

# annual business plan 2016-17



The Town of Walkerville  
acknowledges the Kurna  
people as the traditional  
custodians of this land,  
and respects their spiritual  
relationship with their country.

The Town of Walkerville  
recognises the generations of  
stewardship the Kurna people  
have provided to this land, and  
respects that their cultural  
heritage and beliefs are as  
important today, as they were  
for their ancestors.



Town of Walkerville  
66 Walkerville Terrace, Gilberton SA 5081  
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# annual business plan

# 2016-17

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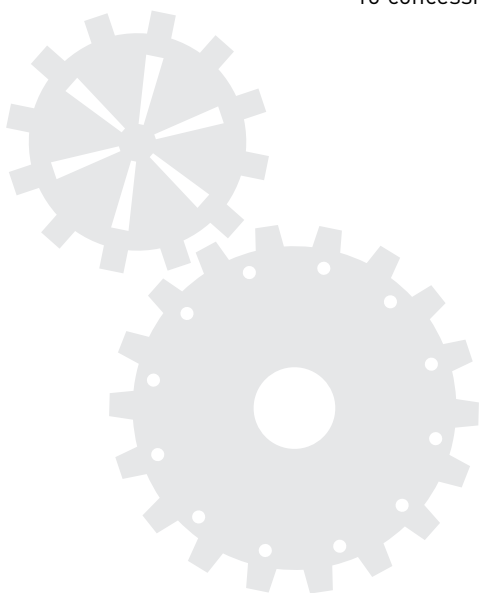
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# useful definitions

**CPI** The Consumer Price Index (CPI) is based on the price of a 'basket' of goods and services and is used to measure change in this price over time. The content of the 'basket' is determined through the *Australian Bureau of Statistics: Household expenditure survey*.

## Differential rate

Refers to the rate in the dollar, which is used to calculate the 'actual' rates incurred by individual ratepayers.

## Growth

### Residential:

- changes in the property market based on the sale of properties over the year
- any new developments made to the property, e.g. an extension
- land divisions and new builds.

### Commercial:

- analysis of sales and rental data
- improvements to those fixed to the land and made to the land.

**LGPI** The Local Government Price Index (LGPI) measures price movements faced by Local Government in South Australia in respect of their purchases of goods and services.

The LGPI provides Council with a useful reference regarding the inflationary effect of price changes of goods and services consumed by Local Government. The index reflects, over time, the movement in prices for a number of cost components as well as the aggregate spent on these components. The index includes both operating and capital expenditure on a State average basis.

## Budget review

The process of reviewing the budgeted income and expenditure and assessing the budget every quarter.

## Key financial indicators

Key financial indicators are calculated and provided in accordance with *Information Paper 9 – Local Government Financial Indicators* prepared as part of the Financial sustainability program for the Local Government Association of South Australia. They assist the reader to track Council's financial management performance in identified critical areas.

### Key financial indicators are:

**1. Operating surplus ratio** The operating surplus ratio highlights the operating result as a percentage of total rate revenue (excluding NRM Levy).

**2. Net financial liabilities ratio** This ratio demonstrates the relative size of Council's net financial liabilities against total operating income.

**3. Asset sustainability ratio** The asset sustainability ratio represents the ratio of new capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in Council's *Asset management plan*.

## Land use classification

A State-wide property database, linked to the capital valuation process, is maintained by the Valuer-General. This database is updated annually and includes information on land use classification such as residential, commercial or industrial.

## Average residential rate

Council calculates its average residential rate by dividing the total revenue to be raised by residential rates by the total number of rateable residential properties.

## Average capital value

Council calculates its average capital value by dividing the capital value (set by Valuer-General) of all rateable residential properties by the total number of rateable residential properties.

## Total Revenue

Total revenue is the revenue received by Council from all its various sources of funding including rates revenue (net of all rebates), fee's and charges levied and grants received.

## Operating expenditure

The cost related to the running of the Council, it represents the cost of consumption incurred when supplying services in the period.

## Capital expenditure

The investment in the infrastructure and assets of the Town of Walkerville that creates a long term benefit, beyond the current year.

# 1 welcome

## preamble

**Under section 123 of the Local Government Act 1999, all Councils set a budget for each financial year.**

The budget is aligned with the Council's *Annual business plan* and must be adopted before the 31st of August of the financial year.

The *Annual business plan* is prepared as part of Council's budget development process and must include:

- a summary of Council's long-term objectives as outlined in its strategic framework
- a summary of Council's objectives for the financial year ahead
- an outline of how Council plans to achieve those objectives
- the measures (financial and non-financial) to assess Council's performance in achieving its objectives.

The *Annual business plan* will also:

- assess the financial requirements for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue
- set out the rates structure and policies for the financial year
- assess the impact of the rates structure and policies on the community, based on modelling that has been undertaken or obtained by the Council
- take into account the Council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the Council.

The *Annual business plan* also includes the annual budget which details operating expenditure (day-to-day recurrent operations and services) and capital expenditure (renewal and acquisition) as well as identifying sources of revenue and rates for the year.

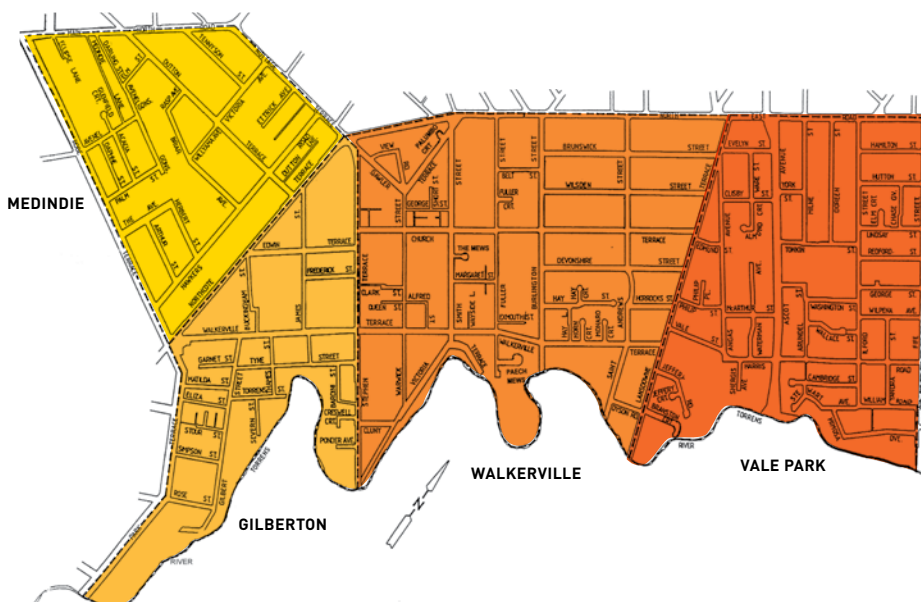
## about the Town of Walkerville

**The Town of Walkerville encompasses the suburbs of Gilberton, Medindie, Vale Park and Walkerville and is located immediately north-east of the city of Adelaide, about 4 kilometres from the Adelaide GPO.**

The Town of Walkerville is the smallest council in metropolitan Adelaide and covers a land area of 3.5km<sup>2</sup>. The Township is home to almost 8000 residents and remains the only council in inner metropolitan Adelaide to have retained its 'Town' status.

The Town of Walkerville is bordered by the River Torrens, the Adelaide Parklands and residential suburbs to the north and north-east. Its street boundaries are:

- Park Terrace
- Robe Terrace
- Main North Road
- Nottage Terrace
- North East Road
- Fife Street.

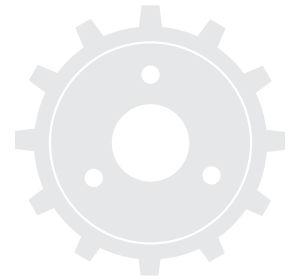


# 1 welcome

## message from the mayor

**This Annual business plan and budget delivers on the promise of the 2015-16 budget of achieving a positive operating position in 2016-17.**

The budget reaffirms Council's undertaking to maintain financial sustainability and apply sensible debt management.



