

# 2017-18 ANNUAL BUSINESS PLAN



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**

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# 2017-18 annual business plan

	<b>useful definitions</b>	4		<b>4 making it happen</b>	19
				how council plans to achieve these objectives	19
				funding the plan	19
				revenue sources	20
<b>1</b>	<b>welcome</b>	5		<b>5 financial indicators</b>	23
	preamble	5			
	about the Town of Walkerville	5			
	from the Mayor of Walkerville	6			
	message from the CEO	7			
<b>2</b>	<b>strategic framework</b>	9		<b>6 new funded projects, programs and activities</b>	25
	strategic framework	9			
	<i>2016-2020 Living in the Town of Walkerville: a strategic community plan</i>	10			
<b>3</b>	<b>rates</b>	12		<b>7 budgeted financial statements</b>	28
	where do your rates go?	12			
	factors that affect rates	12			
	rating policy	13		<b>8 asset management plans</b>	34
	concessions	16			





# 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.

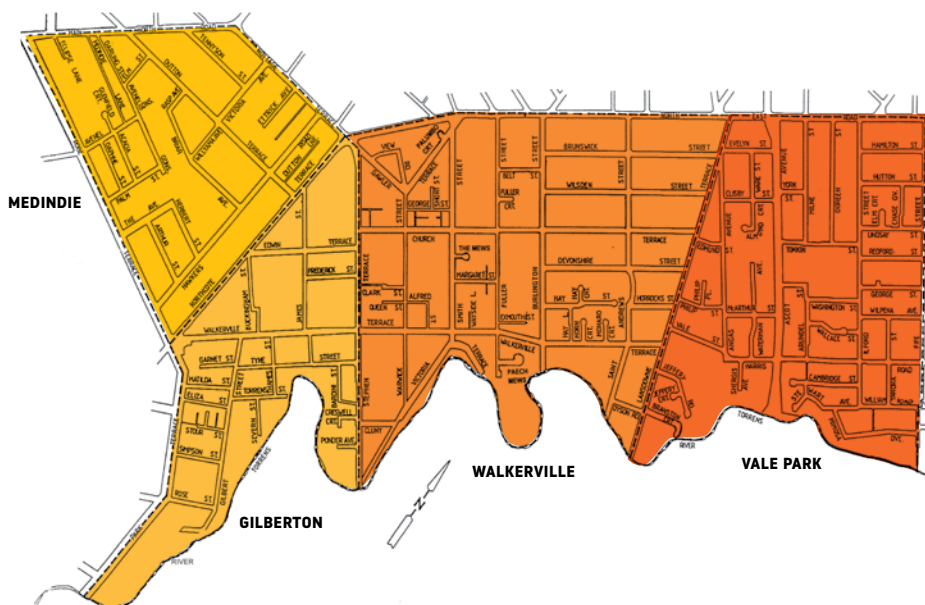
## about the Town of Walkerville

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 inner 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

## from the Mayor of Walkerville

This is the third budget delivered by this Council and builds on our vision for continued financial stability, responsible debt management, improved infrastructure and a standard of services to the community that exceeds expectations.

The overarching goals for our third and fourth budgets are the same. Firstly, that they continue to be positive budgets, where expenditure does not exceed income revenue. Secondly, that they are underpinned by financial management plans resilient and flexible enough to absorb the impact of unforeseen circumstances.



Our first budget delivered an average residential rate increase of no more than 5.7%. We set an operating deficit of \$433,000 and achieved a break-even budget.

Our second budget delivered an average residential rate increase of no more than 2.98%. Notwithstanding that we dealt with some challenging and unprecedented circumstances we achieved an operating surplus and a break-even budget.

### The 2017-18 Annual business plan delivers:

- an average residential rate increase of no more than 2.68%
- total income of \$9,526,000
- total operating expenditure of \$9,525,000
- total expenditure allocated to capital works of \$3,811,000
- a minimal operating surplus.

The average residential rate increase of no more than 2.68% demonstrates the rigor that is applied to the budgetary process. We actually went out for public consultation with a draft budget that proposed an average residential rate increase of no more than 2.95%. Throughout the consultation period, we continued to investigate how we could improve on this and I am pleased to report that we are endorsing a budget with an even better outcome in relation to the average residential rate.

This budget also addresses the loss of significant revenue resulting from two State Government mandates which have shifted costs onto Local Government.

State Government's new online planning system was introduced in April 2017 by the Department of Planning, Transport and Infrastructure. Costs associated with making the transition (which is compulsory) to the new Planning Portal will be in the vicinity of \$28,000 per annum.

