

2020-21

Annual

Business Plan



Influencing today...shaping tomorrow





Community Engagement

The 2020-21 draft Annual Business Plan was released for public consultation on Wednesday 13 May 2020.

The community was invited to make written submissions on the draft plan by 5pm Thursday 4 June 2020.

Council adopted the 2020-21 Annual Business Plan at its meeting held on 19 June 2020

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The development of this year's budget is in an environment of financial uncertainty for Federal, State and Local Governments, with the Federal and State Government delaying their budgets until October 2020 in a hope that more certainty regarding the economy will have developed. Council has adopted a conservative approach to support local ratepayers and residents affected by the economic downturn; but with a healthy balance sheet be in a position to support local economic stimulus in partnership with the other two tiers of government in projects that will have long-term benefit to the community. The financial year predictions for 2020-21 are difficult for the community with the issues of COVID19; drought for our dryland farming areas and indications of low water allocations for our horticulture sector; coupled with increased household expense pressures requiring a response from Council to support the community. Council has examined its service delivery and cost structures, with control on staff numbers and underlining spending and as a result is setting a budget based on a 0% rate increase across the Council, for the second year in a row. The Council will offer an easier deferral application for those adversely affected by COVID19; primary producers who maybe required to buy additional fodder and water over the next year until conditions improve; without any interest penalty.

Council has been previously successful in obtaining extensive funding for projects that will support economic growth in the future that should assist tourism and our primary production sectors in the future. It has made the State and Federal Governments aware of partnership opportunities that exist in a range of activities including roads; riverfronts and infrastructure upgrades, but without the knowledge of the success of these applications at the draft business plan stage it is difficult to accurately allocate especially capital funding and community support grants. As a result we have allocated amounts against capital funding but will provide greater clarity hopefully in the lead up to the end of the financial year and the adoption of the final budget. This will not have an effect on the rates to be raised and the overall budgeted operating surplus.

Our 2020-21 Annual Business Plan sets out our key directions and projects for the coming year, what these projects are aiming to achieve, their cost and how they will advance the overall strategic direction for our district, as contained in LW Future. This year is a focus on completing projects already underway and projects that are prioritised from our strategic management plans and allocations from State or Federal Governments.

Recognising the economic driver that is our horticultural and agricultural sector, Council is implementing the outcomes of an investigation completed in 2017-18 of its road network to ensure our B-Double General Mass Limits and Commodity routes are maintained to an appropriate standard. Council is allocating funds to its road network for maintenance and capital works, including renewing our sealed and unsealed road networks. Council is committed to ensuring it provides an appropriate level of community facilities across the Council district. However it is also mindful of on-going maintenance and depreciation costs associated with our building assets consisting of over 260 buildings. To address this Council will investigate the use of our building assets to identify opportunities for multi-use community facilities as well as reviewing all Council buildings to ensure they are adequate for the future. In 2020-21 Council will make a further investment in information technology that will result in the migration of Council's information technology infrastructure into a cloud environment and upgrades to Council websites. The Annual Business Plan proposes an operating surplus of \$370,000 which

indicates that the changes to Council's expenditure is sustainable into the future. This is supported by the other financial key performance indicators, that demonstrate that we are operating within the parameters set by the elected Council. Reinforcing the environmental and economic factors including: sustained conditions of water shortage within the Murray Darling Basin continue to adversely impact primary production, business, local industry and our communities. The Council, in response has developed an Annual Business Plan that is fiscally responsible and maintains our long term focus on financial sustainability. In considering a responsible level of rate revenue to raise for this Annual Business Plan, Council has adopted a freeze in rate increases for the 2020-21 extending to two years where it will collect only rate increases that have arisen through natural growth. Our Annual Business Plan contains our focus for 2020-21 and we commend it to you for your information.

Kind regards



David Beaton
Chief Executive Officer

A handwritten signature in black ink that reads "David Beaton".



Leon Stasinowsky
Mayor

A handwritten signature in black ink that reads "Leon Stasinowsky".



Elected Members

Our Council comprises ten Councillors as well as a Mayor. The Councillors are responsible for policy making and decisions that impact on our district, our community, our businesses and our environment.

The roles of our Elected Members are to:

- Participate in the deliberations and civic activities of our Council
- Keep the Council's objectives and policies under review to ensure appropriateness and effectiveness
- Keep the Council's resource allocation, expenditure and activities and the efficiency and effectiveness of its service delivery under review
- Represent the interests of residents and ratepayers, provide community leadership and guidance and facilitate communication between the community and the Council.



**CR Trevor Norton
Deputy Mayor**



CR Sonya Altschwager



CR Jody Flavel



CR Jordann Kleemann



CR Clive Matthews



CR Debbie Thiele



CR Michael Vowles



CR Peter Walker



CR Kym Webber



CR Terry Wheeldon



Fast Facts



- 
Population: 11487
- 
Size: 7957 square KMs
- 
Main Towns
 Loxton: 4568 Waikerie: 2684
- 
Rateable Properties: 8037
- 
Road Network
 Sealed: 396km Unsealed: 1947km