*The 2016-17 Annual business plan delivers:*

- an average residential rate increase of no more than 2.98%
- a slight reduction in the differential rate in the dollar from 2015-16 (this rate is applied to your property value to calculate your actual rates for the year) – refer to page 14
- total income of \$9,040,000
- total operating expenditure of \$9,039,000
- expenditure allocated to capital works \$2,608,000
- an operating break even.

In 2015-16, just under half of the funded projects, programs and activities (20 out of 43) were focused on 'excellence in customer services'. One of these projects involved a whole of Township customer satisfaction survey. Some of the questions put to residents were: *What do you like about living in the Town of Walkerville? How satisfied were you with our levels of customer service? What are your top priorities for the Township and how does Council's performance rate in the priority areas?*

The findings of the survey enabled us to connect with our community in relation to what mattered most to them and what services and programs we ought to be investing in. The 2016-17 Annual business plan will continue to focus on 'excellence in customer service'.

The survey gave us a starting point and a rationale for what projects we should be putting forward for consideration in the draft budget.

The top priority for residents who responded to the survey was the 'visual presentation' of the Council area. Hence, this budget and focus has been driven by the community's desire for enhanced beautification and maintenance of our streetscapes and open spaces.

Council's existing outsourced services will be expanded and we have allocated an additional \$150,000 in the operating budget to deliver Council wide beautification programs and services.

The needs and expectations from across our community remained front and centre at every stage of the budget planning process. However, as a Council we also have a responsibility to make long term projections and think beyond the here and now.

For example, we could cut spending on road infrastructure this year or postpone various capital works programs on kerbs, footpaths and similar. However, over time, this would translate into a greater financial impost on residents. The most responsible approach is to invest in the ongoing maintenance and management of Council assets and infrastructure because, as these assets depreciate over time, they become more of a financial burden and timing is critical. With low interest rates and low repayments this is the right climate to make strategic infrastructure investments. We have a shared responsibility to minimise intergenerational inequity – in simple terms – to make economic decisions today that will ensure future generations of residents aren't paying the economic and social costs of deteriorating community infrastructure and assets.

The budget was endorsed by Council on the 18 July 2016 as per resolution CNC15/16-17.

A handwritten signature in blue ink, reading 'Raymond Grigg'.

**Raymond (Ray) Grigg**  
Mayor of Walkerville

M 0466 396 670  
rgrigg@walkerville.sa.gov.au



## message from the chief executive officer

**Over the course of the next 12-24 months, the community will begin to see the outcomes of significant investment in capital projects designed to enhance the beautification of the Township.**

Initially this cost will be serviced by debt. However, with interest and repayment rates at a historical low, Council has a window of opportunity to make advantageous and manageable borrowings to ensure the longevity and redevelopment of assets and infrastructure.

In this financial year, \$2,608,000 will be directed to capital works projects, that's almost a quarter of the budget for 2016-17. Over the next two financial years, we are earmarking 49% of the budget to capital works projects. Two notable projects that will be rolled out during this period are:

- upgrade to Mary P Harris and Howie Reserves to transform these relatively under-utilised spaces into a multi-purpose community space for events, recreation and biodiversity.
- Major stormwater drainage and road construction project for Lansdowne Terrace.

Council is also looking at how we can create better connections and improve safety for pedestrians, cyclists and motorists. For example, we are developing a Council-wide traffic plan (\$50,000); installing traffic control and calming devices across the Township (\$50,000) and spending \$100,000 to upgrade traffic lights at the pedestrian crossing on Smith Street, Walkerville.

For users of the Linear Park, Council is undertaking a lighting repair and audit, (\$40,000) particularly in the Gilberton sections of the Park. Council is also investing in two important heritage landmarks in 2016-17. Firstly, Council has partnered with the City of Norwood, Payneham and St Peters for the refurbishment of the Gilberton Swing Bridge and will contribute \$270,000 towards this project. Secondly, historic Vale House, located on the grounds of Levi Caravan Park, will undergo some necessary maintenance work to the value of \$20,000.

A full-list of funded projects, programs and activities are published on pages 25 to 28.

In 2015, Paul Di Iulio, CEO, City of Campbelltown and I formally agreed to initiate a two year *trial* program that will deliver depot shared services between our two adjoining Council areas. The trial is already underway and indications are that once fully realised, this project will provide a more cost efficient and streamlined service, with rapid response outcomes for our residents. This is one example of the 'invest now and reap the benefits later' approach that we have also applied to our long term financial planning.

As highlighted by the Mayor in his forward, Council-wide beautification has been a key driver in developing this budget. This budget allocates an additional \$150,000 towards expanding our existing outsourced services to improve and maintain the amenity of our open spaces and streetscapes.

We remain committed to continuously improving our customer service and will be implementing a system whereby residents will be able to track enquiries made to Council.

Council has undertaken a significant review and assessment of the key priorities and have adopted a sound, financially sustainable budget for the long term as well as projecting a break-even to surplus budget for 2016-17 and 2017-18.