Changes to the way public housing will be managed across the State will also mean a loss of regular income as public housing is transferred to non-government housing providers. For Council, this represents an expected revenue loss of \$35,980.

A 40% increase in the hard waste levy is another factor affecting rates and this increase will now be absorbed by Council.

In 2016, two strategic documents were endorsed by this Council. *2016-2020 Living in the Town of Walkerville: a strategic community plan* was endorsed in July 2016.

*2016-2020 Living Walkerville: wellbeing for every age and stage*, Council's first strategic document that focuses specifically on the wellbeing of individuals living in our Township was endorsed in December 2016.

Both of these documents have had a direct and practical application in guiding this year's budget process and informing the range of projects and activities we have proposed for 2017-18. Alongside each project listed on pages 25 to 27 you will see a corresponding icon that indicates how the activity is aligned to our strategic framework.

With Council well past the half-way point of its term, my focus is firmly on the future.

I want to ensure that we have sustainable budgetary processes in place for successive Councils. This Council, aided by Administration, has established a positive momentum. To ensure we maintain the momentum we have introduced a new policy-led approach to our strategic financial planning process to create a legacy of responsible debt management that will be sustainable beyond the four-year election cycles.

The budget was endorsed by Council on the 3 July 2017 as per resolution CNC2/17-18.

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

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

## message from the CEO

With the endorsement of the *2017-18 Annual business plan*, Council is poised to deliver a raft of infrastructure and assets programs, as well as corporate and wellbeing programs.

Some of these projects are one-offs; others look to the future to ensure the longevity of Council's infrastructure and assets.

The Lansdowne Terrace stormwater and road upgrade is one example of how we are planning and investing for the long-term. These flagship projects typically have a long gestation period. We began investigating design concepts for Lansdowne Terrace in 2015-16 and that work continued through to 2016-17 when we entered a phase of public consultation. The 2017-18 budget allocates \$1,000,000 to this significant investment in infrastructure and work is scheduled to commence in early 2018.

Stage 1 of Mary P Harris Reserve was delivered in early 2017 and the potential of this open space renewal project has been clear from the start. As you can see from our cover shot, Mary P Harris Reserve has become an increasingly popular drawcard for people of all ages and has potential to be so much more.

Stage 1 has been funded entirely by Council, however, stages two through to five ***will not be proceeding until significant external funding is obtained***. Council has applied for a grant from the State Government and should this application be successful, we have set aside \$675,000 in matching funds. This project was first identified in our Urban Master Plan (2010) and if fully realised, will create a dynamic community space in our Town Centre and improve connections between our retail and dining precinct and the River Torrens.

The budget also focuses on projects that will generate greater efficiencies to our corporate services and processes. This means investing in digital technologies and maximising our online assets.

We also have a number of projects and activities that reflect the value of cultural and built heritage to our community. In 2017-18, Council will commission a report into priority maintenance works for Vale House, located in the grounds of Levi Caravan Park. This report will identify and prioritise works to ensure Vale House is structurally sound and meets fire and disability regulations. The findings of the report will guide a repair and maintenance program for this important historical landmark.

Restoration works will continue on the heritage stone wall of the Walkerville Wesleyan Cemetery on Smith Street and Council has allocated \$49,500 to this project.

The Walkerville Wesleyan Cemetery reveals much about the early settlement of the village of Walkerville. In 2017, work will begin on developing a cultural program of events called *Brought to life* inspired by the stories, history and people associated with this site. This will be a multi-generational arts and cultural project, involving professional artists, historians, local schools and the wider community. *Brought to life* will be part of the 2018 South Australian Living Artists Festival and 2018 History Month.

Pages 25 to 27 of this plan provide a summary of all funded projects, programs and activities. These pages outline where – and how – your rates are being invested. From traffic control devices and dog and cat management legislation, through to beautification and community development programs; this budget reflects the diversity of the services we deliver as well as how those services are bringing the vision of our strategic plans to fruition.



**Kiki Magro**  
Chief Executive Officer  
Town of Walkerville









# 2

## council's 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)

The *2016-2020 Strategic plan* was adopted July 2016 CNC5/16-17.