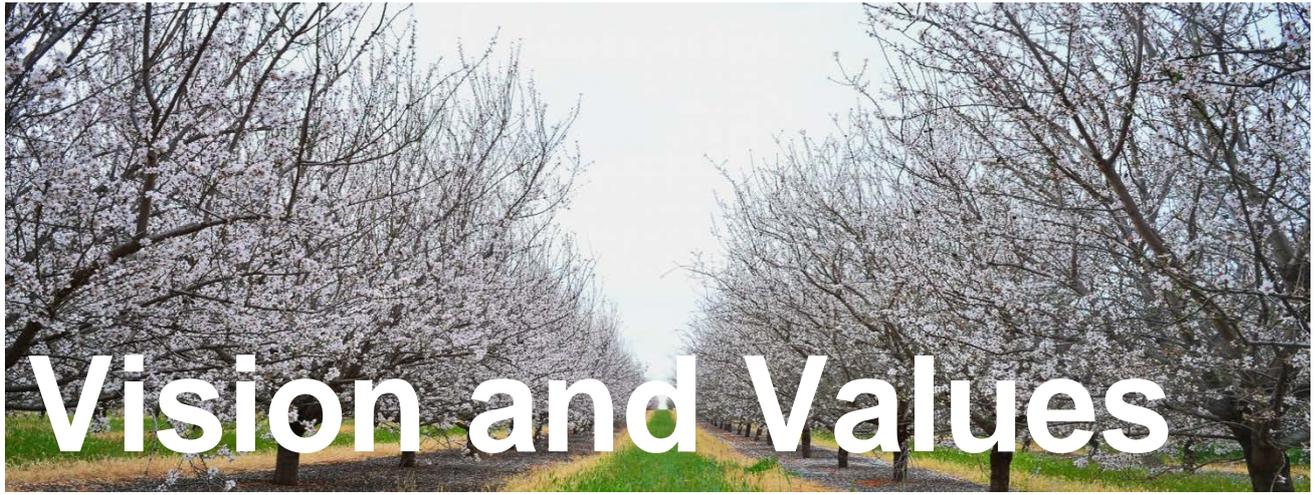
About Us

The District Council of Loxton Waikerie is located on the Murray River in the Riverland of South Australia, spanning from the Blanchetown Bridge in the west to the Victorian border in the east. The townships of Loxton and Waikerie are our main service centres and our district also contains many smaller towns and communities.

Our main industries include agriculture and horticulture with the district contributing significantly to the national output of food and beverage. Important value added activities also occur locally with food and beverages being processed; packaged; stored; and distributed within and from the local area.

Tourism also plays an important part in the mix of our local economy, with an increasing and coordinated effort evident in this sector in recent years.

Whilst our district is faced with several population, economic and environmental challenges our community continues to show resilience. Council is proud of the 'can do' attitude of its communities and the extraordinary spirit that makes the district such a great place to live'.



Vision and Values

Our Vision

Our vision statement is our inspiration and provides us with purpose, strategic direction, motivation and purpose.

Influencing today ... Shaping tomorrow

Our Mission

Our mission aligns with our strategic objectives and indicates how we will achieve our vision. It provides an indication of how we are going to get to where we want to be.

We are committed to:

- Actively enhancing the quality of life of our communities by encouraging health, well being and safety
- Encouraging and supporting a strong diverse economy that will provide prosperity, growth and employment opportunities for our community
- Responsibly managing our built and natural environment
- Providing genuine and accountable leadership that inspires confidence within our community and ensures the responsible management of our resources
- Being an organisation that has a constructive culture and the capacity to be innovative, effective and efficient in delivering quality services to the community

Our Core Values

Our core values are the principles, attributes and qualities we hold as important that we will display in the way we go about our business.

We are
GENUINE

Adhering to moral and ethical principles, being honest, accountable, trustworthy and authentic.

We are
CARING

Showing respect, compassion and empathy and being supportive of each other and our community.

We will
LISTEN

Communicating as well as engaging the community in an open, honest and constructive manner at all times.

We are
UNITED

Working as a team in an inclusive, co-ordinated and collaborative manner to achieve our common goals.

We will aim for
EXCELLENCE

Consistently delivering quality service outcomes and endeavouring to be a high performance organisation.

We will be
INNOVATIVE

Seeking out and making use of new ideas and opportunities, showing initiative and being progressive, proactive and creative.



Like all Councils, Council has mandatory responsibilities under the Local Government Act, the Development Act, the Public Health Act, the landscape South Australia Act and other relevant legislation.

These include:

- Regulatory activities such as maintaining the voters' roll, property ownership data and supporting our Elected Members
- Setting rates, preparing an annual budget and determining longer term strategic management plans for our district
- Management of infrastructure, including community buildings, roads, footpaths, parks, public open spaces, and stormwater drainage
- Street cleaning, refuse collection and recycling
- Development planning and control, including building fire safety assessment.
- Environmental health services, including health standards inspections and waste control application assessment.

Council also delivers a raft of discretionary services which further enhance the health, well being and prosperity of our community.

These include:

- Tourism related activities and facilities
- Community Wastewater Management Systems (CWMS)
- Public libraries
- Recreation centres and sporting facilities
- Swimming pools in Loxton and Waikerie
- On street parking management to maximise use of kerbside spaces
- Community funding programs.

Council operates a number of facilities on behalf of the community. These facilities provide important community benefits and include the stand alone business units of the Loxton Riverfront Holiday Park and the Loxton Retirement Village. It is noted these two business units require no support from rates.



In November 2015 Council adopted its new Strategic Plan, titled LW Future. LW Future guides the development and management of the Council district. LW Future has a direct impact on the 2020-21 Annual Business Plan through the progression of projects and actions that will ensure the delivery of its strategic objectives and goals and is currently developing a new way forward.

Our Community

Actively enhancing the quality of life of our communities by encouraging health, well being and safety.

Community Enablement

Enhance the quality of life of our community by encouraging community participation and building on our community spirit.

Community Health

Enhance the quality of life of our community by advocating, supporting and undertaking health and community safety initiatives.

Sport and Recreation

Provide a range of sporting and recreational facilities and continue put community's active participation in sport and recreation.

Key Initiatives:

- Improvements to Ramco Cemetery including irrigation upgrades, tree plantings and commence the installation of entrance sign
- Update industrial signage throughout the District
- Implement library initiatives across the District

- Development of a youth activation strategy to be supported at both the Loxton and Waikerie High Schools
- Complete improvements to both Visitor Information Centres

Our Economy

Encouraging and supporting a strong diverse economy that will provide prosperity, growth and employment opportunities for our community.

Economic Activity

To have a strong and prosperous economy built on diversifying our established industries, businesses and enterprises and attracting new industries and investors.

Population Growth

To address our population decline and have a population that is growing.

Tourism

To have a vibrant and growing tourism industry.

Key Initiatives:

- Complete upgrades to tourism websites

Our Environment

Responsibly manage our built and natural environment.

Assets and Infrastructure

Sustainably provide core community assets and infrastructure.

Planning Policy and development Assessment

Have an up to date Development Plan backed up by responsive development planning systems and processes that reflect the aspirations of the community.

Character and Amenity

Present townships and riverfronts in a manner which enhances their character and amenity and create pride in our community.

Environmental Management

Adopt the principles of sustainable development in our operations and our management of the natural environment.