**Kiki Magro**  
Chief Executive Officer



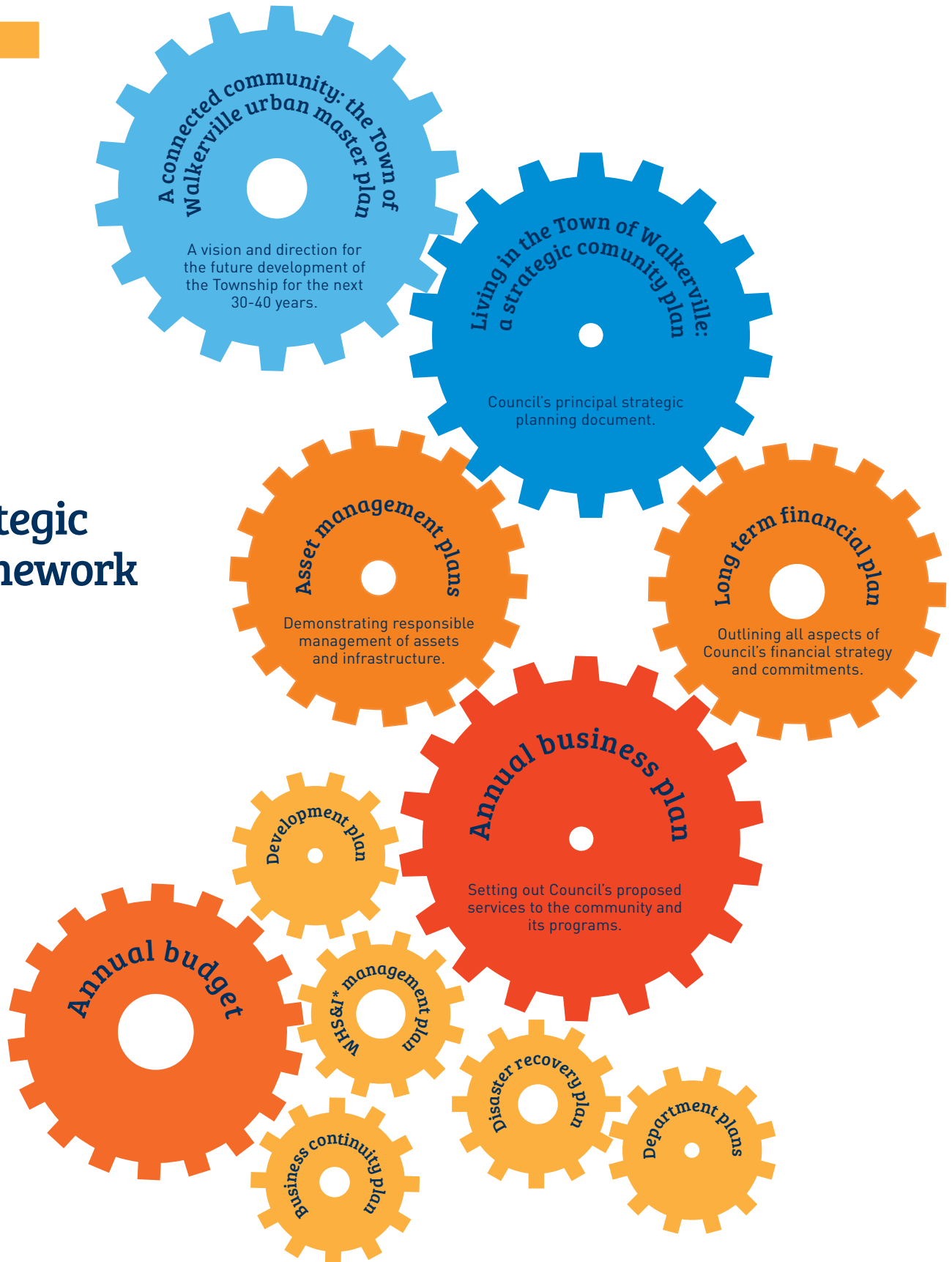






# 2 council's strategic framework

## strategic framework



\*Work health & safety and injury management plan

## 2 council's strategic framework

### 2016-2020 living in the Town of Walkerville: a strategic community plan

Building sustainability for the Town of Walkerville is a key visionary strategy for Council and a fundamental foundation for future generations. The plan grew out of *Living in the Town of Walkerville: a strategic plan for the Town of Walkerville 2012-2016*. It exists within a State-wide context and supports the priorities identified in *South Australia's strategic plan*.

#### **Vision:**

A Council that supports the aspirations and wellbeing of the community.

#### **Mission:**

This Council will make decisions and take actions that are shaped by the interest and values of the community. We respect our history that makes the Town of Walkerville unique. This Council will provide services that are equitable, responsible and sustainable.

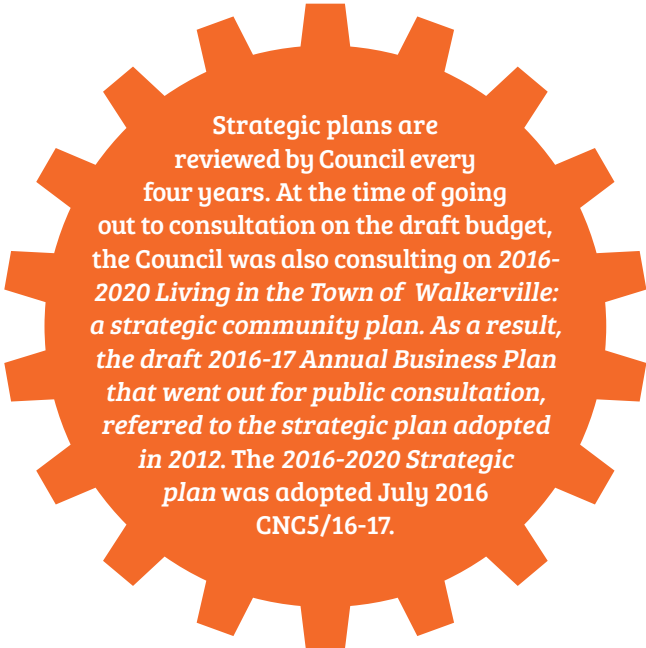
#### **Values:**

We are a Council that is transparent, accountable, fair, caring, honest, responsible, ethical, collaborative, adaptable, respectful, flexible, resilient.

The 2016-2020 strategic plan for the Town of Walkerville outlines five key focus areas:

- vibrant local culture, inspired by diversity and inclusivity
- sustainable and resilient future, based on a sensitive and sensible approach to planning, heritage, economic development and the public realm
- transparent and accountable local tier of Government that is respected for its forward thinking approaches and cross-council collaborations
- healthy, connected and inspired community
- positive and respectful customer service experience delivered by professional, informed and cohesive work force.

Each focus area is supported by initiatives, desired outcomes and targets. Each target in our plan is aligned to targets in the *South Australia strategic plan* [www.saplan.org.au](http://www.saplan.org.au)



Strategic plans are reviewed by Council every four years. At the time of going out to consultation on the draft budget, the Council was also consulting on *2016-2020 Living in the Town of Walkerville: a strategic community plan*. As a result, the draft 2016-17 Annual Business Plan that went out for public consultation, referred to the strategic plan adopted in 2012. The 2016-2020 Strategic plan was adopted July 2016 CNC5/16-17.



# 3 rates

## where do your rates go?




Abandoned vehicles  
 Aged services  
 Arts and cultural programs  
 Bicycle tracks  
 Building applications and approvals  
 Bus Shelters  
 By-laws  
 Cemeteries  
 Community bus  
 Dogs  
 Emergency Services Levy  
 Employment/training programs  
 Fire prevention  
 Food and health inspections  
 Footpaths  
 Free internet in library  
 Gardens  
 Graffiti  
 Gutters  
 Immunisation  
 Inspections  
 Levi Caravan Park  
 Library  
 Linear park  
 Neighbourhood amenity  
 Ovals  
 Parking regulations and infringements  
 Parks and gardens  
 Pest control  
 Planning  
 Playgrounds maintenance  
 Public order  
 Public toilets maintenance  
 Roads  
 Reserves and picnic areas  
 Stormwater drainage and reuse  
 Street cleaning  
 Street lighting  
 Street signs  
 Traffic control  
 Trees  
 Waste management  
 Youth programs  
 Zoning

## factors that affect rates:

- the CPI All Groups Adelaide increase on goods and services for the 12 months ending 31 March 2016.
- the LGPI<sup>^</sup> provides Council with a useful reference regarding the inflationary effect of price changes of goods and services consumed by Local Government, for the 12 months ending 31 March 2016.
- increase in salaries based on CPI or employment agreements.
- increase in the utilities and waste management charges.
- finance costs on borrowings for major capital projects.
- maintaining and renewing assets to a standard that meet community needs
- growth.

## how we compare:

The table below shows a comparison of residential rates – cents in the dollar.

 Burnside	0.2286
 <b>Walkerville</b>	<b>0.25279</b>
 NPSP*	0.25388
 Unley	0.2586
 Prospect	0.319577
 Campbelltown	0.321358

\*Norwood, Payneham & St Peters

<sup>^</sup>Local Government Price Index



## rating policy

In setting Council's rates for the 2016-17 financial year, Council has considered the following:

- Achieving the goals and objectives outlined in *Living in the Town of Walkerville: a strategic community plan*. This document outlines Council's vision and direction for the future.
- The budget for the 2016-17 financial year and any long term financial planning.
- The financial implications of complying with the requirements of the *Local Government Act 1999* and other legislations.
- The specific issues faced by our community, including:
  - the ongoing requirements for a capital program to replace, upgrade and maintain infrastructure assets which include roads, paths, storm water infrastructure, parks & reserves and public buildings
  - the development of a community service program based on community needs
  - the current economic climate.

### Method used to value land

All land within the Council area, except for land specifically exempt (eg Crown land and land owned by Council), is rateable.

This Council has decided to continue to use capital value as the basis for valuing land within the Council area. Council considers that this method of valuing provides the fairest method of distributing the rate burden across all ratepayers, as property value is representative of the property owners' wealth. Council has adopted the most recent valuations made by the Valuer-General.

Refer to page 14 to see how capital value impacts on rates.

### Objection to valuation

A property owner may object to the valuation referred to in their rates notice by writing to the Valuer-General within 60 days after the date of service of the rate notice.

**Council has no role in this process and the lodgement of an objection does not change the due date for payment.**

Objections forwarded to: State Valuation Office, 101 Grenfell Street, Adelaide SA 5000. Phone: 1300 653 345 or email: [lsgobjections@sa.gov.au](mailto:lsgobjections@sa.gov.au).