# 3 rates

## where do your rates go?

abandoned vehicles	ovals
aged services	parking regulations and infringements
arts and cultural programs	parks and gardens
bicycle tracks	pest control
building applications and approvals	planning
bus shelters	playgrounds maintenance
by-laws	public order
cemeteries	public toilets maintenance
community bus	roads
dogs	reserves and picnic areas
Emergency Services Levy	stormwater drainage and reuse
employment/training programs	street cleaning
fire prevention	street lighting
food and health inspections	street signs
footpaths	traffic control
free internet in library	trees
gardens	waste management
graffiti	youth programs
gutters	zoning
immunisation	
inspections	
Levi Caravan Park	
library	
linear park	
neighbourhood amenity	

## factors that affect rates:

- cost increases due to inflation
- 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





## rating policy

In setting Council's rates for the 2017-18 financial year, Council has considered the following:

- Achieving the goals and objectives outlined in *Living in the Town of Walkerville*: the strategic community plan adopted by Council in 2016. This document outlines Council's vision and direction for the future.
- The budget for the 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. 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 \$8,188,000 in property rates for the 2017-18 financial year.

*Total budgeted  
revenue raised  
from properties:  
**\$8,188,000***

## 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

2017-18:	Residential (\$)	Non-res (\$)
2017-18	0.0024423	0.0037855
2016-17	0.0025279	0.0039182

### 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: \$1,163

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 properties valued less than \$476,000.

The minimum rate will affect approximately 29% of the 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.**

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

*If your property was valued at \$500,000, in 2016-17 and does not increase in 2017-18, your rates will decrease by \$43 in 2017-18.*

*If your property was valued at \$1,000,000, in 2016-17 and does not increase in 2017-18, your rates will decrease by \$86 in 2017-18.*

### Capital value and rates 2015-18:

capital value differential rate	2015-16 0.0025475	2016-17 0.0025279	2017-18 0.0024423	variance	variance
\$500,000	\$1,274	\$1,264	\$1,221	-\$43	-3.4%
\$750,000	\$1,911	\$1,896	\$1,832	-\$64	-3.4%
\$1,000,000	\$2,548	\$2,528	\$2,442	-\$86	-3.4%
\$1,250,000	\$3,184	\$3,160	\$3,053	-\$107	-3.4%



## Payment of rates

The Council has determined that the payment of all rates can be either by full payment – due and payable by the 8 September 2017 – or by quarterly instalments due and payable on the following dates:

**1st payment:** 8 September 2017

**2nd payment:** 8 December 2017

**3rd payment:** 8 March 2018

**4th payment:** 8 June 2018

### Rates may be paid through:

- BPay Service
- telephone 1300 276 468 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% 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

	number of residential properties	percentage of properties
up to \$500,000	1285	35%
\$500,000 - \$750,000	925	25%
\$750,000 - \$1,000,000	679	19%
\$1,000,000 - \$1,250,000	256	7%
\$1,250,000+	498	14%
<b>total</b>	<b>3643</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 2017-18 is \$289,404.71 (2016-17: \$270,392).

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.

## 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.

## Statutory rebate of rates

	2015-16	2016-17	2017-18
100% Religious	\$23,218	\$23,685	\$23,546
75% Community services	\$1,481	\$2,549	\$38,597
75% Education	\$137,530	\$155,952	\$148,163
	<b>\$162,229</b>	<b>\$182,187</b>	<b>\$210,306</b>









# 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 86% 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 2017 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.