Key Initiatives:

- Develop a remedial action plan for Thiele's landing
- Removal of identified pine trees along Bookpurnong Terrace (opposite the Loxton Bowling Club)
- Ensure Council's B-Double General Mass Limits and commodity freight routes are maintained to an appropriate standard.
- Process collected green waste into usable compost
- Review of current waste collection contract
- Removal of trees, re-shape and re-turf ground around the Waikerie tennis courts
- Complete improvements to the Loxton and Waikerie swimming pools

Leadership and Engagement

Providing genuine and accountable leadership that inspires confidence within our community and ensures the responsible management of our resources.

Financial and Risk Management

Have a secure revenue base and manage our business through responsible and efficient administration of finances and risk.

Governance

All decision making is undertaken within a robust and accountable governance framework.

Community Engagement

Provide accountable, open and transparent communication with the community.

Collaboration and Partnerships

Working in collaboration with our community, volunteers including service clubs, relevant stakeholders and partners to deliver improved outcomes.

Service Delivery

Provide services to our community in an equitable, effective and efficient manner.

Innovation and Excellence

Being an organisation that has a constructive culture and the capacity to be innovative, effective and efficient in delivering quality services to the community.

Organisational Development

Be recognised as a high performance, values based organisation.

Key Initiatives:

- Complete initiatives from the Riverland G3 Alliance information technology and communication strategic plan
- Upgrade Councils electronic document records management system to comply with the new State Records disposal schedule



Influences, Priorities and Opportunities of significance

Major influences on the 2020-21 Annual Business Plan include the completion of projects already underway and projects that are prioritised from our strategic management plans and allocations from State or Federal Governments.

Population Growth and Prosperity

Responding to our objectives of promoting economic activity and growing our population the Annual Business Plan allocates funds to the following strategic activities:

- Annual contribution to RDA Murraylands Riverland (\$50,000)
- Annual support of the Loxton Chamber of Commerce (\$14,000)
- Annual support of the Riverland West Chamber of Commerce (\$14,000)
- Annual support of Destination Riverland (\$50,000)

Sustainable Asset Maintenance

The requirement to maintain and improve ageing infrastructure assets to acceptable standards, including roads, footpaths, stormwater drainage, street trees, open space and Council properties is a key priority and responsibility.

One of the greatest challenges for Council is maintaining its large asset base, prioritising capital works programs and determining what it can afford.

The following expenditure on the renewal and maintenance of assets is included in 2020-21:

- Re-sheeting unsealed roads (\$2.722m)
- Resealing roads (\$392,000)
- Refurbishment of Loxton Retirement Village units (\$401,000) (retention / refurbishment income of \$243,000 is forecast). A review of the financial assumptions is occurring.
- Maintenance, repairs and painting of buildings (\$140,000).

Asset Management

In line with maintaining our large asset base Council also needs to continue to improve its asset management practices.

In line with Council's consolidated asset management plan an amount of \$75,000 has been allocated to replace a section of Community Wastewater Management Systems pipeline in Loxton.

Tourism Support and Development

Tourism will continue to be a focus for Council during 2020-21.

In 2019-20, following a review of its operations Council transitioned the management and operations of the Loxton Historical Village. This new three year management agreement with the Loxton Community Heritage Group has breathed renewed life into the facility and has reduced Council's direct involvement. The management model is requiring less financial support by Council.

Community Development and Wellbeing

Council will continue its investment into the support of community organisations during 2020-21 at a figure of \$250,000. Included within this amount are the funding of various events and projects.

Keeping Up with Statutory Changes

There are a number of statutory matters that absorb significant amounts of staff time. These include reporting to Council's Community Wastewater Management Systems regulator, the Essential Services Commission of South Australia, drafting and updating asset management plans and meeting other legislative obligations.

Council will need to implement recent changes to the Planning Development and Infrastructure Act which commence from 1 July 2020.

Financial Pressures

The development of this year's budget is in an environment of financial uncertainty for Federal, State and Local Governments, with the Federal and State Government delaying their budgets until October 2020 in a hope that more certainty regarding the economy will have developed. Council has adopted a conservative approach to support local ratepayers and residents affected by the economic downturn; but with a healthy balance sheet be in a position to support local economic stimulus in partnership with the other two tiers of government in projects that will have long-term benefit to the community. The financial year predictions for 2020-21 are difficult for the community with the issues of COVID19; drought for our

dryland farming areas and indications of low water allocations for our horticulture sector; coupled with increased household expense pressures requiring a response from Council to support the community

Council is committed to being more efficient in its operations to ensure it is delivering the most important services to the community.

Several financial factors have influenced the preparation of the Annual Business Plan including:

- Increase in the Consumer Price Index (CPI) of 2.4% for the year ending March 2020 (Adelaide all groups).
- Increase in the Local Government Price Index (LGPI) of 1.6% for the year ending December 2019.
- Increases in public liability and property insurance, electricity supply and street lighting expenses.
- A provision for an increase in salaries and wages in accordance with the relevant Enterprise Bargaining Agreements.
- Increases in waste management contractor collection and disposal costs

Key initiatives Council has commenced are service and activity reviews. These reviews will not only seek to ensure that Council continually improves its service delivery but also to identify cost savings and efficiencies to reduce increases in its operational expenditure. This is critical for Council to ensure its long term financial sustainability and aligns with its aims in becoming a high performance organisation.



Council has made the respective Government departments aware of partnership opportunities that exist in a range of activities including roads; riverfronts and infrastructure upgrades, but without the knowledge of the success of these applications at this draft stage it is difficult to accurately allocate capital funding. The scope of Council's capital works program will be clearer when notification is received on success of funding applications made through Federal and State Governments.

Until clarity is provided the draft capital works program for 2020-21 includes estimated capital expenditure of \$8.325m.



In order to implement LW Future, our 2015-2020 Strategic Plan, the following strategic projects will be completed during 2020-21. These are one off projects that are funded through operating expenditure of Council.

