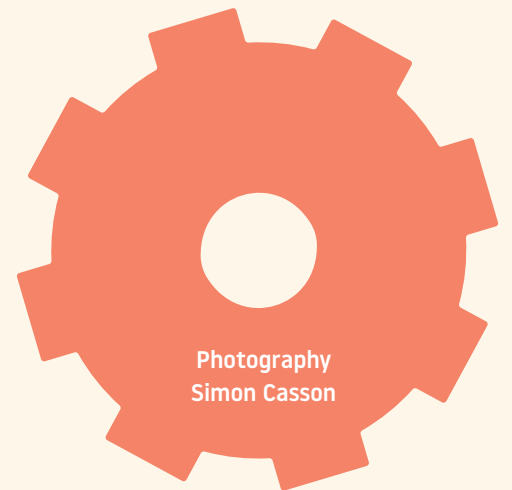




2018/19 ANNUAL BUSINESS PLAN

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
66 Walkerville Terrace
Gilberton SA 5081
telephone 08 8342 7100
walkerville@walkerville.sa.gov.au
walkerville.sa.gov.au
🐦 @walkerville5081
📘 @TownOfWalkerville



2018/19

annual business plan

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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:

- any new developments made to the property, e.g. an extension
- land divisions and new builds.

Commercial:

- 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 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 the 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

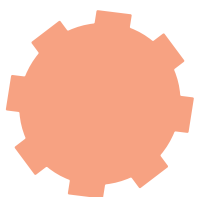
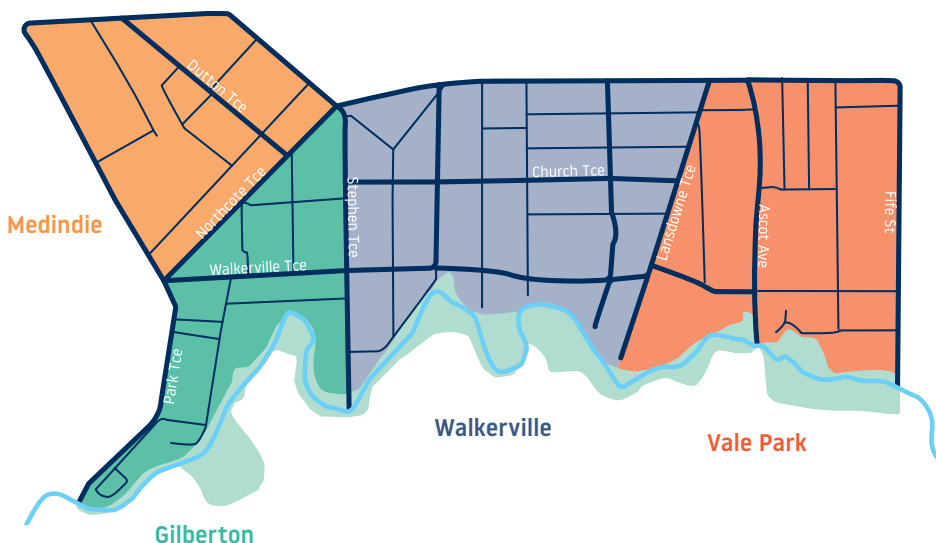
The Town of Walkerville encompasses the suburbs of Gilberton, Medindie, Vale Park and Walkerville and is located immediately north-east of the city of Adelaide, about 4 kilometres from the Adelaide GPO.

The Town of Walkerville is the smallest council in inner metropolitan Adelaide and covers a land area of 3.5km². 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.



From the Mayor of Walkerville

Council's 2018/19 Annual business plan was formally endorsed by Council on the 16 July 2018*

This will be the final budget to be delivered by this Council prior to the Local Government elections in November 2018.

The experience of developing three consecutive budgets has involved in-depth investigation and learning. At the end of our four-year term, I believe our record for delivering great outcomes for our ratepayers stands for itself.

In 2014, this Council inherited a budget that forecast a deficit outcome. Nonetheless, we were able to identify cost savings and efficiency improvements and ultimately achieved a break-even budget. From that point onwards, our goal for each subsequent budget has been to reduce debt and to achieve a positive operating budget.

The 2018/19 Annual business plan delivers:

- an average residential rate increase of no more than 2.49%
- an average non-residential rate increase of no more than 2.17%
- total income of \$9,632,961
- total expenditure of \$9,624,960
- total expenditure allocated to capital works of \$4,105,000
- a slight operating surplus.

In 2018/19, non-residential properties (i.e. businesses) will have a slight rate increase in comparison to previous years. The rationale is to ensure a more equitable financial impost for businesses and residents.

In proposing this change, we were mindful of our strategic imperative to support business activation in our Council area. Safety is an integral element to business activation. To offset the increase to commercial property owners, Council has allocated an additional \$10,000 towards public safety for pedestrians on Walkerville Terrace and we have introduced a new seed-funding scheme to help shopfront businesses to purchase CCTV cameras.

When it comes to business activation it's easy to become Town-centric and think Walkerville Terrace is our sole retail precinct. While North East Road and Main North Road may not be considered to have the cosmopolitan appeal or 'village' character of a Prospect Road or a Walkerville Terrace, those major roads do have many large-scale businesses. Sharing boundaries with the City of Prospect could have put this in the 'not just our problem' category. Instead, both Councils have seized the opportunity to work together on master planning Main North Road and North East Road. I am hopeful that the old adage 'a problem shared, is a problem halved' will apply as both Councils move forward to unlock the potential for increased retail diversification and activation in this area.