### General rates

The *Local Government Act 1999* provides for a Council to raise revenue for the broad purposes of the Council through a general rate which applies to all rateable properties within the Council's area.

To ensure the achievement of Council's financial goal of delivering an achievable budget Council has determined to raise \$7,866,000 in property rates for the 2016-17 financial year.

*Estimated total  
property rates  
revenue 2016-17:*  
**\$8,116,000**

*Estimated net  
property rates  
revenue 2016-17:*  
**\$7,866,000**  
*(after rebates)*

# 3 rates

## Differential rate

Due to the need to ensure an equitable distribution of the rate burden and to account for the variations within the community's capacity to pay, the Council will continue to apply differential rates based on use of the property.

### Proposed changes to differential rate

2016-17:	Residential (\$)	Non-res (\$)
2016-17	0.0025279	0.0039182
2015-16	0.0025475	0.0039486
2014-15	0.0024733	0.0038336

## Minimum rate

Council has also determined to charge a minimum rate against all rateable properties. The reason for a minimum rate is that Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities and maintaining infrastructure.

### Minimum rate 2016-17: \$1,133

The minimum rate is levied against the whole of an allotment (including land under separate lease or licence) and only one minimum rate is levied against two or more pieces of adjoining land owned and occupied by the same ratepayer.

The minimum rate will apply to all residential properties valued by the Valuer-General at under \$446,000.

The minimum rate will affect approximately 28.9% of properties. (Maximum permitted under Section 158(2)(d) of the *Local Government Act 1999* is 35%.)

## Objection to land use classification

If a ratepayer believes that their property has been incorrectly classified as to its land use, they can object to that land use classification within 60 days of being notified. The objection must set out the basis for the objection and details of the land use that should be attributed to that property. The Council will then decide on the objection as it sees fit and notify the ratepayer accordingly. A ratepayer has the right to appeal against the Council's decision to the Land and Valuation Court.

Objections to Council's land use classification may be lodged with the Chief Executive Officer, Town of Walkerville. Note that the lodgement of an objection does not change the due date for payment.

*Estimated rates at a glance:*

- a differential rate slight decrease
- an average residential rate increase of no more than 2.98%

*Valuations on your property are made by the Valuer-General, not Council.*

*If your property was valued at \$500,000, in 2015-16 and does not increase in 2016-17, your rates will decrease by \$9.80 in 2016-17.*

*If your property was valued at \$1,000,000, in 2015-16 and does not increase in 2016-17, your rates will decrease by \$19.60 in 2016-17.*

## Capital value and rates 2014-17:

capital value differential rate	2014-15 0.0024733	2015-16 0.0025475	2016-17 0.0025279	variance	variance
\$500,000	\$1,237	\$1,274	\$1,264	-\$9.80	-0.8%
\$750,000	\$1,855	\$1,911	\$1,896	-\$14.70	-0.8%
\$1,000,000	\$2,473	\$2,548	\$2,528	-\$19.60	-0.8%
\$1,250,000	\$3,092	\$3,184	\$3,160	-\$24.50	-0.8%

## Payment of rates

The Council has determined that the payment of all rates can be either by full payment – due and payable by the 9 September 2016 or by quarterly instalments due and payable on the following dates:

**1st payment: 9 September 2016**

**2nd payment: 9 December 2016**

**3rd payment: 9 March 2017**

**4th payment: 9 June 2017**

### Rates may be paid through:

- BPay Service
- telephone 1300 303 201 using Mastercard or Visa card
- Council's website using Mastercard or Visa card
- in person at Council offices
- cheque, money order, cash, EFTPOS, Mastercard or Visa card facilities are available for payments (American Express and Diners Club cards are not accepted)
- post addressed to the  
Town of Walkerville  
PO Box 55, Walkerville SA 5081
- Australia Post.

## Late payment of rates

The *Local Government Act* provides that a Council may impose a penalty of 2.0% on any payment for rates (whether by instalment or otherwise) that is received after the due date. A payment that continues to be late is then charged a prescribed interest rate for every overdue month. The *Local Government Act* determines how this rate is calculated.

When rates are unpaid by the due date, Council issues a final notice for payment. Should rates remain unpaid then Council refers the matter to a debt collection agency. The debt collection agency charges collection fees to the ratepayer. When Council receives a payment in respect of overdue rates it applies the money as follows:

- 1st – to satisfy any costs awarded in connection with court proceedings
- 2nd – to satisfy any interest costs
- 3rd – in payment of any fines imposed
- 4th – in payment of rates, in chronological order (starting from the oldest account).

## Postponement of rates

### Seniors

Ratepayers who have a State Seniors Card can apply to Council to postpone payment of rates on their principal place of residence. Postponed rates remain as a charge on the land and are not required to be repaid until the property is sold or disposed of.

Senior ratepayers experiencing hardship should contact the Rates Officer for a confidential discussion.

### Remission and postponement of rates due to hardship

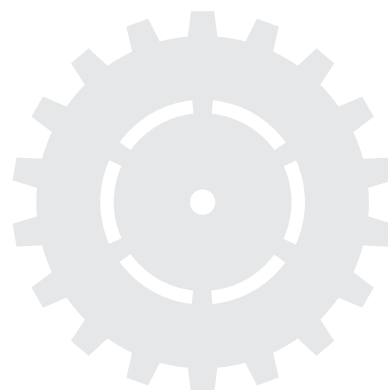
The *Local Government Act* permits a Council, on the application of the ratepayer, to partially or wholly remit rates on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they can contact the Rates Officer to discuss the matter. Such enquiries are treated confidentially by Council. While arrangements for extended payments of rates are negotiable, remission of rates in whole, or in part, is rarely approved due to the inequitable situation for the rest of the community.

Ratepayers experiencing hardship should contact the Rates Officer for a confidential discussion.

Forms are available from Council's website.

## Capital value and properties

capital value differential rate	number of properties	percentage of properties
Up to \$500,000	1,647	42%
\$500,001 - \$750,000	999	25%
\$750,001 - \$1,000,000	599	15%
\$1,000,001 - \$1,250,000	241	6%
Above \$1,250,000	452	11%
<b>total</b>	<b>3,938</b>	



## 3 rates

### concessions

#### State Government concessions

The State Government offers single 'cost-of-living payment' provided directly to those who are eligible.

This payment may be used for any purpose, including offsetting Council rates. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at [www.sa.gov.au](http://www.sa.gov.au).

#### Natural Resources Management Levy

Council collects a regional Natural Resources Management (NRM) Levy on behalf of the Adelaide and Mount Lofty Ranges NRM Board. The NRM Board sets the levy which goes towards managing and protecting priority water, land, marine and biodiversity assets. Council has no influence over how the Board sets the Levy, but acts as a collection agency on behalf of the NRM Board. The NRM Levy for 2016-17 is \$270,392 (2015-16: \$246,370).

For general NRM levy enquiries call the NRM Board on 8273 9100.

*The NRM levy is collected by the Council on behalf of the NRM. It is not included in the budget.*

#### Statutory rebate of rates

The *Local Government Act* requires Council to rebate the rates payable on some land including:

- 100% on land used solely for religious purposes
- a minimum of 75% for land used predominantly for educational purposes (subject to some qualifications) and
- a minimum of 75% on land used for the provision of supported accommodation.

	2015-16	2016-17
100% Religious	\$23,218	\$23,685
75% Community services	\$1,481	\$2,549
75% Education	\$137,530	\$155,952
	<b>\$162,229</b>	<b>\$182,187</b>

#### Discretionary rebates

Council may grant a rebate of services charges or rates in certain circumstances, as per section 166 of the *Local Government Act 1999*.

The Council has an absolute discretion to:

- grant a rebate of rates or service charges as per the *Local Government Act 1999*
- determine the amount of any such rebate.