Our Community

LW Future Goal	LW Future Strategy	Project	Budget (\$'000)	Comment
1.1 Community Enablement	1.1.1	Development Youth Activation Strategy	10	Develop over arching strategy and identify specific projects to be supported at both Waikerie and Loxton High Schools.
1.1 Community Enablement	1.2.4	Support the Community Cluster	25	Provide support toward the Loxton Community Cluster Program
1.1 Community Enablement	1.2.4	Age & Wellness Strategy	7	Develop implementation strategy
1.2 Community Health	1.2.3	De-sex Subsidy and education program	5	Fund the Chip Blitz program to assist with new Animal Management Act - This will be a reoccurring budget item in future years
TOTAL			47	

Our Environment

LW Future Goal	LW Future Strategy	Project	Budget (\$'000)	Performance Measure
3.1 Assets and Infrastructure	3.1.1	Hentschke Rose Garden	8	Bark chips, tree planting and installation of park benches. This is the first stage of works with future stages possibly planned and budgeted for in future financial years in consultation with the LRGC and Hentschke Family.
3.1 Assets and Infrastructure	3.1.1	Painting of Waikerie look out tower	8	To repaint the lookout tower on the cliff top walk
3.1 Assets and Infrastructure	3.1.1	Waikerie Federation Park Stairs	2	Stairs behind Rain Moth Gallery are unfinished.
3.1 Assets and Infrastructure	3.1.1	Update industrial signage - Loxton and Waikerie	15	Update industrial signage in the district. Depending on cost project may need to be staged over two financial years. Existing signage is faded and needs replacing. Policy for management of signs to be developed first.
3.1 Assets and Infrastructure	3.1.1	Power installation at the top Waikerie roundabout	3	Solar lighting at top roundabout in accordance with the Flag Pole Policy
3.1 Assets and Infrastructure	3.1.1	Waikerie walking trail (linking Fauna Park, Hart Lagoon Trail and the Waikerie Riverfront)	3	Install walking trail that aims at linking Fauna Park, Hart Lagoon Trail and the Waikerie Riverfront.
3.1 Assets and Infrastructure	3.1.1	Kingston on Murray - CWMS - HRAP Project	30	Continued partnership with flinders University and LGA for waste water research at Kingston on Murray.
3.1 Assets and Infrastructure	3.1.2	Ramco Cemetery Upgrades	5	Entrance sign, irrigation and planting trees. This project may need to be staged over two FY's.
3.1 Assets and Infrastructure	3.1.2	Heritage Park Tree Sculpture Maintenance	10	Maintenance of Heritage Park tree sculpture. Includes concrete plinths for the sculptures to sit on.
3.1 Assets and Infrastructure	3.1.2	Waikerie Christmas decorations	4	Budget to allow for the install and removal of decorations. This will be a reoccurring budget item in future years
3.1 Assets and Infrastructure	3.1.2	Pine tree removal - Mill Corner	12	Removal of identified pine trees near Mill Corner
3.1 Assets and Infrastructure	3.1.2	Removal of identified pine trees along Bookpurnong Terrace	13	Project identified from LRGC to remove dead and dying trees that are planted to close together opposite Loxton Bowling Club
3.1 Assets and Infrastructure	3.1.2	Stormwater mitigation - Waikerie Tennis Courts	10	Re-shaping of ground around tennis courts and install new turf - including removal of 3 trees

LW Future Goal	LW Future Strategy	Project	Budget (\$'000)	Performance Measure
3.1 Assets and Infrastructure	3.1.3	Asbestos Removal Line	30	For removal of Asbestos from Council owned buildings and removal of dumped asbestos. This will be a reoccurring budget item in future years
3.1 Assets and Infrastructure	3.1.3	Asbestos Management Plans	5	Annual Budget line - Asbestos Management Plan due every 12 months due to the age of Council owned buildings. This will be a reoccurring budget item in future years
3.1 Assets and Infrastructure	3.1.3	Loxton Riverfront Holiday Park - Replace Vinyl Floor	5	Replacement of worn flooring in 3 Cabins
3.1 Assets and Infrastructure	3.1.3	Thiele's Landing investigation	20	Funding to assist in scoping and development of remedial action plan.
3.1 Assets and Infrastructure	3.1.3	Waikerie Community Sports Centre - Gym Equipment	20	Lease replacement Gym Equipment for the Waikerie Community Sports Centre over a 3 year period at \$20k per annum.
3.1 Assets and Infrastructure	3.1.3	Upgrades to Waikerie Depot wash down bay	5	Repairs to Drainage pipeline from the Wash-down bay which has been blocked and crushed over time, and repairs to the concrete wash down pit
3.1 Assets and Infrastructure	3.1.7	Green waste composting	30	Processing of collected MGB green waste to usable compost.
3.1 Assets and Infrastructure	3.1.7	Review of waste collection contract	15	Review current collection status and conduct council pickup of green waste trials and consider separate glass trial option
3.1 Assets and Infrastructure	3.1.10	Riverland Smart Agricultural Project	120	Further development/creation of LoRaWAN infrastructure to allow for greater use of sensors within the agricultural areas including irrigated and dryland
3.1 Assets and Infrastructure	3.1.10	Project Staffing	29	Design of public toilets
3.4 Environmental Management	3.4.5	Midge Control	10	Midge control across the district. This will be a reoccurring budget item in future years
TOTAL			412	

Leadership and Engagement

LW Future Goal	LW Future Strategy	Project	Budget (\$'000)	Comment
4.3 Community Engagement	4.3.1	Website maintenance/upgrade	5	Continued development of Tourism Websites
TOTAL			5	

Innovation and Excellence

LW Future Goal	LW Future Strategy	Project	Budget (\$'000)	Comment
5.1 Organisational Development	5.1.5	WHS Training Budget	15	Budget allowance for Corporate Regulatory Training such as First Aid and Warden Training. This will be a reoccurring budget item in future years
5.1 Organisational Development	5.1.6	Import of new Disposal Schedule GDS40 into CM9	10	State Records have introduced a new disposal schedule for LG (GDS40). Current Schedule in CM9 (GDS20) has expired
5.1 Organisational Development	5.1.6	Riverland G3 Information Technology and Communication Strategic Plan	316	Implementation of initiatives to improve and enhance Council's information technology delivery.
5.1 Organisational Development	5.1.8	Drug/Alcohol Testing x 2	12	Increase in staff testing from once to twice a year, currently only budgeted for once per year. This will be a reoccurring budget item in future years
TOTAL			353	



Funding the Annual Business Plan

The 2020-21 budget forecasts an operating surplus of \$370,000. The operating surplus measures the difference between operating revenue and expenses for the financial year. Our long term financial sustainability is dependent on ensuring that, on average over time, our expenses are less than our revenue and a target of better than break even is strived for.

Our revenue includes \$10.079m to be raised from general rates. In 2020-21 it is proposed to put a freeze on the increase in rate revenue including general rates and CWMS service charges with increases only received through natural growth.

A total of \$3.619m is proposed to be raised from separate rates (NRM Levy, CWMS, Kerbside Waste Collection).