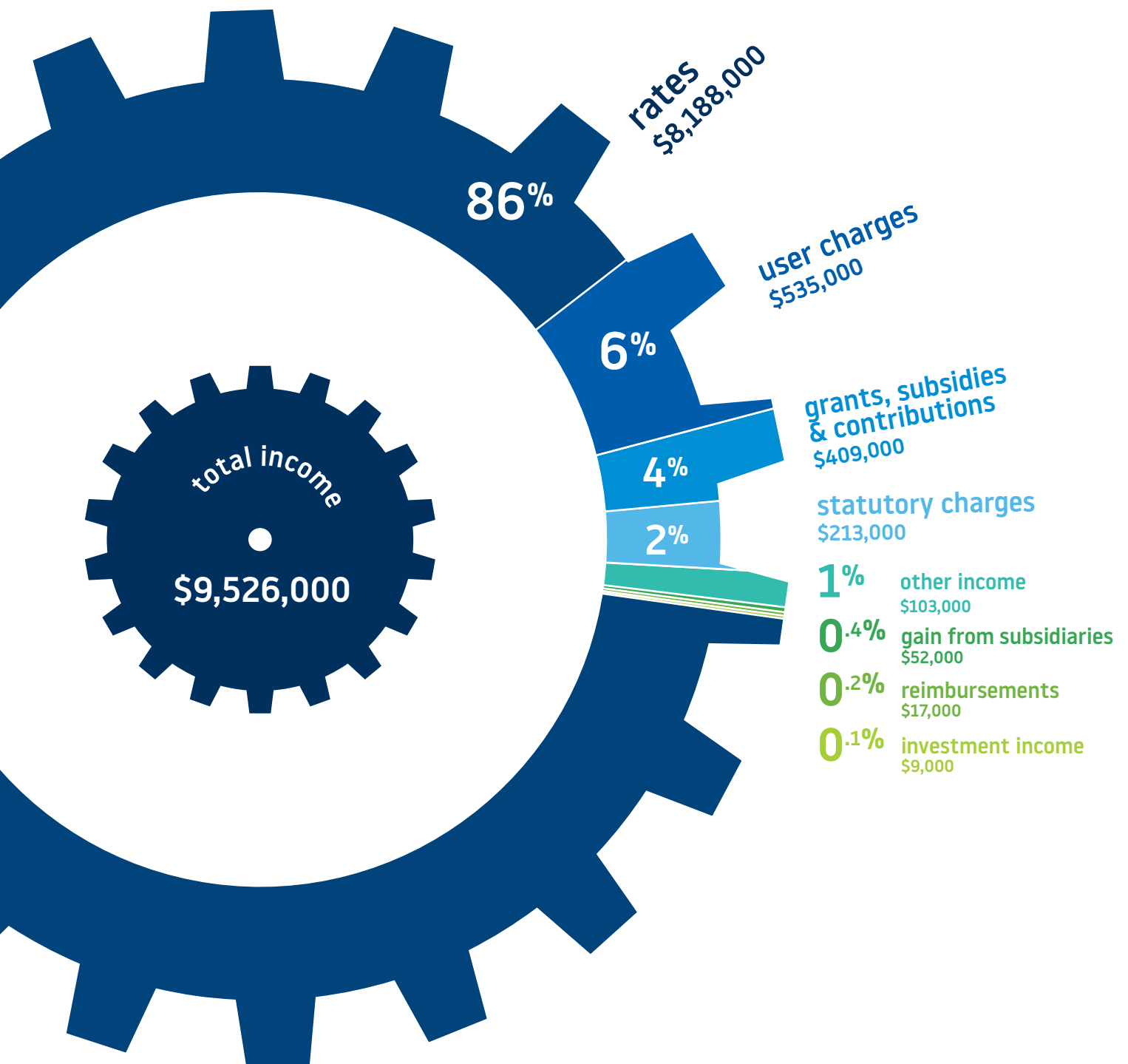
### Fees and charges

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

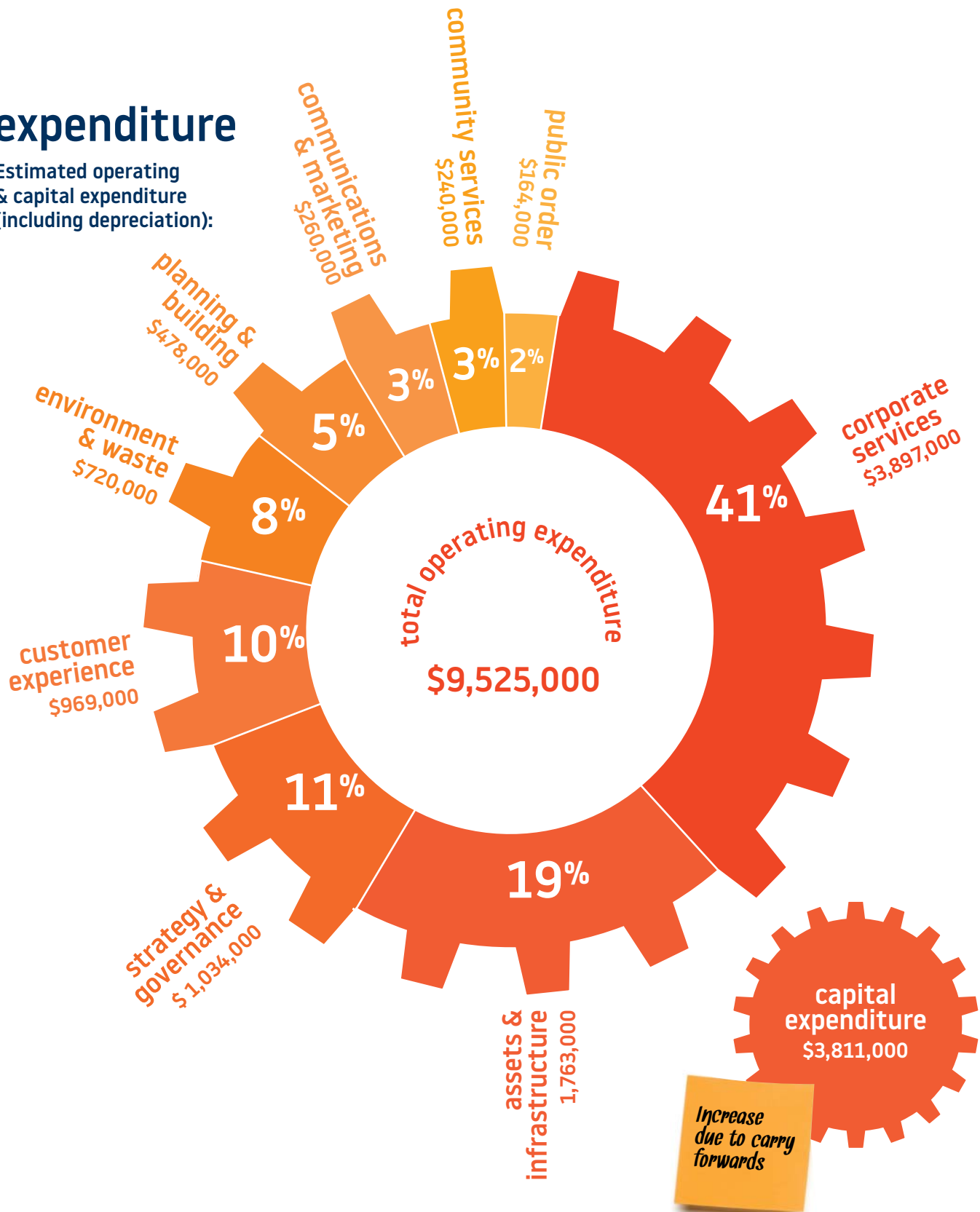
Estimated revenue by category:





## expenditure

Estimated operating  
& capital expenditure  
(including 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 2017-2018 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 2017-18.

## Net financial liabilities ratio: 100%

The Council target for this ratio is between zero and 120%.

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: 86%

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 2017-18

	2016-17 Budget (BR2)	2017-18 Budget
operating surplus/(deficit) \$'000	76	1
operating surplus ratio	1%	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	86%	100%
0-120% 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	108%	86%
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 new funded projects, programs and activities

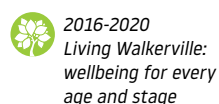
item	project	cost	rationale	goal/objective
<b>assets &amp; infrastructure</b>				
1	Darling Street footpath	\$73,920	Part of the capital footpath upgrade program. A new paved footpath will be constructed on both sides of the road	
2	Footpath replacement program	\$55,000	Continuation of the footpath renewal program along North East Road	
3	Kerb replacement program	\$87,150	Annual kerb and gutter replacement program	
4	Lansdowne Terrace stormwater	\$1,000,000	Construction of upgraded stormwater drain and road	
5	Tonkin Street EMU crossing	\$137,500	Upgrade the school crossing at Tonkin Street near Vale Park Primary School	
6	Open spaces and street furniture	\$137,500	Upgrade of open space areas with the Township	 
7	Parking controls	\$38,500	Renewal of carpark area near 45 Park Terrace and continued preservation of the Moreton Bay Fig Tree	
8	Road reseal program	\$593,250	Annual road reseal program	
9	Robe & Park Terrace beautification	\$55,000	Final phase of beautification works on the Robe Terrace embankment. Phase 1 of the Park Terrace embankment beautification program	
10	Rose Street intersection beautification	\$60,500	Rose Street and Park Terrace corner renewal. Construction of new section of road and ensure the preservation of significant tree	
11	Stormwater renewal	\$25,000	Annual program for stormwater assets, specifically side entry pits, junction boxes and smaller pipe networks	
12	Street parking lighting	\$53,841	Upgrade the lights within the retail precinct of Walkerville Terrace to LED whilst retaining the current look and feel of the existing lights	
13	Linear parking lighting	\$182,210	Stage 1 of 3 Linear Park light replacement program incorporating preventative measures for future storm events	 

These icons demonstrate how new projects, programs and activities align with Council's strategic plan and wellbeing strategy.