Persons or bodies which seek a discretionary rebate will be required to submit an application form to the Council.

Application forms are available from Council's website, [www.walkerville.sa.gov.au](http://www.walkerville.sa.gov.au)

#### Sale of land for non-payment of rates

The *Local Government Act* provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the owner with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

**Disclaimer:** A rate cannot be challenged on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions. Where a ratepayer believes that the Council has failed to properly apply this policy they should raise the matter with Council's Rates Officer.









# 4 making it happen

## how council plans to achieve its objectives

To achieve its objectives for the financial year Council has adopted a plan that seeks to achieve a reasonable degree of stability and predictability in the overall rates burden over time, while ensuring ratepayers are paying for the services and infrastructure maintenance, renewal and development obligations they are consuming. Long term financial plans enable Council to plan for the future and assess Council's performance in adhering to key financial indicators and targets for debt, rates and asset sustainability.

Taking into account revenue sources and factors affecting rates will assist Council to achieve its objectives.

**Council's primary revenue source comes from property rates, which represent 87% of total revenue. Every year, Council makes an informed assessment of how much it needs to maintain financial sustainability and ensure that services and infrastructure maintenance, renewal and development, can be afforded by the community over the long term.**



Council is best placed to achieve its objectives by taking into account the following assumptions and considerations:

- Council's financial strategy and commitments
- transparency and accountability
- zero based budgeting
- compliance with Australian accounting standards
- effective and efficient use of resources available
- alignment with strategic framework
- Adelaide CPI and LGPI for the March 2016 quarter in rates analysis
- increase in salaries based on CPI or employment agreements
- increase in insurance costs
- increase in finance costs, waste management charges and utilities.

## funding the plan

Council is granted the power to acquire funds under Section 133 of the *Local Government Act 1999*. Sources of funds include: property rates, grants, statutory charges, user charges, income from investments, reimbursements and commercial activity.

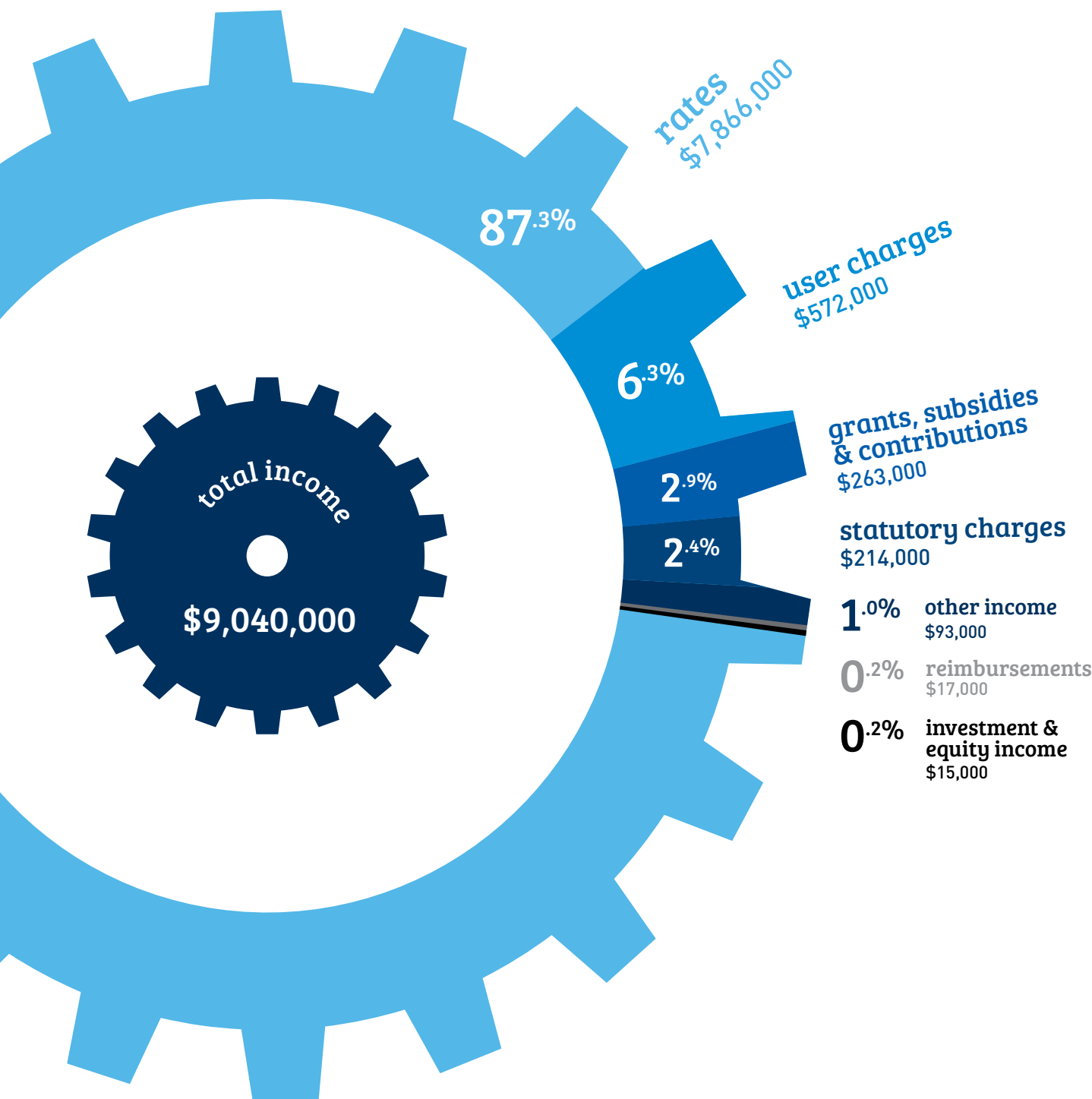
Operational expenditure is impacted by CPI and LGPI together with salary and wages costs which are adjusted annually in accordance with enterprise agreements, performance reviews, and incremental increases. Depreciation is adjusted subsequent to additions, disposals and revaluations when appropriate.

### Fees and charges

Council sets and reviews its fees and charges pursuant to Section 188 of the *Local Government Act 1999*, that states fees or charges must not exceed a reasonable estimate of the direct cost to the Council. Fees and charges are taken into account when developing the budget.