The Landscape South Australia Act 2019 requires Council to collect, on behalf of the Murraylands and Riverland Landscape Region a levy on all rateable properties within the Council area.

In 2020-21 Council has been informed that it will be required to collect and make payable to the Murraylands and Riverland Landscape Region an amount of \$461,078.

CWMS service charges will remain at \$514 for occupied connections within the Loxton and Waikerie townships (\$494 for vacant land connections).

CWMS service charges will remain at \$452 for occupied connections within the

Moorook and Kingston on Murray townships (\$432 for vacant land connections).

A total amount of \$1.720m will be raised as a CWMS service charge to cover the operation, maintenance and renewal of Council's respective community wastewater management systems across the district.

To cover increased cost of collection and disposal Kerbside Waste Management service charges will increase as follows:

3 bin collection - \$306 per collection, (\$7 increase)

2 bin collection - \$241 per collection (\$6 increase)

Retirement village's collection - \$204 per collection (\$7 increase).

A total amount of \$1.438m will be raised as a waste service charge to cover the cost of providing this service. Included in this service are expenses to cover the cost of providing rural pick ups by Council.

Depreciation forms a significant portion of our operating result. We will continue to monitor the depreciation value, useful lives of assets and the residual value of assets annually to ensure accuracy of the depreciation figure. Depreciation is a non cash item, however depreciation does provide an indicative cost of the consumption / degradation of our assets.

Other sources of revenue include:

User Pay Charges set by Council

These comprise charges for our fee based facilities such as: Loxton Holiday Park, swimming pools, cemeteries, waste transfer stations, sundry sales and hall hire.

Statutory Charges set by State Government

These are fees and charges for regulatory services set by regulation and collected by us for functions including: Development Act applications, rate searches, animal registration and fines, parking fines and

expiation fees, health fines, environment control fines, litter control fines, waste control system fees and other licence fee/fines.

We review our fees and charges annually.

Grants and Partnerships

We generally seek to attract as much external grant funding as possible from other levels of government and major projects of wider State benefit are usually jointly funded in partnership with the State Government and other relevant parties.

Key Financial Indicator	Adopted Targets	2020-21 Adopted Budget	2019-20 Adopted Budget
Operating Surplus Ratio	2.5%	2.8%	3.4%
Net Financial Liabilities Ratio	0 – 100%	29%	24%
Asset Sustainability Ratio	90 – 110%	96%	110%

Impact on Council's Financial Position

After taking account planned net outlays on existing and new assets in 2020-21, Council's net financial liabilities is expected to be \$6.155m.

Net financial liabilities are a key indicator of the Council's financial position. It measures total liabilities less financial assets (ie what the Council owes to others, less money the Council has or is owed). The expected level of net financial

liabilities represents 29% of budgeted operating revenue. This compares with a long term targeted level for this indicator of less than 100% of operating revenue.

Council is planning on expending 96% on the renewal and replacement of existing assets as compared with what our adopted asset management plans prescribe.



General Rating Statement

Our revenue for 2020-21 includes \$10.079m to be raised from general rates. This equates to 46% of Council's operating revenue.

We are proposing to freeze rate increases for a second year in 2020-21. This second year rating freeze will maintain a sustainable financial position in the long term. The actual increase payable by any individual ratepayer may be more or less than this depending on the movement in the capital value of their property (relative to the average).

In setting a rate freeze for the 2020-21 financial year we have considered the need to keep rate increases as low as possible whilst also considering the implementation of the following plans and issues:

- LW Future, our Strategic Management Plan that sets the overall direction of Council
- Long Term Financial Plan that sets the overall financial objectives for Council for the next 10 years
- Asset Management Plans that set capital works, maintenance and renewal programmes for Council's road infrastructure
- The resources required to deliver the Council services as detailed in the 2020-21 Annual Business Plan and Budget
- Changes in valuation and how the impact can be minimised in setting rating levels

- The increased use of 'user pays' cost recovery systems.

Method Used to Value Land

We have decided to continue to use capital value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers because property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

Business Impact Statement

We have considered the impact of rates on businesses in the Council area, including primary production. Council maintains contact with the business community both directly and through the Regional Development Australia (RDA) Murraylands and Riverland. In considering the impact, Council has assessed the following matters:

- Those elements of Council's Strategic Management Plan relating to business development
- Council's recent development approval trends
- The operating and capital projects and programs for the coming year that will principally benefit industry and business development and
- Valuation changes.

Capital Valuation Movements

Proposed capital values across the whole district for 2020-21 have increased by \$151.32 million (7.87%) from last year.

Split by land use category values have changed as follows:

Land Use Category	Valuation 2019-20 \$	Valuation 2020-21 \$	Valuation Movement \$	Valuation Movement (%)
Residential	914,526,503	985,825,126	71,298,623	7.80
Commercial	100,953,247	99,916,402	(1,036,845)	(1.03)
Industrial	29,020,056	29,996,056	976,000	3.36
Primary Production	817,734,654	922,014,690	104,280,036	12.75
Vacant Land	43,402,523	47,596,629	4,194,106	9.66
Others	16,910,225	14,761,471	(2,148,754)	(12.71)
TOTAL	1,922,547,208	2,100,110,374	177,563,166	9.24

*Valuations displayed are valuations used for rating purposes, that is non-rateable valuations are not included

The following table depicts average valuations for properties across the district and their respective increases in rates compared against the prior year.

These figures are exclusive of the proposed waste management and CWMS service charges:

Within townships

Land Use	Year	Average valuation (\$)	Average rates (\$)	Number of properties	Average increase (\$)	Average increase (%)
Residential	2019-20	180,095	1,099	2,506	(3)	(0.27)
	2020-21	189,889	1,096	2,514		
Commercial	2019-20	257,805	1,428	291	12	0.84
	2020-21	254,109	1,452	288		
Industrial	2019-20	261,276	1,452	46	25	1.72
	2020-21	263,437	1,477	45		
Primary Production	2019-20	130,333	1,038	3	-	-
	2020-21	139,333	1,038	3		
Vacant land	2019-20	94,653	679	81	(32)	(4.71)
	2020-21	95,288	647	89		
Other	2019-20	176,478	1,178	65	-	-
	2020-21	146,714	1,178	65		

Outside townships

Land Use	Year	Average valuation (\$)	Average rates (\$)	Number of properties	Average increase (\$)	Average increase (%)
Residential	2019-20	226,952	1,238	2,041	(11)	(0.89)
	2020-21	245,140	1,227	2,064		
Commercial	2019-20	281,868	1,514	92	13	0.86
	2020-21	291,572	1,527	91		
Industrial	2019-20	346,967	1,717	49	-	-
	2020-21	370,232	1,717	49		
Primary Production	2019-20	380,868	1,820	2,146	-	-
	2020-21	429,361	1,820	2,148		
Vacant land	2019-20	65,933	605	542	6	0.99
	2020-21	74,054	611	523		
Other	2019-20	31,081	445	175	1	0.22
	2020-21	30,046	446	174		

*Figures utilised were the most recent valuations of the Valuer-General available to Council as at 9 June 2020. Average valuation has been calculated by dividing the total capital value for land use by the number of properties.