Like other Councils, the Town of Walkerville also had to factor in the financial repercussions of China's National Waste Import Policy (also known as the National Sword Policy) – not to mention addressing the broader question of how Australia manages recyclable materials. The impact on our revenue stream for the remainder of 2017/18 budget was in the order of \$30,000, however, we forecast an increase of at least an additional \$70,000 in 2018/19.

Our recent Town wide survey showed a high satisfaction rating for living in the Town of Walkerville. 91% of residents who took part in the survey responded that they were very satisfied or satisfied with living here – and they attributed their satisfaction levels to the following:

1. having a range of open spaces, such as parks, gardens and playgrounds
2. the visual presentation and tidiness of the Township
3. ease of travelling and moving within the Township for pedestrians, motorists and cyclists.

That 91% satisfaction rating doesn't just happen without a plan. During the last four budget cycles, Council has strategically invested and focused attention on these priority areas with Townwide beautification programs, increased traffic control mechanisms and significant road and footpath upgrades.

In this context, where – and how – we direct funds and select projects has a direct correlation to the wellbeing and satisfaction of people in our community. For this reason, I have always encouraged and appreciated participation in the public consultation process and I thank everyone who provided feedback this time around.

Over the course of four years, there have been many lessons learned in developing budgets and forecasting long-term financial plans. I would like to thank the Elected Members for their insights and for their commitment to ensuring a fair deal for their community. The *Financial guiding principles* that will be open for public consultation later this year, will reflect these experiences and insights and affirm our commitment to establishing a legacy of responsible debt management.

Raymond (Ray) Grigg



Mayor of Walkerville

*Adopted as per resolution CNC __/__/__



From the Chief Executive Officer

The endorsement of this annual budget signals the end of months of investigation and consultation.

Conversely, it also 'green lights' a range of exciting new projects and initiatives as well as the continuation of our ongoing work on existing projects and services to the community.

Overall, the 2018/19 budget represents a lean and conservative budget: with expenditure not exceeding total income and the forecast of a minimal surplus. However – *lean* does not equate to *mean*. The allocation of the budget does not shortchange the community in terms of innovative projects and strategic investment.

During the course of the 2018/19 financial year, we will be focusing on a range of strategic initiatives including:

- Consulting on Council's first *Financial guiding principles* in 2018. This new document embeds a series of interrelated principles into our budgeting processes to inform Council on developing annual budgets and long term financial plans. The *Financial guiding principles* will be released for public consultation for feedback and review. With almost 90% of our revenue derived from rates, we want to ensure that the principles underpinning Council's financial management are transparent and attuned to the interests of the community.
- Developing an *Integrated open space strategy* for the Town of Walkerville. Protecting, managing and preserving our open spaces for future generations is a key focus area within our strategic framework. Urban development as well as social and environmental changes continue to impact on our daily lives, as well as the community as a whole. The *Integrated open space strategy* is a proactive measure to ensure that the future of our open spaces and the infrastructure supporting them remains high of Council's agenda.

No Council can afford to procrastinate on ageing assets and infrastructure. A sensible program of maintenance and renewal of our roads, bridges, footpaths and public facilities makes sound financial sense in the long-term. The 2018/19 budget allocates \$4,105,000 to capital works projects, including:

- Stage 2 of the lighting replacement upgrade in Linear Park, to ensure they will be storm-proofed for future weather events. Budget allocation: \$250,000
- Construction of stage 2 of the upgraded stormwater drain and road along Lansdowne Terrace. Budget allocation: \$1.5 million
- Mary P Harris and Howie Reserves. Walkerville Terrace. Previously, Council earmarked \$675,000 towards stages 2 – 5 of this project, however this has been contingent on securing matching funding from external State or Federal Government. Not being able to secure this funding has been disappointing. With younger families coming into the area and more residents living in nearby apartments or smaller housing, a multi-purpose venue to support community activation presents a compelling case. Having a place where children can play and people can gather for outdoor recreation contributes to the wellbeing of the community and has the potential to generate positive economic outcomes for the retail segment of Walkerville Terrace. Council has determined to move forward, subject to final design and endorsement – albeit on a more moderate scale of what was originally envisaged.

These are just some of the highlights that residents and ratepayers can expect to see from the 2018/19 budget. A full list of new projects and activities are listed on page 19 and the asset management plans are published on pages 25 and 26.

For Administration our task is clear: delivering the projects and services outlined in this plan in the most effective, efficient and equitable manner.

With Local Government elections in November 2018, I would like to take this opportunity to acknowledge the 2014 – 2018 Elected Member body.

