 2023/24	ESTIMATES 2024/25	ESTIMATES 2025/26	ESTIMATES 2026/27	ESTIMATES 2027/28	ESTIMATES 2028/29	ESTIMATES 2029/30
Rates													
Rate Revenue	54,827,510	54,757,315	56,948,360	55,827,820	58,045,096	60,214,506	62,464,291	64,798,931	67,220,095	69,732,554	72,338,158	75,041,985	77,846,082
Rate Equivalent Payments	5,480,000	5,506,931	5,700,000	5,380,000	5,564,211	5,749,110	5,940,153	6,137,544	6,341,495	6,552,223	6,769,953	6,994,918	7,227,360
Statutory Charges													
Development Act Fees	670,000	620,000	630,000	630,000	643,860	658,025	672,501	687,297	702,417	717,870	733,663	749,804	766,300
Parking Fines	1,191,000	891,000	1,111,000	911,000	1,135,442	1,160,422	1,185,951	1,212,042	1,238,707	1,265,958	1,293,809	1,322,273	1,351,363
Dog Fees & Fines	395,000	345,000	346,500	346,500	354,123	361,914	369,876	378,013	386,329	394,829	403,515	412,392	421,465
Other	193,400	197,916	198,120	184,120	202,479	206,933	211,486	216,138	220,893	225,753	230,720	235,795	240,983
User Charges													
Waste Income	190,000	150,000	192,000	192,000	196,224	200,541	204,953	209,462	214,070	218,779	223,593	228,512	233,539
Other	1,545,606	1,417,141	1,607,350	1,411,975	1,642,712	1,678,851	1,715,786	1,753,533	1,792,111	1,831,538	1,871,831	1,913,012	1,955,098
Grants & Subsidies													
FA Grant	1,263,500	627,420	1,279,936	1,279,936	1,308,095	1,336,873	1,366,284	1,396,342	1,427,062	1,458,457	1,490,543	1,523,335	1,556,848
UL Road Grants	637,442	263,559	651,466	651,466	665,798	680,446	695,416	710,715	726,350	742,330	758,661	775,352	792,410
Special Road Funding	0	0	0	0	0	0	0	0	0	0	0	0	0
Roads to Recovery	617,418	617,418	617,418	617,418	617,418	617,418	617,418	0	0	0	0	0	0
Capital Infrastructure	0	0	0	699,514	0	0	0	0	0	0	0	0	0
Home Assist	465,440	502,440	502,000	502,000	513,044	524,331	535,866	547,655	559,704	572,017	584,602	597,463	610,607
Library	430,169	441,073	434,854	434,854	444,421	454,198	464,190	474,403	484,839	495,506	506,407	517,548	528,934
Other	35,500	259,300	102,000	102,000	104,244	106,537	108,881	111,277	113,725	116,227	118,784	121,397	124,068
Other Income													
Investment Income	216,000	-14,000	144,000	144,000	147,168	150,406	153,715	157,096	160,552	164,085	167,694	171,384	175,154
Reimbursements	251,800	247,688	352,000	272,125	359,744	367,658	375,747	384,013	392,462	401,096	409,920	418,938	428,155
Insurance Premium Refund	150,000	120,000	100,000	100,000	101,500	103,023	104,568	106,136	107,728	109,344	110,984	112,649	114,339
Profit/(Loss) on Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry	132,085	532,479	92,000	92,000	94,024	96,093	98,207	100,367	102,575	104,832	107,138	109,495	111,904
Sub Total	68,691,870	67,482,680	71,009,004	69,778,728	72,139,602	74,667,284	77,285,288	79,380,964	82,191,116	85,103,398	88,119,976	91,246,253	94,484,608
Less Profit/(Loss) on Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Add Capital Income	0	3,331,685	0	0	0	0	0	0	0	0	0	0	0
TOTAL	68,691,870	70,814,365	71,009,004	69,778,728	72,139,602	74,667,284	77,285,288	79,380,964	82,191,116	85,103,398	88,119,976	91,246,253	94,484,608