Rating Methodology

Council is proposing to utilise differential rating according to the land use and locality of the property, pursuant to the Local Government Act 1999 s156(1)(c) together with a fixed charge component on properties within the council area.

Differential Rates

In applying differential general rates Council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all areas, particularly as it relates to the various sectors of the business and wider community. This satisfies the requirements of the Local Government Act 1999 s153(2).

Differential general rates will apply to all rateable land within the area based upon the capital value of the land varied by reference to the locality and use of the land.

Differential general rates imposed by Council are separate and distinct from service charges imposed for the Community Wastewater Management System and Waste Management. Details of service charges are provided further in this document.

For the 2020-21 year Council is proposing to raise differential general rate revenue of \$7.829m. The following tables show the proportion of differential general rates raised by category of land use and location.

Proportion of differential rates raised per category of land use and location

Land Use	2019-20			2020-21		
	Differential (cents in \$)	Differential Rates \$'000	% of total general rates	Proposed differential (cents in \$)	Proposed Differential Rates \$'000	% of total general rates
Townships						
Residential	0.4297	1,939	24.80	0.4060	1,948	24.89
Commercial	0.4280	321	4.11	0.4387	322	4.11
Industrial	0.4314	52	0.67	0.4374	52	0.66
Primary Production	0.5472	2	0.03	0.5119	2	0.03
Vacant Land	0.3736	29	0.37	0.3378	29	0.37
Other	0.4833	55	0.70	0.5814	55	0.70
Total		2,398	30.68		2,408	30.76
Outside Township						
Residential	0.4021	1,862	23.82%	0.3680	1,862	23.79
Commercial	0.4219	109	1.39%	0.4123	109	1.39
Industrial	0.4011	68	0.87%	0.3759	68	0.87
Primary Production	0.3925	3,208	41.03%	0.3482	3,209	40.99
Vacant Land	0.4249	152	1.94%	0.3868	151	1.93
Other	0.3861	21	0.27%	0.4012	21	0.27
Total		5,420	69.32		5,421	69.23

Proposed differential rates generation (within townships)

Land Use	Capital Value \$	% of total Capital Value	Number of Properties	% of total Properties	Proposed Differential Rates	% of rates levied
Residential	479,855,355	22.85	2,514	31.22	1,948,213	24.88
Commercial	73,383,348	3.49	288	3.58	321,933	4.11
Industrial	12,434,680	0.59	46	0.57	54,389	0.69
Primary Production	418,000	0.02	3	0.04	2,140	0.03
Vacant Land	8,480,629	0.40	89	1.11	28,648	0.37
Other	9,533,422	0.45	65	0.81	55,427	0.71
TOTAL	584,105,434	27.81	3,005	37.32	2,410,750	30.79

Proposed differential rates generation (outside of townships)

Land Use	Capital Value	% of total Capital Value	Number of Properties	% of total Properties	Proposed Differential Rates	% of rates levied
Residential	505,969,771	24.09	2,064	25.63	1,861,969	23.78
Commercial	26,533,054	1.26	91	1.13	109,396	1.40
Industrial	17,561,376	0.84	48	0.60	66,013	0.84
Primary Production	921,596,690	43.88	2,148	26.67	3,209,000	40.99
Vacant Land	39,116,000	1.86	523	6.49	151,301	1.93
Other	5,228,049	0.25	174	2.16	20,975	0.27
TOTAL	1,516,004,940	72.19	5,048	62.68	5,418,654	69.21

Proportion of general rates raised (differential / fixed charge)

	2019-20	% of total general rates	2020-21	% of total general rates
Differential	7,819	77.7	7,829	77.7
Fixed charge	2,246	22.3	2,250	22.3
Total	10,065	100	10,079	100

Fixed Charge

Council proposes a fixed charge of \$325, which is a freeze over last financial year. Expected revenue to be raised by the fixed charge component is \$2.250 million.

The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. The reasons for imposing a fixed charge is the Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.

The proposed fixed charge, revenue generated and percentages of total general rates are shown compared against the 2019-20 year as above.

Rate Rebate

We have determined that rebates of rates will be granted when the applicant satisfies the requirements for mandatory rebates under the Local Government Act ss159 to 165. Applications for discretionary rebates lodged under s166 of the Act will be considered under Council's Rate Rebate Policy and assessed against guidelines prepared by the Local Government Financial Management Group.

The Act acknowledges that there are particular land uses that are economically disadvantaged and provide local community benefit and therefore must be offered rate relief in order to be

sustainable. Some rebates under the Act are applied as a mandatory requirement however further discretionary provisions allow for Council to determine whether other desirable land uses may be offered rate relief.

Regional Landscape Levy

The Landscape South Australia Act 2019 requires Council to collect on behalf of the Murraylands and Riverland Landscape Region a levy on all rateable properties within its area. The Act further provides a range of options as the basis for calculating the regional levy. Based on the principles established by the Board, the value of rateable land was used to determine the regional levy.

For the 2020-21 financial year the District Council of Loxton Waikerie is required to collect, on behalf of the Murraylands and Riverland Landscape Region an amount of \$461,078 (a 0.08% decrease on 2019-20).

Council proposes that in order to recover this amount a separate rate of 0.030648 cents in the dollar based on the capital value of all rateable land within the Council area along with a cap of \$100 for such rateable land.

Each year we develop a Rate Rebate Policy which provides the full details regarding rate rebates permissible under the Act. This policy document supports our Strategic Rating Policy.