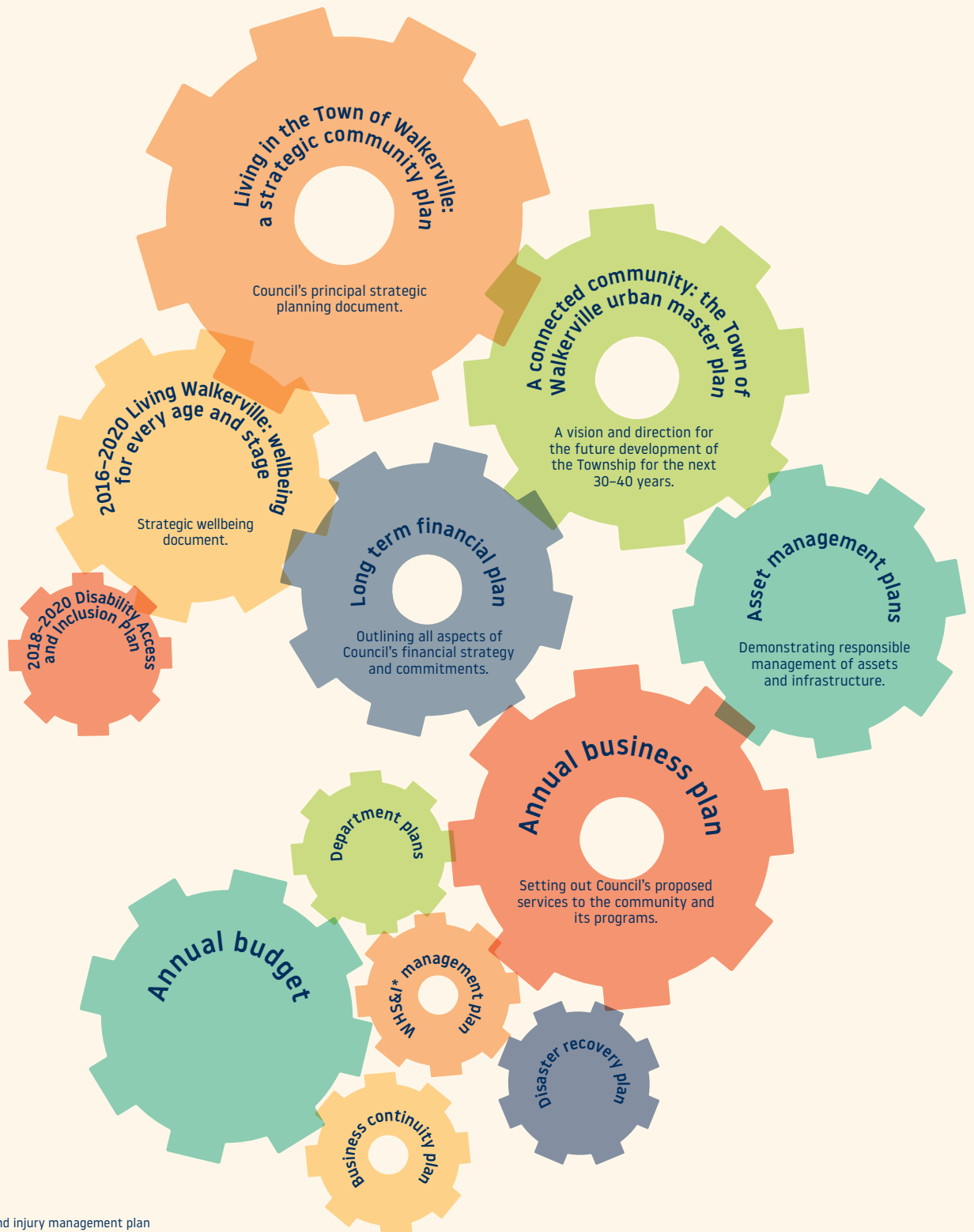
As CEO, I acknowledge the Elected Members for their commitment and due diligence in presenting these last four consecutive budgets to the community. I thank them for their collaborative approach and for their powerful advocacy as representatives of their local community.

Kiki Magro

Kiki Magro
Chief Executive Officer



2 council's strategic framework



*Work health & safety and injury management plan

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 *2012–2016 Living in the Town of Walkerville: a strategic plan for the Town of Walkerville*. 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

The 2016–2020 Strategic plan was adopted in July 2016 as per resolution 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
- cemetery
- community wellbeing programs
- community bus
- dogs/cats
- Emergency Services Levy
- employment/training programs
- fire prevention
- food and health inspections
- footpaths
- free internet in library
- gardens
- graffiti removal
- 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
- zoning

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
- impact of *China's National waste import policy*, also known as the '*National Sword*' policy (Refer to Mayor's message on page 8 for more information).



rating policy

In setting Council's rates for the 2018/19 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 our 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 13 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.

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 \$8,406,821 in property rates for the 2018/19 financial year.

*Total budgeted
revenue raised
from properties:*
\$8,406,821

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 2018/19:

Residential (\$ 0.0023456

Non-residential (\$ 0.0037530

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: \$1,193

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 \$508,608.

The minimum rate will affect approximately 29.5% 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 2017/18 and does not increase in 2018/19, your rates will decrease by \$48 in 2018/19.

If your property was valued at \$1,000,000 in 2017/18 and does not increase in 2018/19, your rates will decrease by \$97 in 2018/19.