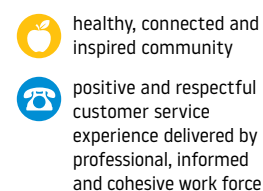
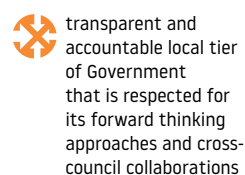
## key

	capital expenditure
	operating

## wellbeing initiative



## five strategic focus areas












## 6 new funded projects, programs and activities

item	project	cost	rationale	goal/objective
<b>assets &amp; infrastructure continued</b>				
14	Traffic control devices	\$55,000	Renew existing traffic control devices, including the Walkerville Terrace Tree surround construction (concepts were presented to Council in 2016/2017)	
15	WSC power outlet	\$15,000	Installation of a power outlet at cricket nets for future community events and other various sporting associations	
16	Heritage stone wall	\$49,500	Continued restoration of the heritage stonewall located at Walkerville Wesleyan Cemetery on Smith St, Walkerville	 
17	Feasibility study: pedestrian refuge on Walkerville Terrace and Warwick Street	\$10,000	Feasibility and impact study for an additional pedestrian refuge island on or near the corner of Walkerville Terrace and Warwick Street	
18	Furniture & fixtures	\$51,900	Upgrade and purchase of new items for the Library and Civic Centre to improve service, safety and enjoyment by patrons	 
19	Parking meter	\$10,500	Installation of a parking meter in Council owned car park at the rear of The Watson (off Victoria Terrace)	
20	Town Hall floorboards replacement	\$85,000	Upgrade of floorboards in the Town Hall	
21	Howie Reserve / Mary P Harris*	\$675,000	Stage 2-5 of Mary P Harris / Howie Reserve upgrade project	
<b>community development &amp; customer experience</b>				
22	Educational vertical garden	\$10,000	Council contributing to projects with local schools that benefit the community	 
23	Library materials	\$50,000	Purchase of Library materials (books, DVDs, CDs, and audio books etc)	 
24	Oral history recording equipment	\$2,000	Purchase of oral history recording equipment for use by local history volunteers as means of gathering and preserving the social and cultural history of Walkerville	 

\*Stages 2-5 of the Mary P Harris and Howie Reserve project will not be proceeding until significant funding is secured (refer to page 6 for more information).



item	project	cost	rationale	goal/ objective
<b>IT &amp; corporate services</b>				
25	Mobile & desktop devices	\$15,000	Purchase of additional mobile and desktop devices support service delivery	
26	Replacement switching	\$15,000	Replacement of switching (cabling) within the server room	
27	Agency staff	\$20,000	Relief staff where required to provide continuous customer service	
28	SharePoint administration	\$15,000	Resources to facilitate and manage IT based customer systems	
29	Website administration	\$15,000	Resources to facilitate and manage IT based customer systems	
30	Review online forms and fact sheets	\$10,000	Undertake a review of existing online forms and information to ensure information is up-to-date and easily accessible	
<b>marketing &amp; communications</b>				
31	Customer satisfaction survey	\$20,000	Annual survey enables Council to benchmark performance and findings to inform decision making and future strategic directions	 
32	Brought to life	\$10,000	Develop an art exhibition for 2018 SALA (South Australian Living Artists) and History Month where local artists are invited to creatively interpret stories from the Walkerville Wesleyan Cemetery	 
<b>property &amp; contracts</b>				
33	Vale House repairs	\$30,000	To commission a report that will prioritise essential maintenance for Vale House to ensure it meets fire and disability regulations and to commence a program of works based on the findings of the report	
<b>regulatory services</b>				
34	Dog and cat management plan	\$29,937	To ensure Council meets its Legislative requirement under the <i>Dog and Cat Management Act 1995</i>	
<b>strategy &amp; governance</b>				
35	Information management improvement plan	\$14,800	To ensure Council meets its Legislative requirements under the <i>State Records Act 1997</i>	
36	CEO professional development	\$11,630	Executive training and development	

# 7 budgeted financial statements

## financials ABP 2017-18

### budgeted income statement

	2016-17 Budget Review 2	2017-18 Budget
<b>income</b>	<b>\$('000)</b>	<b>\$('000)</b>
net rates revenue	7,886	8,188
statutory charges	205	213
user charges	569	535
grants, subsidies & contributions	629	409
investment income	13	9
reimbursements	23	17
other income	223	103
net gain: equity accounted council businesses	2	52
<b>total revenues</b>	<b>9,548</b>	<b>9,526</b>
<b>expenses</b>		
employee costs	2,899	3,228
materials, contracts & other expenses	4,265	3,920
finance costs	248	200
depreciation, amortisation & impairment	2,060	2,120
net loss: equity accounted council businesses	0	57
<b>total expenses</b>	<b>9,472</b>	<b>9,525</b>
<b>operating surplus/(deficit) before capital amounts</b>	<b>76</b>	<b>1</b>
asset disposal & fair value adjustments	(150)	0
amounts specifically for new/upgraded assets	0	0
infrastructure, property, plant & equipment received FOC	0	0
<b>net surplus/(deficit)</b>	<b>(74)</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>(74)</b>	<b>1</b>