NOTE 2
CITY OF WEST TORRENS
OPERATIONAL & MAINTENANCE EXPENDITURE PROJECTIONS
FORWARD ESTIMATES FOR 10 YEARS TO 2029/30

DESCRIPTION	BUDGET 2019/20		BUDGET 2020/21		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
	ORIGINAL	REVISED	ORIGINAL	REVISED	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Employee Costs													
Employee Costs	24,406,957	24,023,269	25,163,520	23,864,811	24,789,431	25,409,167	26,044,396	26,695,506	27,362,894	28,046,966	28,748,141	29,466,844	30,203,515
Contractual Services													
Waste Management - Solo	3,517,000	3,517,000	3,817,000	4,120,000	4,223,000	4,328,575	4,436,789	4,547,709	4,661,402	4,777,937	4,897,385	5,019,820	5,145,315
Waste Management - Disposal	2,205,000	2,204,300	2,350,000	2,350,000	2,467,500	2,541,525	2,617,771	2,696,304	2,777,193	2,860,509	2,946,324	3,034,714	3,125,755
Other Contract	3,182,700	3,143,894	3,714,667	3,514,867	3,800,104	3,887,507	3,976,919	4,068,389	4,161,961	4,257,687	4,355,613	4,455,792	4,558,276
Materials													
Materials	1,052,180	1,034,680	1,079,450	1,079,450	1,104,278	1,129,676	1,155,659	1,182,239	1,209,430	1,237,247	1,265,704	1,294,815	1,324,596
Finance Charges													
Interest	518,976	518,976	819,939	984,939	950,949	1,083,310	1,174,190	1,233,970	1,253,211	1,289,351	1,321,265	1,348,692	1,371,358
Other Finance Charges	148,400	140,900	143,000	143,000	145,860	148,777	151,753	154,788	157,884	161,041	164,262	167,547	170,898
Depreciation													
Buildings	1,980,500	2,075,270	2,183,245	2,183,245	2,248,742	2,316,205	2,385,691	2,457,261	2,530,979	2,606,909	2,685,116	2,765,669	2,848,640
Plant, Furniture & Equipment	1,338,980	1,348,420	1,371,750	1,371,750	1,400,557	1,429,968	1,459,998	1,490,658	1,521,962	1,553,923	1,586,555	1,619,873	1,653,890
Library Resources	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure	8,391,900	9,683,670	9,857,970	9,857,970	10,166,633	10,484,960	10,813,255	11,151,829	11,501,004	11,861,112	12,232,495	12,615,507	13,010,511
Other Expenses													
Plant Related	795,820	819,488	800,505	790,505	818,917	837,752	857,020	876,731	896,896	917,525	938,628	960,216	982,301
Computer Maint & Support	1,144,259	1,180,159	1,173,749	1,149,849	1,199,806	1,226,442	1,253,669	1,281,500	1,309,950	1,339,031	1,368,757	1,399,143	1,430,204
General Insurance Premium	786,717	826,096	867,400	867,400	919,444	974,611	1,033,087	1,095,073	1,160,777	1,230,423	1,304,249	1,382,504	1,465,454
Professional Fees	1,783,880	1,741,543	1,777,500	1,192,000	1,814,828	1,852,939	1,891,851	1,931,579	1,972,143	2,013,558	2,055,842	2,099,015	2,143,094
Street Lighting	995,000	1,000,596	945,218	945,218	983,027	1,022,348	1,063,242	1,105,771	1,150,002	1,196,002	1,243,842	1,293,596	1,345,340
Rates, Power & Property	2,600,594	2,622,594	2,700,535	2,650,535	2,808,556	2,920,899	3,037,735	3,159,244	3,285,614	3,417,038	3,553,720	3,695,869	3,843,703
RL Levy	1,542,510	1,542,510	1,573,360	1,566,570	1,629,233	1,694,402	1,762,178	1,832,665	1,905,972	1,982,211	2,061,499	2,143,959	2,229,718
General Operating Costs	3,786,560	3,765,169	3,728,105	3,639,523	3,813,851	3,901,570	3,991,306	4,083,106	4,177,018	4,273,089	4,371,370	4,471,912	4,574,766
Sub Total	60,177,933	61,188,534	64,066,913	62,271,634	65,284,716	67,190,632	69,106,509	71,044,323	72,996,290	75,021,558	77,100,768	79,235,488	81,427,334
Less Depreciation	11,711,380	13,107,360	13,412,965	13,412,965	13,815,932	14,231,133	14,658,943	15,099,748	15,553,945	16,021,943	16,504,166	17,001,049	17,513,040
Leave Provisions	504,979	504,979	517,546	503,878	516,475	529,387	542,621	556,187	570,092	584,344	598,953	613,926	629,275
TOTAL	47,961,574	47,576,195	50,136,402	48,354,791	50,952,309	52,430,112	53,904,944	55,388,388	56,872,254	58,415,271	59,997,650	61,620,512	63,285,020