Capital value and rates 2016–2019

| capital value differential rate | 2016/17 00.0025279 | 2017/18 0.0024423 | 2018/19 0.0023456 | variance | variance |
|---------------------------------|-----------------------|----------------------|----------------------|----------|----------|
| \$500,000 | \$1,264 | \$1,221 | \$1,173 | – \$48 | – 4% |
| \$750,000 | \$1,896 | \$1,832 | \$1,759 | – \$73 | – 4% |
| \$1,000,000 | \$2,528 | \$2,442 | \$2,346 | – \$97 | – 4% |
| \$1,250,000 | \$3,160 | \$3,053 | \$2,932 | – \$121 | – 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 11 September 2018 – or by quarterly instalments due and payable on the following dates:

| | |
|---------------------|-------------------|
| 1st payment: | 11 September 2018 |
| 2nd payment: | 11 December 2018 |
| 3rd payment: | 11 March 2019 |
| 4th payment: | 11 June 2019 |

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
- via the Community information kiosk located at Woolworths Shopping Centre, Walkerville Terrace, Walkerville, 5081
- 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 | 1,121 | 30.7% |
| \$500,000 – \$750,000 | 878 | 24.0% |
| \$750,000 – \$1,000,000 | 690 | 18.9% |
| \$1,000,000 – \$1,250,000 | 395 | 10.8% |
| \$1,250,000 + | 567 | 15.5% |
| total | 3,651 | |



concessions

State Government concessions

The State Government offers a 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.

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 2018/19 is \$310,485 (2017/18: \$289,405).

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

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

Sale of land for non-payment of rates

The *Local Government Act 1999* 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.

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

Statutory rebate of rates

| | 2016/17 | 2017/18 | 2018/19 |
|------------------------|------------------|------------------|------------------|
| 100% Religious | \$23,685 | \$23,546 | \$24,620 |
| 75% Community Services | \$2,549 | \$38,567 | \$51,000 |
| 75% Education | \$155,952 | \$148,163 | \$169,962 |
| | \$182,186 | \$210,276 | \$245,582 |

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 87.5% 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 2018 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, contractual requirements, performance reviews, and incremental increases. Depreciation is adjusted subsequent to additions, disposals and revaluations as appropriate.

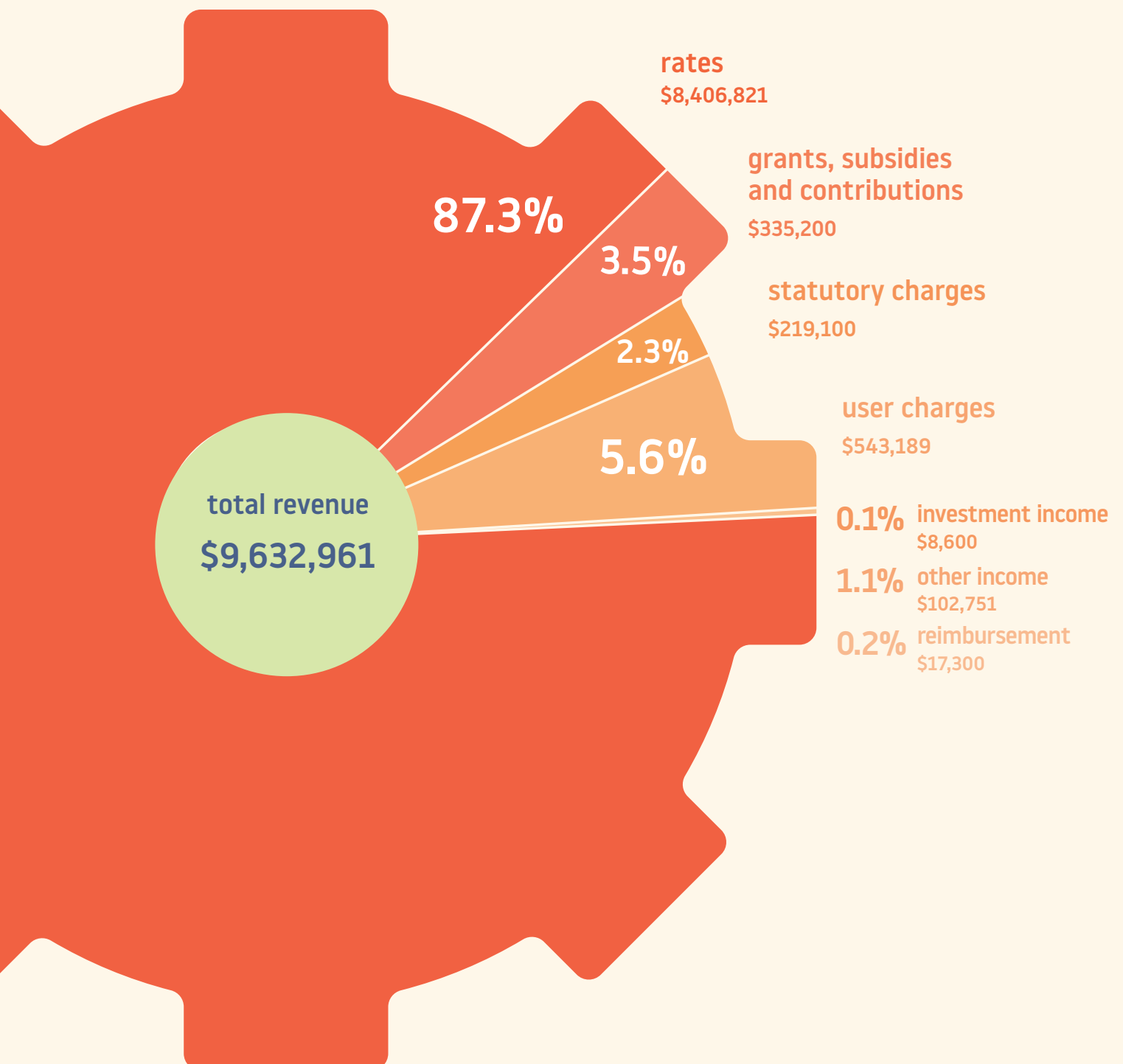
Fees and charges

Council sets and reviews its fees and charges pursuant to Section 188 of the *Local Government Act 1999*. The Act 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.