# 4 making it happen

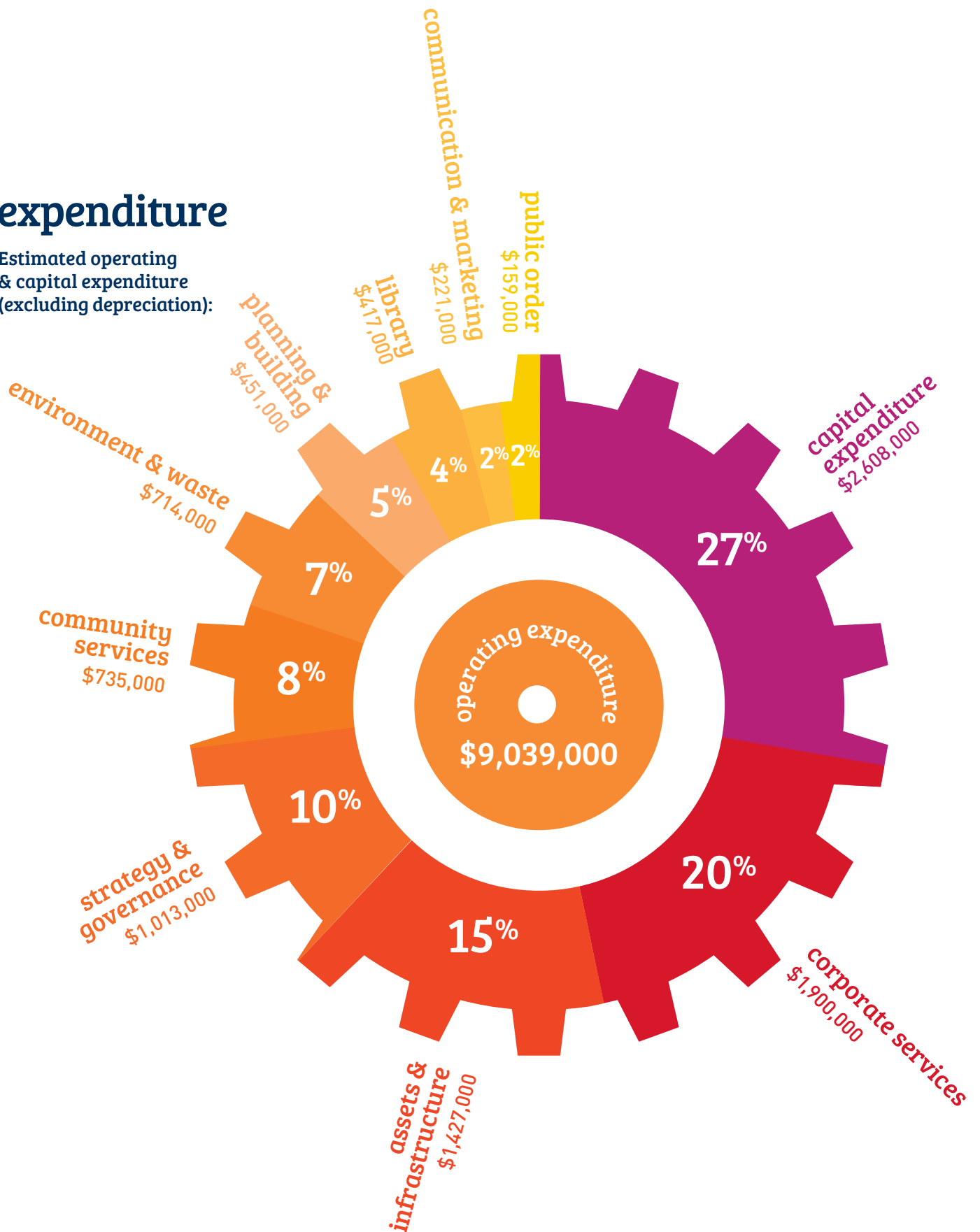
## revenue Estimated revenue by category:





## expenditure

Estimated operating  
& capital expenditure  
(excluding depreciation):





# 5 financial indicators

Financial indicators are calculated and provided in accordance with *Information Paper 9 – Local Government Financial Indicators* prepared as part of the *Financial sustainability program* for the Local Government Association of South Australia. They assist the reader to track Council's financial management performance in identified critical areas.

Council's focus on its strategic directions in recent years aims to ensure Council creates and implements long term planning of its finances and asset management. This will also ensure it focuses on being financially sustainable. This focus on strategic directions and implementation of long term strategies will continue in 2016-2017 to ensure the implementation of previous strategies and to maintain Council's focus on its organisational sustainability.

## Operating surplus ratio: 0%

The operating surplus ratio highlights the operating result as a percentage of total rate revenue (excluding NRM Levy).

The Council target range is between zero to 15%. The Council has a target to achieve a positive operating position in the 2016-17 budget.

## Net financial liabilities ratio: 99%

The Council target for this ratio is between zero and 60% only.

This ratio demonstrates the relative size of Council net financial liabilities against total operating income. It can be considered a measure of the ability to service liabilities. The increase in net financial liabilities ratio is largely due to the Civic and Community Centre redevelopment and is in line with the Council's *Long term financial plan*.

## Asset sustainability ratio: 100%

The asset sustainability ratio represents the ratio of new capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in Council's *Asset management plan*.

The Council's target range is between 90-110% over the next five year period.

### key financial indicators 2016-17

	2015-16 BR2	2016-17 Budget
operating surplus/(deficit) \$'000	(498)	1
operating surplus ratio	-7%	0%

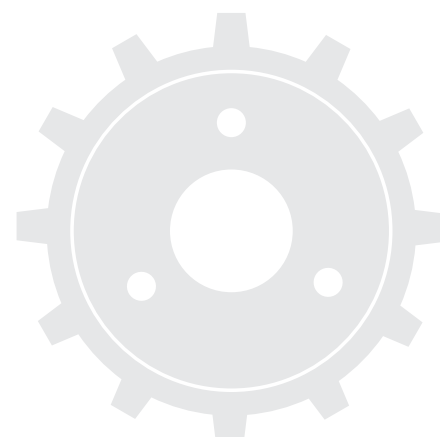
0-15% (by what percentage does the major controllable income source vary from day to day expenses). Operating surplus expressed as a percentage of operating revenue excluding NRM levy.

net financial liabilities ratio	101%	99%
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0-60% of operating revenue (how significant is the net amount owed compared with income). Total liabilities less financial assets expressed as a percentage of total operating revenue.

asset sustainability ratio	97%	100%
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90-110%: (are assets being replaced at the rate they are wearing out). Capital expenditure on renewals and replacements expressed as a percentage of depreciation expense.






















# 6 funded projects, programs and activities

item no*	project	cost (\$)	rationale	goal/objective
assets & infrastructure				
1	Depot shared services	25,000	Integration of outside operations with Campbelltown City Council will deliver better outcomes in terms of plant utilisation, staff development and savings through joint procurement processes, delivering a higher quality, more efficient service delivery model for both Councils. These funds are set aside to formally monitor progress, effectiveness and success, or otherwise.	
2	Council-wide beautification	150,000	This focus is driven by the Walkerville community's desire for beautification of streetscapes and open spaces. As a result, and to allow for a higher level of service for beautification, Council's existing outsourced services will be expanded and include (but not limited to) additional Linear Park maintenance, active open space maintenance, pit cleaning and minor parks maintenance. Under a new operating model, Council's outside operations, based from Campbelltown City Council Depot, will focus on township beautification, services and response.	
3	Mary P Harris Reserve upgrade stage 1	250,000	carry forward of project as per Council resolution CNC287/15-16	
4	Walkerville Sports Club – accessibility	30,000	Develop the concepts and the design for the upgrade of disability access for this sporting and community facility to ensure compliance with the <i>Disability Discrimination Act</i> (DDA).	
5	Lansdowne Terrace storm water project	60,000	Detailed design for stormwater and road construction for Lansdowne Terrace (Construction expected in 2017/18 and 2018/19).	
6	Waterproofing Eastern Adelaide, ERA Water	35,000	infrastructure connections for ERA Water program	
7	Contract project officer	90,000	contractor project officer to support capital and operational works (year 1 of a 3 year program)	
8	lighting upgrades (Linear Park)	40,000	undertake light audit and repair of lights along Linear Park, in particular Gilberton area	
9	interpretive signage	20,000	develop a 5 year program for the design and installation of interpretive signage around sites of historical and cultural significance, and commence implementation of program	

key:  capital expenditure  
 operating


 corporate goal  
excellence in customer services  
 strategic community plan goals