NOTE 3
CITY OF WEST TORRENS
CAPITAL EXPENDITURE PROJECTIONS
FORWARD ESTIMATES FOR 10 YEARS TO 2029/30

ACTIVITIES	BUDGET 2019/20 ORIGINAL	BUDGET 2019/20 REVISED	BUDGET 2020/21 ORIGINAL	BUDGET 2020/21 REVISED	ESTIMATES 2021/22	ESTIMATES 2022/23	ESTIMATES 2023/24	ESTIMATES 2024/25	ESTIMATES 2025/26	ESTIMATES 2026/27	ESTIMATES 2027/28	ESTIMATES 2028/29	ESTIMATES 2029/30
Road Program													
Reseal / Maintenance	2,335,511	2,126,931	2,465,706	2,465,706	2,610,985	2,764,824	2,927,727	3,100,228	3,282,893	3,476,321	3,681,146	3,898,038	4,127,710
Reconstruction - Renewal	2,773,490	3,184,785	2,852,254	2,852,254	2,922,033	2,993,519	3,066,753	3,141,780	3,218,641	3,297,384	3,378,052	3,460,694	3,545,358
Reconstruction - Upgrade	1,827,928	1,610,968	1,873,860	1,873,860	1,915,942	1,958,969	2,002,962	2,047,944	2,093,936	2,140,961	2,189,042	2,238,204	2,288,469
Roads to Recovery	617,418	617,418	617,418	617,418	617,418	617,418	617,418	0	0	0	0	0	0
Kerb & Gutter	3,423,632	4,287,210	3,389,137	3,389,137	3,502,599	3,619,859	3,741,045	3,866,287	3,995,723	4,129,492	4,267,739	4,410,615	4,558,274
ULRG included Above	-637,442	-263,559	-651,466	-651,466	-665,798	-680,446	-695,416	-710,715	-726,350	-742,330	-758,661	-775,352	-792,410
Footpath / Bikeway Program													
Reconstruction	178,140	335,248	208,898	208,898	286,905	394,043	541,188	743,280	1,020,839	1,402,044	1,925,601	2,644,667	3,632,248
Construction	277,167	120,059	354,878	354,878	374,265	394,712	416,276	439,017	463,001	488,295	514,972	543,105	572,776
Drainage Program													
Local Drainage Works	2,762,151	3,782,840	1,400,000	1,400,000	3,427,807	3,511,968	3,598,197	3,686,546	3,777,067	3,869,813	3,964,839	4,062,202	4,161,957
Brown Hill / Keswick Drainage	1,358,774	2,272,340	1,345,711	1,345,711	1,383,752	1,418,346	1,453,804	1,490,149	1,527,403	1,565,588	1,604,728	1,644,846	1,685,967
Other Capital Works													
Other Works	3,510,000	7,753,718	6,560,000	5,860,000	4,839,480	3,832,388	4,010,533	4,172,775	4,448,749	4,631,070	4,737,585	4,636,549	4,313,190
Building Program													
Land & Buildings	4,980,000	16,674,822	2,032,500	2,782,500	1,496,530	1,586,980	2,681,528	2,780,359	2,883,667	2,991,656	3,104,537	3,222,531	3,345,872
Land & Buildings - Loan	0	0	3,100,000	3,600,000	3,000,000	2,500,000	1,500,000	0	0	0	0	0	0
Other Capital Expenditure													
Plant, Furn & Equipment	1,533,750	1,945,322	1,707,400	1,182,300	1,746,670	1,786,844	1,827,941	1,869,984	1,912,993	1,956,992	2,002,003	2,048,049	2,095,154
Library Resources	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	24,940,519	44,448,102	27,256,296	27,281,196	27,458,588	26,699,422	27,689,956	26,627,635	27,898,563	29,207,287	30,611,582	32,034,148	33,534,566
Less Overheads	1,551,636	2,037,130	1,733,699	1,670,062	1,802,876	1,764,296	1,838,789	1,862,468	1,961,318	2,063,005	2,172,756	2,283,520	2,400,688
TOTAL EXPENDITURE	23,388,883	42,410,972	25,522,597	25,611,134	25,655,712	24,935,126	25,851,166	24,765,167	25,937,245	27,144,282	28,438,826	29,750,628	31,133,877