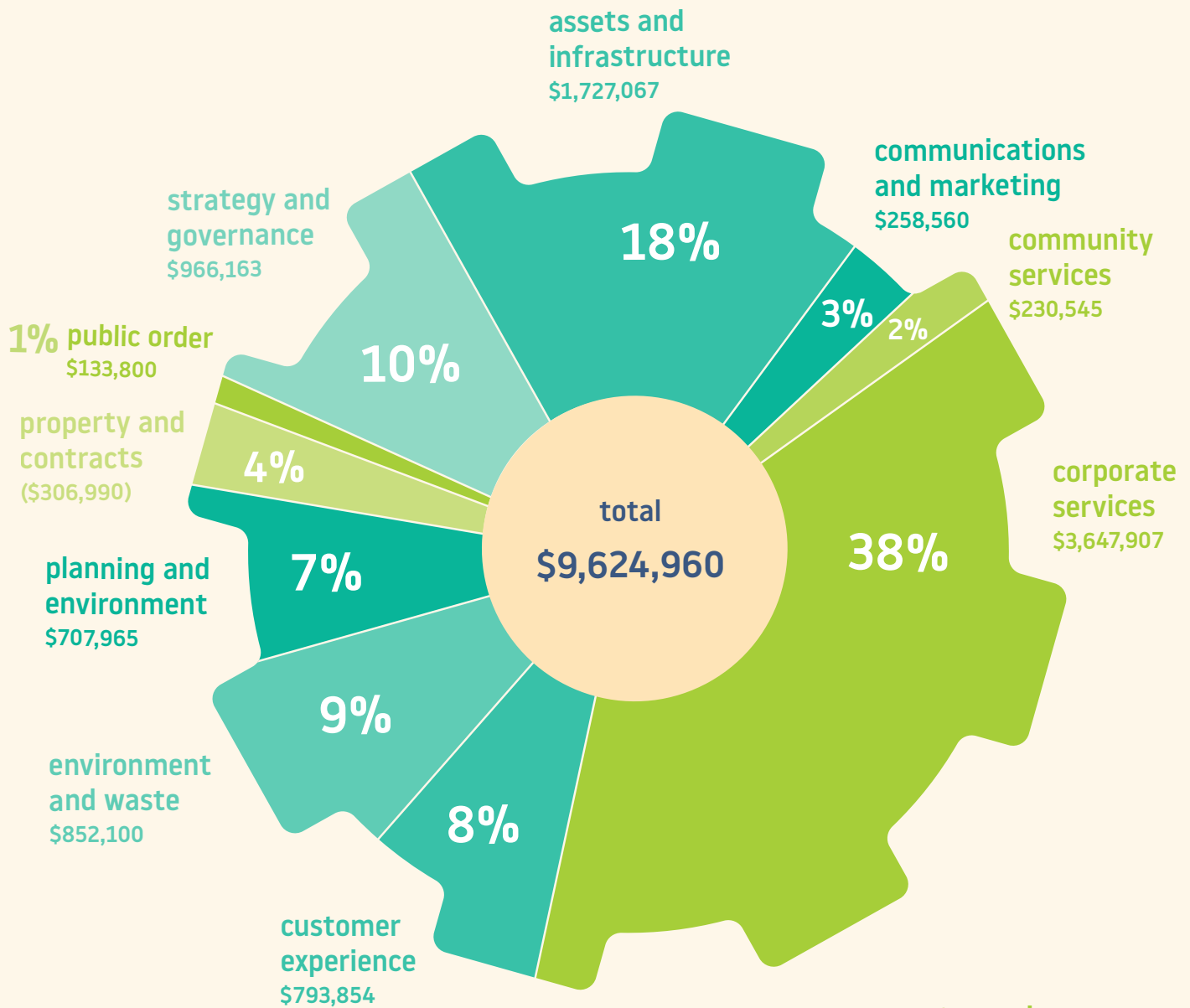
revenue

estimated revenue by category:



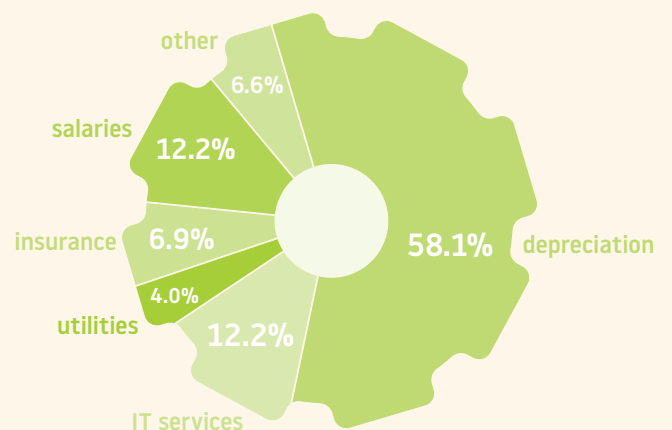
expenditure

estimated operating and capital expenditure
(including depreciation):



Salaries and wages have been split across each business unit.

corporate services:



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 2018/2019 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 2018/19.