## 6 funded projects, programs and activities

item no*	project	cost (\$)	rationale	goal/objective
10	Vale House	20,000	maintenance for the historic Vale House located in the grounds of the Levi Caravan Park	
11	drainage strategy (AMP)	50,000	development of township strategy for stormwater management	
12	annual stormwater infrastructure program	25,000	annual renewal program of stormwater infrastructure within the township	
13	Levi Caravan Park	10,000	general improvements	
14	traffic management	50,000	traffic control and traffic calming devices	
15	road reseal program	565,000	annual renewal program within the Township	
16	kerb and gutter renewal program	150,000	annual renewal program within the Township	
17	footpath renewal program	120,000	annual renewal program within the Township	
18	general open space projects	50,000	open space project fund for Council identified projects	
19	garden bed renewal program (Year 2 Robe Terrace)	50,000	includes garden beds, roundabouts in significant, high profile areas	
20	traffic signals	100,000	traffic light upgrade at pedestrian crossing, Smith Street, St Andrew's School	
21	plant and fleet program	130,000	upgrade of plant, fleet and equipment, includes \$20,000 for CEO replacement vehicle as per contractual obligations	
22	bin lid RFID program	20,000	RFID introduction to household mobile bins	
23	street furniture renewal program	20,000	renewal of furniture inc: benches, bbqs, water fountains, street litter bins, dog bag dispensers etc	
24	public toilet upgrades	27,500	upgrade of internal fitout and doors (including investigation into automated open/close mechanisms) for Walkerville Sporting Club and Creswell Reserve	
25	Gilberton Swing Bridge	270,000	bridge refurbishment – carried forward from 2015/16 CNC247/15-16	
26	Town of Walkerville traffic plan	50,000	develop traffic plan – carried forward from 2015/16 CNC421/15-16	

item no*	project	cost (\$)	rationale	goal/objective
<b>community services</b>				
27	sponsorship	10,000	supporting local individuals and community groups through sponsorship of their events and activities that are deemed to enhance quality of life and bring benefit to the Town of Walkerville	
28	Civic & Community Centre	5,000	upgrade concierge desk so that payments can be made from this designated area in the foyer	
<b>finance</b>				
29	developing enhanced budget/LTFP and treasury model and policy review	15,000	providing continuous improvement of financial management through effective, improving internal controls and finding future efficiencies and savings	
30	engage internal auditor	20,000	ensuring transparency and accountability and meeting legislative requirements. Improving internal control framework and develop an internal audit program for future years	Legislative requirement
<b>IT &amp; corporate services</b>				
31	IT software upgrades (Synergy)	50,000	ensure Council's IT infrastructure is maintained at level which maintains the integrity and security of IT systems and software	
32	IT vision training and development	15,000	to provide ongoing training for staff for continuous improvement of service and processes	
33	SharePoint server 2013	16,000	enable compulsory inductions, performance development reviews to be done online as part of Council's continuous improvement processes	
34	Nintex (SharePoint workflow software)	5,000	workflow automation software to replace obsolete internal processes that could be handled more efficiently if moved online, in line with internal control processes	
35	IT review implementation	250,000	to ensure Council's IT systems and hardware are at a required level	
<b>marketing &amp; communication</b>				
36	annual sponsorship for 2017 RSL Anzac Day	10,000	recognising the value of this national event presented by the Walkerville RSL	
37	annual community satisfaction survey	30,000	Annual surveys will enable Council to benchmark its performance and results will be used to inform decision making. Budget includes exploring new methodologies and marketing and promotions.	

## 6 funded projects, programs and activities:

item no*	project	cost (\$)	rationale	goal/objective
<b>property &amp; contracts</b>				
38	vendor panel management software	10,000	to ensure great internal efficiencies and transparency and to streamline the existing procurement processes	
39	Civic & Community Centre	30,000	ongoing maintenance of the Civic & Community Centre, includes remedial works on the air conditioner	
<b>public order</b>				
40	<i>Strategic directions report</i> (Section 30)	60,000	all Councils are required to produce a <i>Strategic directions report</i> in accordance with Section 30 of the <i>Development Act (1993)</i>	Legislative requirement
<b>strategy &amp; governance</b>				
41	representation review	25,000	the purpose of a representation review is to determine whether the community could potentially benefit from a change to its ward composition or structure	Legislative requirement







# 7

## budgeted financial statements

### financials ABP 2016-17

<b>budgeted income statement</b>	<b>2015-16 BR2</b>	<b>2016-17 Budget</b>
<b>income</b>	<b>\$('000)</b>	<b>\$('000)</b>
net rates revenue	7,522	7,866
statutory charges	210	214
user charges	543	572
grants, subsidies & contributions	234	263
investment income	47	13
reimbursements	42	17
other income	44	93
net gain: equity accounted council businesses	1	2
<b>total revenues</b>	<b>8,641</b>	<b>9,040</b>
<b>expenses</b>		
employee costs*	2,711	2,897
materials, contracts & other expenses	3,908	3,894
finance costs	286	248
depreciation, amortisation & impairment	2,232	2,000
net loss: equity accounted council businesses	2	0
<b>total expenses</b>	<b>9,139</b>	<b>9,039</b>
<b>operating surplus/(deficit) before capital amounts</b>	<b>(498)</b>	<b>1</b>
asset disposal & fair value adjustments	165	0
amounts specifically for new/upgraded assets	0	0
infrastructure, property, plant & equipment received FOC	0	0
<b>net surplus/(deficit)</b>	<b>(333)</b>	<b>1</b>
<b>other comprehensive income</b>		
changes in revaluation surplus	0	0
<b>total other comprehensive income</b>	<b>0</b>	<b>0</b>
<b>total comprehensive income</b>	<b>(333)</b>	<b>1</b>

\* Refers to staff wages increase in line with CPI and includes Workcover, sick and accident insurance, superannuation and other employee related costs.

*The NRM Levy is not included in budgeted financial statements.*

<b>statement of financial position</b>	<b>2015-16 BR2</b>	<b>2016-17 Budget</b>
<b>assets: current</b>	<b>\$('000)</b>	<b>\$('000)</b>
cash & cash equivalents	1,553	1,125
ERA funds	0	0
trade & other receivables	378	382
levi short term investment	168	168
current loan receivable: community group loans	0	0
rates: general & other	117	117
debtors: general	10	10
accrued revenue & prepayments	70	73
interest receivable	13	14
inventories	0	0
<b>total current assets</b>	<b>1,930</b>	<b>1,507</b>
<b>assets: non-current</b>		
financial assets	131	116
equity accounted investments in council businesses	74	76
infrastructure, property, plant & equipment	104,139	104,566
additions: new	456	780
additions: replacement	2,175	1,828
disposal of assets	0	(180)
depreciation	(2,232)	(2,000)
revaluation reserve	0	0
assets vested in council	0	0
other non-current assets	0	0
<b>total non-current assets</b>	<b>104,343</b>	<b>104,758</b>
<b>total assets</b>	<b>106,274</b>	<b>106,265</b>

## 7 budgeted financial statements

<b>statement of financial position</b>	<b>2015-16 BR2</b>	<b>2016-17 Budget</b>
<b>liabilities: current</b>	<b>\$('000)</b>	<b>\$('000)</b>
trade & other payables	2,406	2,468
interest payable	5	5
accrued expenses: employee entitlements	60	60
payments received in advance	90	90
accrued expenses: other	400	450
capex: payables	1,052	1,043
goods & services	794	815
deposits retentions & bonds	5	5
borrowings: current	58	188
Civic & Community Centre borrowings	0	130
other current borrowings	58	58
provisions	297	290
<b>total current liabilities</b>	<b>2,761</b>	<b>2,496</b>
<b>liabilities: non-current</b>		
trade & other payables	0	0
provisions	80	81
liability: equity accounted council businesses	542	542
Civic & Community Centre borrowings: non current	7,221	7,091
other non current borrowings	202	144
<b>total non-current liabilities</b>	<b>8,045</b>	<b>7,858</b>
<b>total liabilities</b>	<b>10,806</b>	<b>10,804</b>
<b>net assets</b>	<b>95,467</b>	<b>95,461</b>
<b>equity</b>		
accumulated surplus	31,002	30,998
asset revaluation reserve	64,463	64,463
open space strategy reserve	0	0
other reserves	0	0
<b>total equity</b>	<b>95,468</b>	<b>95,461</b>