City of West Torrens - Long Term Financial Planning Model

Forecast Statement of Comprehensive Income

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
Income										
Rates Revenues	55,828	58,045	60,215	62,464	64,799	67,220	69,733	72,338	75,042	77,846
Rates Equivalent - AAL	5,380	5,564	5,749	5,940	6,138	6,341	6,552	6,770	6,995	7,227
Statutory Charges	2,072	2,336	2,387	2,440	2,493	2,548	2,604	2,662	2,720	2,780
User Charges	1,604	1,839	1,879	1,921	1,963	2,006	2,050	2,095	2,142	2,189
Grants, Subsidies and Contributions	4,287	3,653	3,720	3,788	3,240	3,312	3,385	3,459	3,535	3,613
Investment Income	144	147	150	154	157	161	164	168	171	175
Reimbursements	272	360	368	376	384	392	401	410	419	428
Other Income	192	196	199	203	207	210	214	218	222	226
Total Income	69,779	72,140	74,667	77,285	79,381	82,191	85,103	88,120	91,246	94,485
Expenses										
Employee Costs	23,865	24,789	25,409	26,044	26,696	27,363	28,047	28,748	29,467	30,204
Materials, Contracts & Other Expenses	23,866	25,583	26,318	27,077	27,860	28,668	29,502	30,363	31,251	32,169
Depreciation, Amortisation & Impairment	13,413	13,816	14,231	14,659	15,100	15,554	16,022	16,504	17,001	17,513
Finance Costs	1,128	1,097	1,232	1,326	1,389	1,411	1,450	1,486	1,516	1,542
Total Expenses	62,272	65,285	67,191	69,107	71,044	72,996	75,022	77,101	79,235	81,427
Operating Surplus / (Deficit)	7,507	6,855	7,477	8,179	8,337	9,195	10,082	11,019	12,011	13,057
Asset Disposal & Fair Value Adjustments	0	0	0	0	0	0	0	0	0	0
Amounts Received Specifically for New or Upgraded Assets	0	0	0	0	0	0	0	0	0	0
Physical Resources Received Free of Charge	0	0	0	0	0	0	0	0	0	0
Net Surplus / (Deficit) ¹	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income	7,507	6,855	7,477	8,179	8,337	9,195	10,082	11,019	12,011	13,057

City of West Torrens - Long Term Financial Planning Model

Forecast Statement of Financial Position

	Year Ended	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
Current Assets											
Cash and Cash Equivalents		6,893	6,011	6,909	6,798	6,788	6,664	6,545	6,397	6,264	6,102
Trade & Other Receivables		2,241	2,679	2,752	2,828	2,797	2,877	2,960	3,046	3,134	3,225
Other Financial Assets		1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463
Inventories		18	18	18	18	18	18	18	18	18	18
Total Current Assets		10,615	10,171	11,142	11,107	11,065	11,022	10,986	10,924	10,879	10,808
Non-Current Assets											
Equity Accounted Investments in Council Businesses		1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964
Infrastructure, Property, Plant & Equipment		795,104	806,944	817,648	828,840	838,506	848,889	860,011	871,946	884,696	898,316
Other Non-Current Assets		6,991	8,512	8,757	9,009	9,270	9,539	9,816	10,102	10,398	10,703
Total Non-Current Assets		804,059	817,420	828,369	839,813	849,739	860,392	871,791	884,012	897,058	910,984
TOTAL ASSETS		814,674	827,591	839,511	850,920	860,805	871,414	882,777	894,936	907,936	921,791
Current Liabilities											
Cash Advance Debenture		0	0	0	0	0	0	0	0	0	0
Trade & Other Payables		5,226	5,240	5,387	5,539	5,695	5,857	6,023	6,195	6,372	6,555
Borrowings		1,482	2,101	2,416	2,703	2,944	3,187	3,442	3,708	4,018	5,348
Provisions		4,842	4,804	4,804	4,804	4,804	4,804	4,804	4,804	4,804	4,804
Total Current Liabilities		11,551	12,145	12,608	13,046	13,444	13,848	14,269	14,707	15,194	16,707
Non-Current Liabilities											
Borrowings		29,764	35,193	39,175	41,966	43,117	44,127	44,987	45,689	46,191	45,476
Provisions		246	284	284	284	284	284	284	284	284	284
Total Non-Current Liabilities		30,010	35,477	39,458	42,250	43,401	44,411	45,271	45,973	46,475	45,760
TOTAL LIABILITIES		41,561	47,622	52,066	55,296	56,845	58,259	59,540	60,680	61,669	62,467
Net Assets		773,113	779,968	787,445	795,624	803,960	813,155	823,237	834,256	846,267	859,324
EQUITY											
Accumulated Surplus		127,908	134,763	142,240	150,418	158,755	167,950	178,032	189,051	201,062	214,119
Asset Revaluation Reserves		638,690	638,690	638,690	638,690	638,690	638,690	638,690	638,690	638,690	638,690
Other Reserves		6,515	6,515	6,515	6,515	6,515	6,515	6,515	6,515	6,515	6,515
Total Council Equity		773,113	779,968	787,445	795,624	803,960	813,155	823,237	834,256	846,267	859,324