The purpose of granting discretionary rebates is to assist organisations to maintain their facilities which are predominantly on Council land.

Budgeted Financial Statements

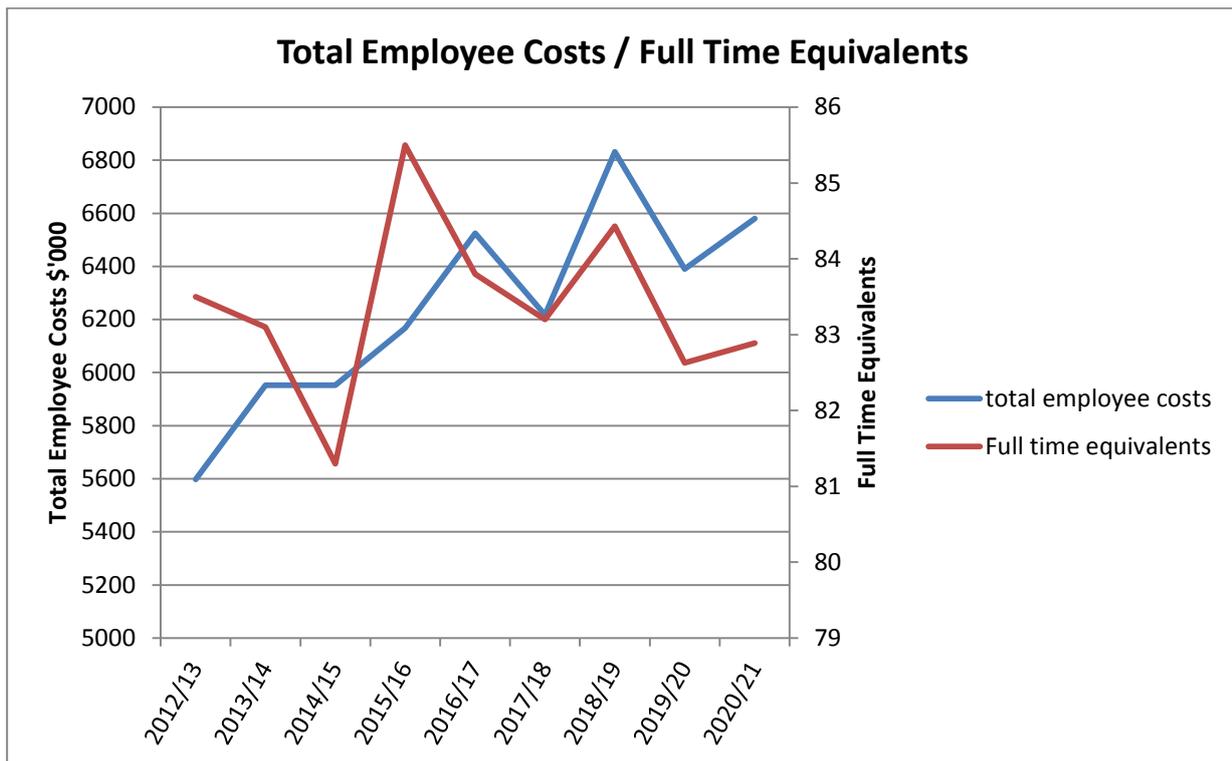
Statement of Comprehensive Income (year ending 30 June 2021)

	2020-21 Adopted Budget \$'000	2019-20 Adopted Budget \$'000	2018-19 Audited Actual \$'000	Note
INCOME				
Rates	13,513	13,465	13,503	1
Statutory charges	245	254	371	
User charges	1,251	1,182	1,367	2
Grants, subsidies and contributions	5,886	5,529	5,978	3
Investment income	92	126	4,213	4
Other income	1,043	1,022	1,270	5
Total Income	22,030	21,578	26,702	
EXPENSES				
Employee costs	6,600	6,390	6,213	6
Materials, contracts and other expenses	8,773	8,455	8,666	7
Depreciation, amortisation and impairment	6,235	6,229	5,852	8
Finance Costs	52	62	25	
Total Expenses	21,660	21,136	20,756	
OPERATING SURPLUS	370	442	5,946	9
Asset disposal and fair value adjustments	-	-	(616)	
Amounts received specifically for new or upgraded assets	845	1,052	918	10
NET SURPLUS	1,215	1,494	6,248	

Statement of Comprehensive Income Notes

- 1a Council is legally obligated to levy ratepayers on behalf of the Department for Environment, Water and Natural Resources and then remit that amount back to the Department. Council has been informed that it will be required to collect, on behalf of the Murraylands and Riverland Regional Landscape Board an amount of \$461,078 in 2020-21. A freeze in the increase in general rate revenue is proposed for the 2020-21 financial year.
- 1b A freeze in the increase in CWMS service charge for all areas is proposed in 2020-21.
- 1c A 2.67 % increase in the kerbside waste service charge is proposed in 2020-21. This is due to an increase in collection and disposal fee costs.
- 2 User charges are proposed to increase by \$69,000 from the 2019-20 financial year.
- 3 Grant income is projected to increase by \$357,000 from 2019-20. The contributing factor behind this is additional road funding as a result of the Australian Government Drought package of \$371,760.
- 4 Investment income is budgeted to decrease by \$34,000.
- 5 Other income is proposed to increase by \$21,000.
- 6 Employee costs are proposed to increase by \$210,000 (3%) over 2019-20.

A graph is provided below that depicts the movement in employee costs and full time equivalents over a nine year period. The increases from 2019-20 relate to the employment of staff to complete grant funded projects.



- 7 Materials, contractors and other expenses are proposed to increase by \$318,000 (3.76%).
- 8 Depreciation expense is proposed at an amount of \$6.235m.
- 9 An operating surplus of \$370,000 is forecast for 2020-21.
- 10 This amount is representative of grant funding proposed for new capital projects and capital contributions.