Net financial liabilities ratio: 109%

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: 91%

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 2018/19 | 2017/18 budget (BR2) | 2018/19 budget |
|------------------------------------|-------------------------|-------------------|
| operating surplus/(deficit) \$'000 | -142 | 8 |
| operating surplus ratio | -2% | 0% |
| net financial liabilities ratio | 94% | 109% |
| asset sustainability ratio | 83% | 91% |

6 new funded projects, programs and activities

| | | | | goal/objective |
|----|---|-------------|--|---|
| 1 | Gilberton Boardwalk | \$250,000 | Construction of the Boardwalk (Gilbert St to Lower level bridge) |   |
| 2 | Tennis court restringing and fencing | \$30,000 | Selected tennis courts in area |   |
| 3 | Lansdowne Terrace Stormwater ² | \$1,500,000 | Construction of upgraded stormwater drain and road |  |
| 4 | Mary P Harris/Howie Reserve ¹ | \$675,000 | Mary P Harris/Howie Reserve upgrade |  |
| 5 | Linear park lighting | \$250,000 | Stage 2 of 3 Linear Park light replacement program incorporating preventative measures for future storm events |  |
| 6 | Heritage stone wall | \$50,000 | Continued restoration of the heritage Wesleyan stone wall located at Walkerville Cemetary on Smith St, Walkerville |   |
| 7 | Cluny Avenue stairs | \$90,000 | Improve access to Linear Park |  |
| 8 | Public safety | \$10,000 | enhanced safety measures for pedestrians, cyclists and motorists along Walkerville Terrace |   |
| 9 | Synergy Soft (IT) | \$50,000 | Upgrade and training for Synergy Soft |  |
| 10 | Gate fees (waste management) | \$70,000 | Additional gate fee as a result of changes to China 'National Sword' policy |  |
| 11 | Seed funding CCTV | \$5,000 | Funding to assist local shopfront businesses |  |
| 12 | Integrated Open Space Strategy | \$50,000 | Consultant engaged to assist with the designing an integrated approach for open space which includes public art, signage and historical markers. |  |

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



2016-2020
Living Walkerville:
wellbeing for every
age and stage



vibrant local
culture, inspired
by diversity and
inclusivity



sustainable and
resilient future,
based on a sensitive
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 derived
by professional,
informed and cohesive
work force

1. Mary P Harris/Howie Reserve upgrade will be completed well within the allocated budget of \$675,000 subject to council approval
2. Lansdowne Terrace Stormwater year 2 of 3 year project

7 budgeted financial statements

statement of comprehensive income

| income | 2017/18 BR2 \$('000) | 2018/19 \$('000) |
|--|----------------------------|---------------------|
| net rates revenue | 8,188 | 8,407 |
| statutory charges | 214 | 219 |
| user charges | 535 | 543 |
| grants, subsidies and contributions | 330 | 335 |
| investment income | 8 | 9 |
| reimbursements | 17 | 17 |
| other income* | 108 | 103 |
| net gain – equity accounted council businesses | (4) | (5) |
| total revenues | 9,396 | 9,628 |
| expenses | | |
| employee costs | 3,143 | 3,222 |
| materials, contracts and other expenses | 4,075 | 4,075 |
| finance costs | 200 | 203 |
| depreciation, amortisation and impairment | 2,120 | 2,120 |
| net loss – equity accounted council businesses | 0 | 0 |
| total expenses | 9,538 | 9,620 |
| operating surplus/(deficit) before capital amounts | (142) | 8 |
| asset disposal and fair value adjustments | 0 | 0 |
| amounts specifically for new/upgraded assets | 0 | 0 |
| infrastructure, property, plant and equipment received FOC | 0 | 0 |
| net surplus/(deficit) | (142) | 8 |
| other comprehensive income | | |
| changes in revaluation surplus | | |
| total other comprehensive income | 0 | 0 |
| total comprehensive income | (142) | 8 |



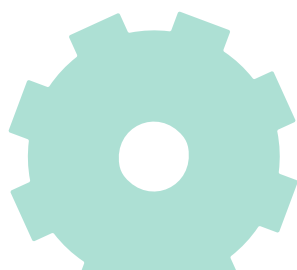
statement of financial position

| assets | 2017/18 BR2 \$('000) | 2018/19 \$('000) |
|--|----------------------------|---------------------|
| current assets | | |
| cash and cash equivalents | 654 | 274 |
| trade and other receivables | 331 | 401 |
| inventories | 0 | 0 |
| total current assets | 985 | 675 |
| non-current assets | | |
| financial assets | 93 | 93 |
| equity accounted investments in council businesses | 3,227 | 3,223 |
| infrastructure, property, plant and equipment | 104,914 | 106,223 |
| other non-current assets | 0 | 0 |
| total non-current assets | 108,234 | 109,539 |
| total assets | 109,219 | 110,213 |
| liabilities | | |
| current liabilities | | |
| trade and other payables | 2,074 | 1,950 |
| borrowings – current | 62 | 0 |
| provisions | 618 | 322 |
| total current liabilities | 2,754 | 2,272 |
| non-current liabilities | | |
| trade and other payables | 0 | 0 |
| borrowings: non-current | 6,662 | 8,519 |
| provisions | 79 | 80 |
| liability – equity accounted council business | 414 | 414 |
| total non-current liabilities | 7,155 | 9,013 |
| total liabilities | 9,909 | 11,285 |
| net assets | 99,310 | 98,928 |