City of West Torrens - Long Term Financial Planning Model

Forecast Financial Indicators

	Year Ended	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operating Surplus Ratio		10.76%	9.50%	10.01%	10.58%	10.50%	11.19%	11.85%	12.50%	13.16%	13.82%
		\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>											
Adjusted Operating Surplus Ratio		10.76%	9.50%	10.01%	10.58%	10.50%	11.19%	11.85%	12.50%	13.16%	13.82%
		\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<i>This ratio expresses the operating surplus as a percentage of total operating revenue (excluding Federal Government advance payments).</i>											
Net Financial Liabilities Ratio		44.37%	51.94%	54.83%	57.20%	57.69%	57.49%	57.07%	56.48%	55.68%	54.69%
		\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<i>This ratio expresses net financial liabilities as a percentage of total operating revenue.</i>											
Asset Renewal Funding Ratio		104.52%	102.28%	100.03%	100.87%	103.90%	102.08%	103.53%	100.09%	100.87%	103.06%
		\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<i>This ratio expresses net asset renewal expenditure as a percentage of Asset Management Plan required expenditure.</i>											

City of West Torrens - Long Term Financial Planning Model
Forecast Uniform Presentation of Finances

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Year Ended	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$(‘000)	\$(‘000)	\$(‘000)	\$(‘000)	\$(‘000)	\$(‘000)	\$(‘000)	\$(‘000)	\$(‘000)	\$(‘000)
Operating Revenue	69,779	72,140	74,667	77,285	79,381	82,191	85,103	88,120	91,246	94,485
<u>Less</u>										
Operating Expenses	(62,272)	(65,285)	(67,191)	(69,107)	(71,044)	(72,996)	(75,022)	(77,101)	(79,235)	(81,427)
Operating Surplus / (Deficit)	7,507	6,855	7,477	8,179	8,337	9,195	10,082	11,019	12,011	13,057
<i>less Net Outlays on Existing Assets</i>										
Capital Expenditure on the Renewal and Replacement of Existing Assets	(14,795)	(14,131)	(14,236)	(14,786)	(15,688)	(15,877)	(16,587)	(16,519)	(17,149)	(18,049)
Less Depreciation, Amortisation and Impairment	13,413	13,816	14,231	14,659	15,100	15,554	16,022	16,504	17,001	17,513
Less Proceeds from the Sale of Replaced Assets	775	0	0	0	0	0	0	0	0	0
	(607)	(315)	(5)	(127)	(588)	(323)	(565)	(15)	(148)	(536)
<i>less Net Outlays on New and Upgraded Assets</i>										
Capital Expenditure on New and Upgraded Assets	(11,591)	(11,525)	(10,699)	(11,065)	(9,077)	(10,060)	(10,557)	(11,920)	(12,602)	(13,085)
Less Grants and Contributions Specifically for New and Upgraded Assets	0	0	0	0	0	0	0	0	0	0
Less Proceeds from the Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0
	(11,591)	(11,525)	(10,699)	(11,065)	(9,077)	(10,060)	(10,557)	(11,920)	(12,602)	(13,085)
Net Lending / (Borrowing) for Financial Year	(4,691)	(4,985)	(3,227)	(3,013)	(1,328)	(1,188)	(1,040)	(916)	(739)	(564)

Glossary of Terms

Glossary of Terms

Amortisation refers to the systematic allocation of the depreciable amount of an asset over its useful life.

Annual business plan refers to a document Council must adopt each year as part of or in conjunction with its budget, pursuant to the requirements of Section 123 of the Local Government Act 1999.

Asset refers to a resource controlled by the City of West Torrens from which future economic benefits, including service potential, are expected to flow.