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

## statement of financial position

	2016-17 Budget Review 2	2017-18 Budget
<b>assets: current</b>	<b>\$('000)</b>	<b>\$('000)</b>
cash & cash equivalents	11	99
trade & other receivables	382	392
inventories	0	0
<b>total current assets</b>	<b>393</b>	<b>492</b>
<b>assets: non-current</b>		
financial assets	115	104
equity accounted investments in council businesses	800	852
infrastructure, property, plant & equipment	103,814	105,505
other non-current assets	0	0
<b>total non-current assets</b>	<b>104,729</b>	<b>106,461</b>
<b>total assets</b>	<b>105,122</b>	<b>106,953</b>





## 7 budgeted financial statements

statement of financial position	2016-17 Budget Review 2	2017-18 Budget
<b>liabilities: current</b>	<b>\$('000)</b>	<b>\$('000)</b>
trade & other payables	2,404	3,010
borrowings: current	188	62
provisions	551	551
<b>total current liabilities</b>	<b>3,143</b>	<b>3,623</b>
<b>liabilities: non-current</b>		
trade & other payables	0	0
borrowings: non current	5,111	6,402
provisions	60	61
liability: equity accounted council businesses	410	467
<b>total non-current liabilities</b>	<b>5,581</b>	<b>6,930</b>
<b>total liabilities</b>	<b>8,724</b>	<b>10,554</b>
<b>net assets</b>	<b>96,398</b>	<b>96,399</b>
<b>equity</b>		
accumulated surplus	31,747	31,748
asset revaluation reserve	64,651	64,651
<i>Open space strategy</i> reserve	0	0
other reserves	0	0
<b>total equity</b>	<b>96,398</b>	<b>96,399</b>



**budgeted cash flow statement**

	2016-17 Budget Review 2	2017-18 Budget
<b>cash flows from operating activities</b>	<b>\$('000)</b>	<b>\$('000)</b>
<b>receipts</b>		
operating receipts	9,242	9,455
investment receipts	(0)	8
<b>payments</b>		
operating payments to suppliers and employees	(7,285)	(7,149)
finance payments	(242)	(201)
<b>net cash provided by (or used in) operating activities</b>	<b>1,715</b>	<b>2,114</b>
<b>cash flows from investing activities</b>		
<b>receipts</b>		
amounts specifically for new/upgraded assets	0	0
sale of replaced assets	7	0
repayments of loans by community groups	0	11
<b>payments</b>		
expenditure on renewal/replacement of assets	(1,582)	(1,985)
expenditure on new/upgraded assets	(438)	(1,385)
<b>net cash provided by (or used in) investing activities</b>	<b>(2,013)</b>	<b>(3,358)</b>
<b>cash flows from financing activities</b>		
<b>receipts</b>		
proceeds from borrowings	0	0
long term borrowings	100	1,391
other new borrowings	0	0
<b>payments</b>		
repayments of borrowings	(58)	(58)
<b>net cash provided by (or used in) financing activities</b>	<b>42</b>	<b>1,333</b>
<b>net increase/(decrease) in cash held</b>	<b>(256)</b>	<b>89</b>
<b>cash &amp; cash equivalents at beginning of period</b>	<b>267</b>	<b>11</b>
<b>cash &amp; cash equivalents at end of period</b>	<b>11</b>	<b>99</b>

## 7 budgeted financial statements

<b>budgeted statement of changes in equity</b>	<b>2016-17 Budget Review 2</b>	<b>2017-18 Budget</b>
<b>accumulated surplus</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>
balance at end of previous reporting period	31,821	31,747
net surplus/(deficit)	(74)	1
transfers to other reserves	0	0
transfers from other reserves	0	0
<b>balance at end of period</b>	<b>31,747</b>	<b>31,748</b>
<b>asset revaluation reserve</b>		
balance at end of previous reporting period	64,651	64,651
gain on revaluation of infrastructure, property, plant & equipment	0	0
transfer to accumulated surplus on sale of property, plant & equipment	0	0
<b>balance at end of period</b>	<b>64,651</b>	<b>64,651</b>
<b>other reserves</b>		
balance at end of previous reporting period	390	0
transfers from accumulated surplus	(390)	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>96,398</b>	<b>96,404</b>



