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2020/21 Budget adopted with key COVID-19 financial assistance measures

The Town of Gawler has adopted its 2020/21 Budget and associated General Rates and Charges, with one of its core principles being its sector-leading financial relief and support measures to be provided to our community in response to the COVID-19 pandemic.

Council's net total increase in General rate revenue from existing ratepayers will be 0%, as the 2.4% increase to be applied will be offset by the value of the targeted General Rate remissions provided.

Mayor Redman clarifies, "For the average residential ratepayer, who is not entitled to a rate reduction due to COVID-19, a 2.4% increase in their General rates will translate to a nominal \$0.75 extra per week".

"Conversely, a residential ratepayer who is eligible for the 'one-off' COVID-19 General Rates relief will receive a reduction in their General Rates of up to \$400, possibly more, depending on their property valuation", Mayor Redman said. "For eligible businesses the value of the reduction will fluctuate more, but some businesses could receive a reduction of up to \$4,000".

"The Council has gone to considerable lengths to investigate, develop, and review the series of financial relief and support measures that we will be providing", Mayor Redman said. "The Council recognises that there are both businesses and residents who have been continuing to experience significant financial hardship as a result of the pandemic, and we have developed a series of financial measures to help those ratepayers in most need during these challenging and difficult times".

The primary financial relief and support measures adopted by Council are a funding pool of \$530,000 for targeted General rate remissions (reductions) to those ratepayers, both business and residential, who have been significantly adversely financially impacted by the COVID-19 pandemic. Further to which Council is targeting a \$2 million Economic Stimulus package which includes projects and initiatives designed towards local employment/local supplier job outcomes.

"The targeted rate remissions, which will be provided upon application and subject to certain eligibility criteria being met, will be to a value of up to 25% of the 2020/21 General rates for the property", Mayor Redman noted.

"The one-page application form to be completed has been designed to be as simple and straightforward to complete, but nonetheless each applicant will be required to provide certain independent data in support of their application. For example, a business will need to provide an independent statement from a registered accountant demonstrating that they have had reduced profitability by greater than 30% for the three months of April to June 2020, and they must be eligible to receive, or receiving, Job Keeper payments from the Federal Government or they must have had to close their doors to trade as a result of the Commissioner of Police COVID-19 Direction of 22 March 2020", Mayor Redman also said.

"For residential ratepayers, if they have been made unemployed or under employed as a direct result of COVID-19, and their income has reduced by greater than 30% for the three month period April to June 2020, or they are a ratepayer who is receiving the Job Keeper payment, they will meet the eligibility criteria", Mayor Redman said.

The \$2m Economic Stimulus package includes a series of projects and initiatives, designed towards local employment / local supplier outcomes, to help kick-start the local economic recovery.

"One of the initiatives Council is particularly excited about is the \$200,000 grants scheme to local sporting clubs, incorporating a \$40,000 grant to each of the four major sporting precincts", Mayor Redman said.

"Each Club will need to provide Council with a list of projects it wishes to undertake, with the expectation that such projects will be able to facilitate local employment / local suppliers' utilisation – we believe this scheme will assist sporting clubs who have also been impacted by the COVID-19 pandemic", Mayor Redman also said.



As part of the Economic Stimulus Package, Council will also be providing grant funding of \$100,000 towards various community groups / events which have also been financially impacted as a result of the pandemic.

Other initiatives in the Package, such as installing solar panels on two Council buildings, converting street lights and buildings to LED lighting, and undertaking irrigation efficiency upgrades, will lead to significant future savings in Council's energy and water consumption costs.

The COVID-19 General Rates relief and Economic Stimulus Package measures will be predominantly funded by additional debt, noting that borrowing rates are at all-time lows. "Due to our ongoing prudent treasury management, Council is in a position where we can borrow this additional amount without severely compromising our longer term financial sustainability or our longer term financial aspirations", CEO Henry Inat said. "We also recognise that our current borrowing rate is only 2.2%, and indeed some of our borrowings for the next three years will only attract an interest rate of a very low 1.45%".

As a direct result of the COVID-19 related measures, Council is forecasting an operating deficit of \$1.69m – noting that without the financial measures implemented the deficit would otherwise be \$544,000 in keeping with Council's pre COVID-19 estimates.

Given the major collapse in the global recycling commodities market, which primarily emanated from China's 'National Sword' policy of 2018, combined with recent major increases in the State Government's Solid Waste Levy, Council has incurred major cost increases relative to its kerbside waste collection and disposal costs, which are funded on a cost-recovery basis from the Waste Management Service Charge applied.

"The State Government Solid Waste Levy, which is a per-tonne levy paid on waste that goes to landfill, has exponentially increased by 175% in only 6 years, from \$52 to \$143 per tonne - the levy payable in 2020/21 alone is estimated at approximately \$900,000", Mr Inat noted.

"These factors, combined with the cost of the Hard Waste service now available, has culminated in the Waste Management Charge increasing from \$198 to \$229", Mr Inat said.

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