| | | |
|-----------------------------|---------------|---------------|
| equity | | |
| accumulated surplus | 34,269 | 34,277 |
| asset revaluation reserve | 64,651 | 64,651 |
| open space strategy reserve | 390 | 0 |
| other reserves | 0 | 0 |
| total equity | 99,310 | 98,928 |

budgeted cash flow statement

| | 2017/18 BR2 | 2018/19 |
|---|----------------|----------------|
| | \$(‘000) | \$(‘000) |
| cash flows from operating activities | | |
| receipts | | |
| operating receipts | 9,092 | 9,525 |
| investment receipts | 9 | 8 |
| payments | | |
| operating payments to suppliers and employees | (6,849) | (7,582) |
| finance payments | (195) | (198) |
| net cash provided by (or used in) operating activities | 2,057 | 1,753 |
| cash flows from investing activities | | |
| receipts | | |
| amounts specifically for new/upgraded assets | 0 | 0 |
| sale of replaced assets | 0 | 0 |
| repayments of loans by community groups | 22 | 11 |
| payments | | |
| expenditure on renewal/replacement of assets | (2,134) | (2,683) |
| expenditure on new/upgraded assets | (1,236) | (900) |
| net cash provided by (or used in) investing activities | (3,348) | (3,572) |
| cash flows from financing activities | | |
| receipts | | |
| long term borrowings | 1,333 | 1,500 |
| other new borrowings | 0 | 0 |
| payments | | |
| repayments of borrowings | 0 | (62) |
| net cash provided by (or used in) financing activities | 1,333 | 1,438 |
| net increase/(decrease) in cash held | 42 | (380) |
| cash and cash equivalents at beginning of period | 612 | 654 |
| cash and cash equivalents at end of period | 654 | 274 |



budgeted statement of changes in equity

| cash flows from operating activities | 2017/18 BR2 | 2018/19 |
|--|----------------|---------------|
| | \$(‘000) | \$(‘000) |
| accumulated surplus | | |
| balance at end of previous reporting period | 34,411 | 34,269 |
| net surplus/(deficit) | (142) | 8 |
| transfers to other reserves | 0 | 0 |
| transfers from other reserves | 0 | 0 |
| balance at end of period | 34,269 | 34,277 |
| asset revaluation reserve | | |
| balance at end of previous reporting period | 64,651 | 64,651 |
| gain on revaluation of infrastructure, property, plant and equipment | 0 | 0 |
| transfer to accumulated surplus on sale of property, plant and equipment | 0 | 0 |
| balance at end of period | 64,651 | 64,651 |
| other reserves | | |
| balance at end of previous reporting period | 390 | 0 |
| transfers from accumulated surplus | 0 | 0 |
| transfers to accumulated surplus | 0 | 0 |
| balance at end of period | 390 | 0 |
| total equity at end of reporting period | 99,310 | 98,928 |



uniform presentation of finances

| | 2017/18 BR2 \$('000) | 2018/19 \$('000) |
|---|----------------------------|---------------------|
| operating revenues | 9,396 | 9,628 |
| less operating expenses | 9,538 | 9,620 |
| operating surplus/(deficit) before capital amounts | (142) | 8 |
| less: net outlays on existing assets | | |
| capital expenditure on renewal/replacement of existing assets | 1,751 | 1,930 |
| less depreciation, amortisation and impairment | 2,120 | 2,120 |
| less proceeds from sale of replaced assets | 0 | 0 |
| | (369) | (190) |
| less: net outlays on new and upgraded assets | | |
| capital expenditure on new/upgraded assets | 2,061 | 1,500 |
| less amounts specifically for new/upgraded assets | 0 | 0 |
| less proceeds from sale of surplus assets | 0 | 0 |
| | 2,061 | 1,500 |
| net lending/(borrowing) for financial year | (1,834) | (1,302) |

key financial indicators

| | 2017/18 BR2 \$('000) | 2018/19 \$('000) |
|-------------------------------------|----------------------------|---------------------|
| operating surplus ratio – % | –2% | 0% |
| net financial liabilities ratio – % | 94% | 109% |
| asset sustainability ratio – % | 83% | 91% |



8 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.