Statement of Financial Position (year ending 30 June 2021)

	2020-21 Adopted Budget \$'000	2019-20 Adopted Budget \$'000	2018-19 Audited Actual \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6,755	8,044	17,707
Trade and other receivables	1,520	1,290	1,492
Inventories	100	85	102
Total Current Assets	8,375	9,419	19,301
Non-Current Assets			
Financial assets	70	70	46
Investment Property	14,500	-	14,410
Infrastructure, property, plant and equipment	185,329	203,751	172,873
Other non-current assets	10,500	4,229	10,461
Total Non-Current Assets	210,399	208,050	197,790
TOTAL ASSETS	218,774	217,469	217,091
LIABILITIES			
Current Liabilities			
Trade and other payables	12,500	12,200	12,794
Borrowings	30	40	65
Provisions	1,500	1,600	1,522
Total Current Liabilities	14,030	13,840	14,381
Non-Current Liabilities			
Borrowings	250	350	298
Provisions	220	220	174
Total Non-Current Liabilities	470	570	472
TOTAL LIABILITIES	14,500	14,410	14,853
NET ASSETS	204,274	203,059	202,238
EQUITY			
Accumulated surplus	81,012	79,728	79,277
Asset revaluation reserve	122,765	122,765	121,836
Other reserves	497	566	1,125
TOTAL EQUITY	204,274	203,059	202,238

Statement of Cash Flows (year ending 30 June 2021)

	2020-21 Adopted Budget \$'000	2019-20 Adopted Budget \$'000	2018-19 Audited Actual \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates – general and other	13,124	13,624	13,640
Fees and other charges	245	234	366
User charges	1,150	1,228	1,108
Investment receipts	90	126	341
Grants utilised for operating purposes	5,886	5,529	5,984
Reimbursements	178	178	474
Other revenues	844	844	849
Payments			
Employee costs	(6,470)	(6,125)	(6,231)
Materials, contracts and other expenses	(8,725)	(8,526)	(8,518)
Finance payments	(62)	(62)	(18)
Net cash provided by (or used in) Operating Activities	6,260	7,050	7,995
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets	845	1,052	918
Sale of replaced assets	155	269	304
Repayment of loans by community groups	20	20	24
Payments			
Expenditure on renewal/replacement of assets	(5,659)	(5,316)	(5,108)
Expenditure on new/upgraded assets	(2,876)	(3,914)	(3,681)
Net cash provided by (or used in) Investing Activities	(7,515)	(7,889)	(7,543)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from aged care facility deposits	300	990	286
Payments			
Repayment of aged care facility deposits	(280)	(890)	(363)
Repayment of borrowings	(54)	(154)	(63)
Net cash provided by (or used in) Financing Activities	(34)	(54)	(140)
Net increase (decrease) in cash held	(1,289)	(893)	312
Cash and cash equivalents at beginning of period	8,044	8,937	17,395
Cash and cash equivalents at end of period	6,755	8,044	17,707

Statement of Changes in Equity (year ending 30 June 2021)

	2020-21 Adopted Budget \$'000	2019-20 Adopted Budget \$'000	2018-19 Audited Actual \$'000
ACCUMULATED SURPLUS			
Balance at end of previous reporting period	79,728	78,211	73,155
Net surplus for year	1,215	1,494	6,248
Transfers between reserves	69	23	(126)
Balance at end of period	81,012	79,728	79,277
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	122,765	118,965	118,965
Revaluations	-	3,800	2,871
Balance at end of period	122,765	122,765	121,836
OTHER RESERVES			
Balance at end of previous reporting period	566	589	999
Transfers between reserves	(69)	(23)	126
Balance at end of period	497	566	1,125
TOTAL EQUITY AT END OF REPORTING PERIOD	204,274	203,059	202,238

Uniform Presentation of Finances (year ending 30 June 2021)

	2020-21 Adopted Budget \$'000	2019-20 Adopted Budget \$'000	2018-19 Audited Actual \$'000	Note
Operating revenues	22,030	21,578	26,702	1
/less Operating expenses	21,660	21,136	20,756	2
Operating surplus	370	442	5,946	3
/less Net Outlays on Existing Assets				
Capital exp. on renewal and replacement of existing assets	5,554	5,709	4,618	4
/less Depreciation, amortisation and impairment	6,235	6,229	5,852	
/less Proceeds from sale of replaced assets	155	269	304	
	(836)	(789)	(1,538)	5
/less Net Outlays on New and Upgraded Assets				
Capital expenditure on new and upgraded assets	2,772	4,077	4,171	6
/less Amts rec'd specifically for new and upgraded assets	845	1052	918	
	1,927	3,025	3,253	7
Net Lending / (Borrowing) for Financial Year	(721)	(1,794)	4,231	8
Key Financial Indicators				
Operating Surplus Ratio	2.8%	3.4%	22.3%	9
Net Financial Liabilities Ratio	29%	24%	(16.4%)	10
Asset Sustainability Ratio	96%	110%	154.2%	11

- 1 Income available for delivery of services includes all grants except those received specifically for new or upgraded assets.
- 2 Cost of services, including depreciation expense.
- 3 Extent to which income is sufficient or insufficient to fund the cost of services. Operating surplus / (deficit) is the key measure of a Council's financial performance.
- 4 Expenditure which returns the service potential of existing assets up towards that which they had originally.
- 5 Consistent negative outlays on existing assets indicates that, overall, existing assets may be deteriorating at a greater rate than expenditure on their renewal or replacement.
- 6 Expenditure to acquire new assets or upgrade existing assets to provide expanded, or a higher level of service.
- 7 Net cost of acquiring or upgrading assets.
- 8 Net lending reduces a Council's accumulated level of net financial liabilities. Net borrowing adds to the level of net financial liabilities. Net financial liabilities are the key measure of a Council's financial position and are calculated by deducting financial assets from its total liabilities.

- 9 This indicator is a measure of Council's operating surplus as a percentage of operating revenue and eliminates the impact of one-off adjustments which would otherwise distort the result (such as advance payment grant funding payments etc.).

Where an operating deficit ratio exists, this measure indicates the percentage increase / decrease in rate revenue / operating expenditure to achieve a break-even operating result. Council's proposed budget result for this KPI of 3.0% is above the LTFMP target of 2.5%.

- 10 This indicator shows the extent to which net financial liabilities of Council can be met by Council's total operating revenue. This measure allows interested parties to readily equate the outstanding level of Council's financial obligations against the current level of operating revenue. Council's proposed budget result for this KPI of 29% is below the LTFMP upper limit of 100%.

- 11 This indicator is a representation of whether Council is renewing or replacing existing non-financial assets at the rate stipulated within our suite of asset management plans. Council's proposed budget result for this KPI of 96% is at the top of Council's LTFMP target between 90 and 110% indicating Council is spending an adequate amount on the renewal of existing assets as required by the consolidated asset management plan.