Asset impairment refers to the situation that occurs when the carrying amount of an asset exceeds its recoverable amount.

Asset management refers to a systematic, structured approach to the maintenance, upgrade and operation of assets, on a whole of life basis, combining engineering principles with sound business practice and economic rationale, and providing the tools to facilitate a more organised and flexible approach to making decisions necessary to meet community expectations.

Asset renewal expenditure refers to expenditure that restores or improves the condition of existing Council assets.

Asset revaluation reserve is the reserve created when Council revalues its assets.

Asset renewal funding ratio measures capital expenditure on the renewal and replacement of assets relative to the level of expenditure proposed in Council's infrastructure and asset management plans.

Audit Committee refers to a committee of Council established under Section 126 of the Local Government Act 1999.

Budget refers to a financial document prepared by Council under Section 123 of the Local Government Act 1999.

Capital expenditure refers to expenditure recognised as an asset in the accounts of the Council, rather than being treated as an operating expense, and includes:

- Office furniture and equipment in excess of \$2,000 in value;
- Other plant and equipment in excess of \$2,000;
- Buildings - new construction / extensions - in excess of \$10,000; and
- Infrastructure assets in excess of \$10,000.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flow statement refers to a financial statement that shows inflows and outflows of cash and cash equivalents in terms of operating, investing and financing activities.

Comprehensive income statement sometimes referred to as a profit and loss statement, is a financial statement that shows the income and expenditure of the Council, and in turn the operating result, being the difference between the two.

Depreciable amount refers to the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation refers to the systematic allocation of the depreciable amount of an asset over its useful life.

Differential rating refers to the power of Council under Section 156 of the Local Government Act 1999 to declare different rates according to use and / or locality of land.

Employee costs refers to staff and related costs, including salaries and wages, superannuation, leave provisioning, fringe benefits tax, training and WHS expenses.

Equity refers to the residual interest in the assets of the Council after the deduction of its liabilities. Often referred to as net assets, it is the difference between total assets and total liabilities.

Expenses refers to a decrease in future economic benefits, effectively meaning the costs incurred by Council in the normal course of its business operations. They include employee costs, material and contractor expenses, finance costs and depreciation.

Finance costs refers to expenses associated with Council's financing activities, including interest on loans and revenue collection charges.

Financial statements comprise a statement of comprehensive income, a statement of financial position, a statement of changes in equity and a statement of cash flows.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Grants, subsidies and contributions refers to assistance from state and commonwealth governments and other institutions where resources are transferred to Council generally in return for past or future compliance with certain conditions.

Income refers to the gross inflow of economic benefits arising from the ordinary activities of Council when those inflows result in increases in equity. It includes rates, statutory charges, grants, user charges, investment income and reimbursements.

Income statement, sometimes referred to as a profit and loss statement, is a financial statement that shows the income and expenditure of the Council, and in turn the operating result, being the difference between the two.

Infrastructure and Asset Management Plan (IAMP) refers to a plan for the management and development of infrastructure and major assets of the Council that must be developed and adopted for a period of at least 10 years.

Infrastructure asset refers to roads, kerbing, drains, footpaths, cycle paths, land improvements and related assets.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in operating activities.

Investment income refers to income generated by Council from investment activities.

Liability is an obligation of the Council arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Liabilities include provisions and trade and other payables.

Liquidity is a measure of the ability of the Council to pay its debts as and when they fall due.

Loan repayments refers to interest and principal payments made to service Council loans.

Long term financial plan refers to a plan that must be developed and adopted by Council for a period of at least 10 years under Section 122(1a) of the Local Government Act 1999.

Minimum rate refers to the minimum amount payable by a ratepayer which is determined by the Council pursuant to Section 158 of the Local Government Act 1999.

Regional Landscape levy (RL levy) is a separate rate imposed on ratepayers by the state government under Section 69 of the Landscape South Australia Act 2019 and Section 154 of the Local Government Act 1999.

Operating activities are the principal expenditure and revenue-producing activities of the Council and other activities that are not investing or financing activities.

Operating surplus refers to the amount by which operating income exceeds operating expenses, before capital items, the net gain or loss on the disposal or revaluation of assets, and physical resources received free of charge.

Postponement of rates refers to the availability to seniors of an option to delay the payment of rates in certain circumstances under Section 182A of the Local Government Act 1999.