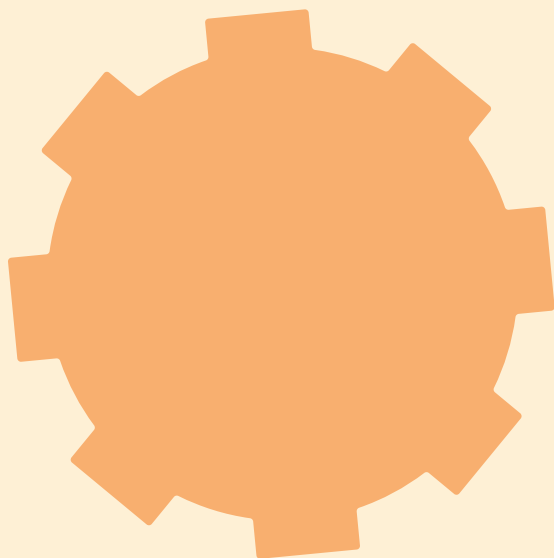
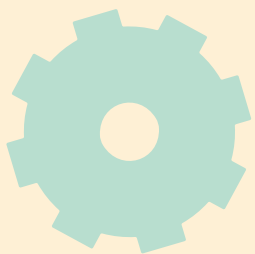
| Infrastructure Programs | 2017/18 Year 1 \$('000) | 2018/19 Year 2 \$('000) | 2019/20 Year 3 \$('000) |
|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| roads program | 654 | 562 | 571 |
| footpath program | 129 | 116 | 120 |
| kerb program | 87 | 57 | 66 |
| buildings program | – | – | 309 |
| storm water program | 25 | 40 | 95 |
| other infrastructure programs | | | |
| traffic control devices | 55 | 50 | 51 |
| parking and traffic | 176 | 50 | 51 |
| reserve structures (inc. playgrounds) | 257 | 120 | 122 |
| lighting | 236 | 250 | 254 |
| open space: irrigation | – | 120 | 20 |
| plant and equipment | – | 15 | 45 |
| other | | | |
| furniture and fittings | 52 | 50 | 51 |
| library | 50 | 50 | 51 |
| IT | 30 | 30 | 31 |
| sub total | 1,751 | 1,510 | 1,837 |
| new considerations | | | |
| boardwalk construction | – | 250 | – |
| tennis courts restring and fencing | – | 30 | – |
| heritage stone wall | – | 50 | – |
| Cluny Avenue stairs | – | 90 | – |
| total | – | 420 | – |
| grand total | 1,751 | 1,930 | 1,837 |

| Infrastructure Programs | 2017/18 Year 1 \$('000) | 2018/19 Year 2 \$('000) | 2019/20 Year 3 \$('000) |
|--------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| stormwater upgrade (new) | 1,000 | 1,500 | – |
| Mary P Harris/Howie Reserves upgrade | – | 675 | – |
| Town Hall floorboards | 85 | – | – |
| Gilberton lower level bridge | – | – | – |
| grand total | 1,085 | 2,175 | 0 |



| Infrastructure Programs | 2020/21 Year 4 | 2021/22 Year 5 | 2022/23 Year 6 | 2023/24 Year 7 | 2024/25 Year 8 | 2025/26 Year 9 | 2026/27 Year 10 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) |
| roads program | 580 | 590 | 600 | 610 | 621 | 631 | 642 |
| footpath program | 124 | 126 | 128 | 131 | 132 | 134 | 135 |
| kerb program | 63 | 58 | 64 | 75 | 90 | 82 | 152 |
| buildings program | 76 | 269 | 191 | 70 | 1,494 | 619 | 79 |
| storm water program | 41 | 155 | 60 | 44 | 44 | 45 | 163 |
| other infrastructure programs | | | | | | | |
| traffic control devices | 52 | 53 | 53 | 54 | 55 | 56 | 57 |
| parking and traffic | 52 | 53 | 53 | 54 | 55 | 56 | 57 |
| reserve structures (inc. playgrounds) | 124 | 126 | 128 | 131 | 133 | 135 | 137 |
| lighting | 26 | 26 | 27 | 27 | 28 | 28 | 29 |
| open space: irrigation | 62 | 21 | 64 | 38 | 44 | 23 | 29 |
| plant and equipment | 80 | 35 | 15 | 130 | 140 | 15 | 15 |
| other | | | | | | | |
| furniture and fittings | 52 | 53 | 53 | 54 | 55 | 56 | 57 |
| library | 52 | 53 | 53 | 54 | 55 | 56 | 57 |
| IT | 259 | 368 | 107 | 109 | 111 | 281 | 401 |
| sub total | 1,643 | 1,986 | 1,596 | 1,581 | 3,057 | 2,217 | 2,010 |
| new considerations | | | | | | | |
| boardwalk construction | - | - | - | - | - | - | - |
| tennis courts restrung and fencing | - | - | - | - | - | - | - |
| heritage stone wall | - | - | - | - | - | - | - |
| cluny avenue stairs | - | - | - | - | - | - | - |
| total | - | - | - | - | - | - | - |
| grand total | 1,643 | 1,986 | 1,596 | 1,581 | 3,057 | 2,217 | 2,010 |

| Infrastructure Programs | 2020/21 Year 4 | 2021/22 Year 5 | 2022/23 Year 6 | 2023/24 Year 7 | 2024/25 Year 8 | 2025/26 Year 9 | 2026/27 Year 10 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) | \$('000) |
| stormwater upgrade (new) | - | - | - | - | - | - | - |
| Mary P Harris/Howie Reserves upgrade | - | - | - | - | - | - | - |
| Town Hall floorboards | - | - | - | - | - | - | - |
| Gilberton lower level bridge | - | 53 | 535 | - | - | - | - |
| grand total | 0 | 53 | 535 | 0 | 0 | 0 | 0 |



TOWN OF



WALKERVILLE