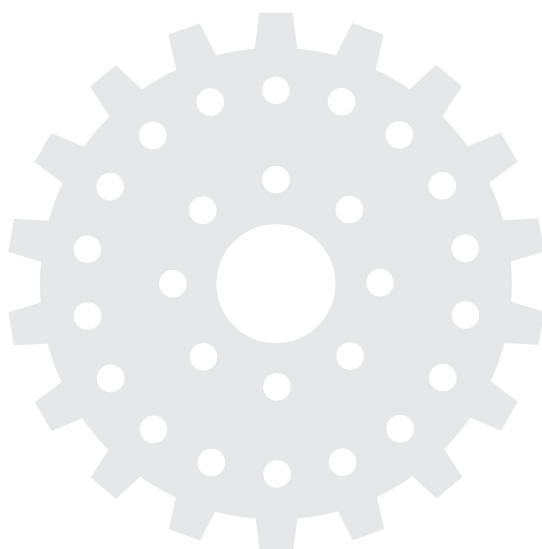


<b>budgeted cash flow statement</b>	<b>2015-16 BR2</b>	<b>2016-17 Budget</b>
<b>cash flows from operating activities</b>	<b>\$('000)</b>	<b>\$('000)</b>
<b>receipts</b>		
operating receipts	8,461	8,931
investment receipts	34	0
<b>payments</b>		
operating payments to suppliers and employees	(6,289)	(6,627)
finance payments	(281)	(243)
<b>net cash provided by (or used in) operating activities</b>	<b>1,924</b>	<b>2,060</b>
<b>cash flows from investing activities</b>		
<b>receipts</b>		
amounts specifically for new/upgraded assets	0	0
sale of replaced assets	165	180
repayments of loans by community groups	18	15
<b>payments</b>		
expenditure on renewal/replacement of assets	(1,690)	(2,157)
expenditure on new/upgraded assets	(274)	(468)
<b>net cash provided by (or used in) investing activities</b>	<b>(1,780)</b>	<b>(2,431)</b>
<b>cash flows from financing activities</b>		
<b>receipts</b>		
proceeds from borrowings	0	0
civic centre borrowings	0	0
other new borrowings	0	0
<b>payments</b>		
repayments of borrowings	(917)	(58)
<b>net cash provided by (or used in) financing activities</b>	<b>(917)</b>	<b>(58)</b>
<b>net increase/(decrease) in cash held</b>	<b>(773)</b>	<b>(428)</b>
<b>cash &amp; cash equivalents at beginning of period</b>	<b>2,326</b>	<b>1,553</b>
<b>cash &amp; cash equivalents at end of period</b>	<b>1,553</b>	<b>1,125</b>



## 7 budgeted financial statements

<b>budgeted statement of changes in equity</b>	<b>2015-16 BR2</b>	<b>2016-17 Budget</b>
<b>accumulated surplus</b>	<b>\$('000)</b>	<b>\$('000)</b>
balance at end of previous reporting period	31,477	31,144
net surplus/(deficit)	(333)	1
transfers to other reserves	0	0
transfers from other reserves	0	0
<b>balance at end of period</b>	<b>31,144</b>	<b>31,146</b>
<b>asset revaluation reserve</b>		
balance at end of previous reporting period	64,464	64,311
gain on revaluation of infrastructure, property, plant & equipment	0	0
transfer to accumulated surplus on sale of property, plant & equipment	(153)	
<b>balance at end of period</b>	<b>64,311</b>	<b>64,311</b>
<b>other reserves</b>		
balance at end of previous reporting period	0	0
transfers from accumulated surplus	0	0
transfers to accumulated surplus	0	0
<b>balance at end of period</b>	<b>0</b>	<b>0</b>
<b>total equity at end of reporting period</b>	<b>95,454</b>	<b>95,461</b>



<b>uniform presentation of finances</b>	<b>2015-16 BR2</b>	<b>2016-17 Budget</b>
	<b>\$( '000)</b>	<b>\$( '000)</b>
operating revenues	8,641	9,040
less operating expenses	9,139	9,039
<b>operating surplus/(deficit) before capital amounts</b>	<b>(498)</b>	<b>1</b>
<b><i>less: net outlays on existing assets</i></b>		
capital expenditure on renewal/replacement of existing assets	2,175	1,828
less depreciation, amortisation & impairment	2,232	2,000
less proceeds from sale of replaced assets	165	180
	<b>(222)</b>	<b>(353)</b>
<b><i>less: net outlays on new and upgraded assets</i></b>		
capital expenditure on new/upgraded assets	456	780
less amounts specifically for new/upgraded assets	0	0
less proceeds from sale of surplus assets	165	
	<b>291</b>	<b>780</b>
<b>net lending /(borrowing) for financial year</b>	<b>(566)</b>	<b>(426)</b>
<b>key financial indicators</b>		
operating surplus ratio: %	-7%	0%
net financial liabilities ratio: %	101%	99%
asset sustainability ratio: % (based on depreciation)	97%	100%



# long term financial plan:

## To achieve the objectives outlined in Council's strategic framework Council needs a *Long term financial plan* which sets out financial strategies and commitments.

A well considered and forward looking *Long term financial plan* means Council is best placed to deliver improved existing services as well as being in a financial position to meet future opportunities and projects.

A *Long term financial plan* supports Council in:

- maintaining financial sustainability over the long term
- achieving the objectives of Council's strategic framework to benefit the community
- minimising the possibility of unplanned increases for ratepayers
- ensuring optimum 'value for money' outcomes for ratepayers
- ensuring transparency and accountability.

The *Long term financial plan* includes capital and operating projections over a 10 year period. No new loan borrowings have been projected. The aim for Council is to maintain a rate that will be consistent with delivering existing and improved services to the community.

Through its 10-year *Long term financial plan*, Council makes an informed forecast of its future requirements. By definition, future projections are subject to change as a result of CPI, LGPI, growth as well as other factors. The complete *Long term financial plan* is available from the website.

## asset management plans 2016-17 to 2026-27

particulars	nominal \$('000)	2016-17 Budget	2017-18 Year 1	2018-19 Year 2	2019-20 Year 3
infrastructure: roads & pavements		565	314	315	311
infrastructure: kerb & gutter		150	83	22	24
infrastructure: footpath		120	119	116	118
infrastructure: traffic control devices		100	50	50	50
infrastructure: parking and traffic		50	50	50	50
infrastructure: building		-	-	-	304
infrastructure: stormwater		60	15	15	123
infrastructure: lighting		40	40	25	25
movement action plan		-	200	50	-
furniture & fittings		123	50	50	50
library		50	50	50	50
IT		250	100	100	100
plant & equipment		310	15	15	45
open space: reserve structures (inc playgrounds)		120	120	120	120
open space: irrigation		40	20	120	20
Lansdowne Terrace project:					
road upgrade (renewal / upgrade)		30	500	500	-
stormwater upgrade (new)		30	2,000	500	-
Mary P Harris upgrade		250	500	-	-
Walkerville Sporting Club ramp DDA compliance		50	500		
Gilberton swing bridge		270			
Gilberton lower level bridge				50	500
<b>total capital expenditure</b>		<b>2,608</b>	<b>4,726</b>	<b>2,148</b>	<b>1,890</b>

## key financial indicators 2016-17 to 2026-27

operating surplus ratio	0%	1%	2%	2%
net financial liabilities ratio	102%	127%	125%	120%
asset sustainability ratio	100%	95%	89%	78%

2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
314	564	564	563	565	564	565
34	35	43	69	81	73	133
120	120	120	120	119	119	118
50	50	50	50	50	50	50
50	50	50	50	50	50	50
73	256	179	64	1,350	550	69
15	167	96	30	15	15	172
25	25	25	25	25	25	25
50	50	50	50	50	50	50
50	50	50	50	50	50	50
250	350	100	100	100	250	350
80	35	15	130	140	15	15
120	120	120	120	120	120	120
60	20	60	35	40	20	25
1,291	1,892	1,522	1,456	2,755	1,951	1,792

3%	4%	5%	5%	6%	6%	7%
108%	103%	93%	81%	83%	77%	68%
73%	107%	87%	84%	160%	114%	105%

## operating surplus ('000) 2016-17 to 2026-27