Rate rebates refers to mandatory and discretionary rebates on rates that are available to ratepayers under Sections 159 to 166 of the Local Government Act 1999.

Rate remissions are discretionary concessions available to ratepayers where payment of rates causes hardship.

Rates are a charge against the land levied on ratepayers under provisions of the Local Government Act 1999.

Reserves are a credit balance account forming part of Council equity.

Residual value refers to the value of an asset at the end of its useful life.

Revenue refers to the gross inflow of economic benefits arising from the ordinary activities of Council when those inflows result in increases in equity. It includes rates, statutory charges, grants, user charges, investment income and reimbursements.

Separate rates refer to a rate that may be declared by Council for specific purposes under Section 154 of the Local Government Act 1999.

Service rates or charges may be applied to services such as the collection and disposal of waste under Section 155 of the Local Government Act 1999.

Statement of financial position, sometimes referred to as the balance sheet, is a summary of Council's assets, liabilities and equity at a particular point in time, and provides a snapshot of Council's financial position.

Statutory charges refers substantially to fees set by the state government on regulatory services provided by local government, such as dog registration fees, building and planning fees, and parking fines.

Stormwater flood mitigation refers to measures aimed at minimising the impact of floods in the West Torrens community, including mitigation works associated with Brown Hill and Keswick Creeks.

Sustainability refers to Council's ability to manage its finances so it can meet spending commitments, both now and in the future, and ensure future generations of taxpayers do not face an unmanageable bill for services provided to the current generation.

User charges refers to fees set by Council for certain goods and services provided, such as library charges, hall hire, tennis court hire and community centre fees.

Appendix 1: Climate Change Impact Statement

Appendix 1: Climate Impact Statement

The City of West Torrens acknowledges the scientific consensus regarding the existence of climate change and the substantial contribution the human population is making to this via greenhouse gas emissions.

The City of West Torrens is committed to reducing and adapting to the impact of climate change by:

- considering climate adaptation in our decision making processes;
- regularly reviewing and responding to the risks associated with climate change;
- participating in the AdaptWest Climate Adaptation Program;
- participating in the Western Adelaide Zone Emergency Management Committee;
- reducing our carbon footprint by reducing energy and fossil fuel usage; and
- increasing the use of renewable energy and sustainable fuel sources.

The City of West Torrens will increase the resilience of our community by providing community programs and grants, responsive infrastructure and greening programs which reduce urban heat and, encouraging active transport and outdoor activities and protecting the community from the consequences of severe weather events and heatwaves.

The City of West Torrens has undertaken a significant number of initiatives which contribute to climate change mitigation and adaption across a broad range of Council programs and projects, many of which are ongoing.

Climate adaptation involves developing high level strategies that drive the operations of Council in a coordinated manner and provide long term benefits. Some of these strategies include:

- The City of West Torrens Public Realm Design Manual
- The City of West Torrens Local Drainage Stormwater Management Plan
- The City of West Torrens Emergency Management Framework and Business Continuity Plan
- Participating in the AdaptWest Climate Adaptation Program
- Being a pioneer council in ICLEI's Cities with Nature Program
- Membership of ICELI
- The City of West Torrens Carbon Management Plan.

As part of its climate adaptation activities, the City of West Torrens is maximising the opportunity to increase the greening of our City. These include:

- Raingardens
- Growing trees in challenging spaces
- Implementation of a Tree Strategy
- Greening Council's shared path network
- Street tree audit and planting program
- Appropriate plant/tree choice
- Streetscape designs
- Native plant giveaway and community planting events.

Stormwater initiatives provide maximum access to sustainable water source for trees to improve soil moisture and encourage deep root growth which include the use of:

- Permeable paving
- Tree inlets and water wells
- Footpath brick paving.

Waste reduction initiatives focus on reducing waste and increased recycling at both a Council and community level. These include:

- Waste education
- Community workshops
- Resources for schools
- Household chemical and paint drop-off facility
- Waste separation in Council buildings
- Reduction in single use plastics at Council events.

Environment grants and Rainwater Tank rebates are available for the community to access to encourage sustainability.

The City of West Torrens is working diligently to increasing the use of recycled products and reduce emissions, energy and water consumption. Actions include:

- Recycled printer cartridge and road pavement trial
- LED street lighting, linear parks, pathways and reserves upgrades
- Building design and retrofit incorporating solar and battery storage and rainwater tanks
- Vehicle replacements consider environmental standards and increasing the number of electric and hybrid vehicles in the fleet.