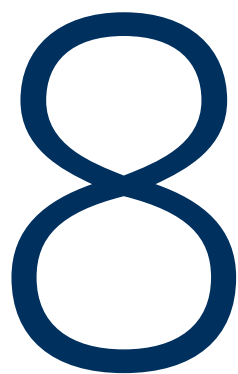
## uniform presentation of finances

	2016-17 Budget Review 2	2017-18 Budget
	\$( '000)	\$( '000)
operating revenues	9,548	9,526
less operating expenses	9,472	9,525
<b>operating surplus/(deficit) before capital amounts</b>	<b>76</b>	<b>1</b>
<b><i>less: net outlays on existing assets</i></b>		
capital expenditure on renewal/replacement of existing assets	1,978	1,503
less depreciation, amortisation & impairment	2,060	2,120
less proceeds from sale of replaced assets	7	0
	<b>(90)</b>	<b>(617)</b>
<b><i>less: net outlays on new and upgraded assets</i></b>		
capital expenditure on new/upgraded assets	730	2,308
less amounts specifically for new/upgraded assets	0	0
less proceeds from sale of surplus assets		
	<b>730</b>	<b>2,308</b>
<b>net lending /(borrowing) for financial year</b>	<b>(564)</b>	<b>(1,690)</b>

## key financial indicators

operating surplus ratio	1%	0%
net financial liabilities ratio	86%	100%
asset sustainability ratio	108%	86%





# asset management plans

To achieve the objectives outlined in Council's strategic framework, Council needs a long term *Asset management plan*, to effectively plan and budget for the ongoing maintenance, renewal and replacement of Council owned assets and infrastructure in the Township.

The plan ensures that ongoing funding for assets and infrastructure is prioritised and staged concurrent to their expected life span.

In accordance with its strategic management plans, Council must adopt a *Long term financial management plan* and asset and infrastructure plans that cover a period of no less than 10 years. Council must review its *Long term financial plan* as soon as reasonably possible following the adoption of its *Annual business plan* and within the same financial year.

## asset management plans 2017-18 to 2027-28

particulars	2017-18 \$(000) Current	2018-19 Year 1	2019-20 Year 2	2020-21 Year 3
infrastructure: roads & pavements	654	562	561	564
infrastructure: kerb & gutter	87	57	65	61
infrastructure: footpath	129	116	118	120
infrastructure: traffic control devices	55	50	50	50
infrastructure: parking and traffic	176	50	50	50
infrastructure: building			304	73
infrastructure: stormwater	25	40	93	40
infrastructure: lighting	236	25	25	25
<i>Movement action plan</i>		50		
furniture & fittings	52	50	50	50
library	50	50	50	50
IT	30	100	100	250
plant & equipment		15	45	80
open space: reserve structures (incl playgrounds)	257	120	120	120
open space: irrigation		120	20	60
LT* road upgrade (renewal / upgrade)		1,000		
<b>asset management plan total</b>	<b>1,751</b>	<b>2,405</b>	<b>1,651</b>	<b>1,593</b>

major capital projects (MCP)	2017-18 \$(000) Current	2018-19 Year 1	2019-20 Year 2
Gilberton Swing Bridge	270		
LT* stormwater upgrade (new)	1,000	1,500	
Mary P Harris upgrade	675		
Walkerville Sporting Club ramp DDA compliance			
Gilberton lower level bridge		50	500
Town Hall floor boards	85		
plant refresh			
various minor capital expenditure	31		
<b>other total capital expenditure</b>	<b>2,060</b>	<b>1,550</b>	<b>500</b>
<b>total capital expenditure</b>	<b>3,811</b>	<b>3,955</b>	<b>2,151</b>

*Lansdowne Tce stormwater and drainage works*

\*Lansdowne Terrace stormwater and drainage works



2021-22 Year 4	2022-23 Year 5	2023-24 Year 6	2024-25 Year 7	2025-26 Year 8	2026-27 Year 9	2027-28 Year 10
564	564	563	565	564	565	565
55	60	69	81	73	133	151
120	120	120	119	119	118	120
50	50	50	50	50	50	50
50	50	50	50	50	50	50
256	179	64	1,350	550	69	43
147	56	40	40	40	142	40
25	25	25	25	25	25	25
50	50	50	50	50	50	50
50	50	50	50	50	50	50
350	100	100	100	250	350	100
35	15	130	140	15	15	15
120	120	120	120	120	120	120
20	60	35	40	20	25	60
1,892	1,499	1,466	2,780	1,976	1,762	1,439

*Scheduled  
refurbishment  
of Council owned  
buildings*



