

2015-16 annual business plan

TOWN OF WALKERVILLE



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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🐦 #walkerville5081

annual business plan

2015-16

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useful definitions

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

Differential rate

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

Growth

Residential:

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

Commercial:

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

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

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

Budget review

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

Key financial indicators

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

Key financial indicators are:

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

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

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

Land use classification

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

Average residential rate

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

Average capital value

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

1 welcome

preamble

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

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

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

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

The *Annual business plan* will also:

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

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

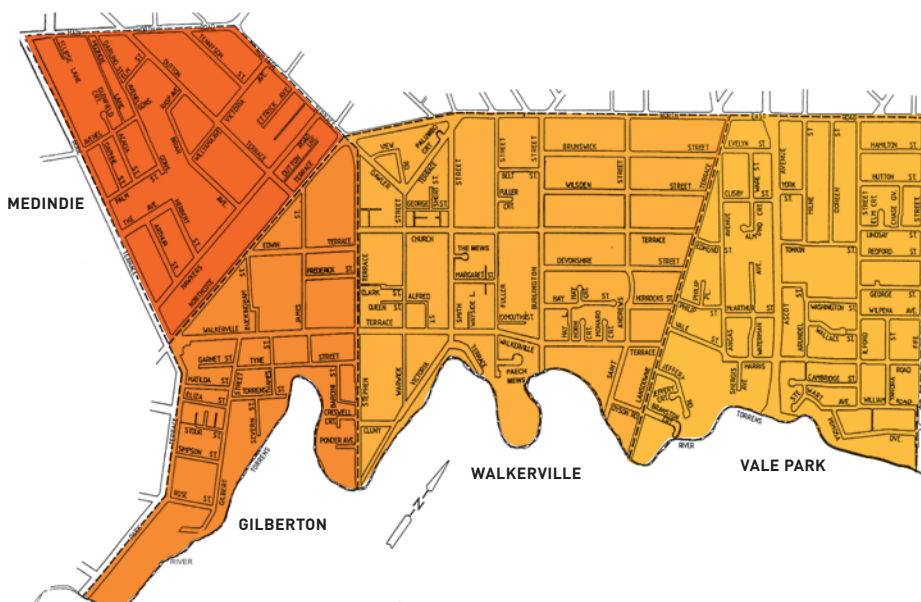
about the town of walkerville

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

The Town of Walkerville is the smallest council in metropolitan Adelaide and covers a land area of 3.5km². The Township is home to just over 7000 residents and remains the only council in 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

This is the first *Annual business plan* presented by this Council since it was elected in November 2014.

What has been presented is the culmination of a series of workshops and discussions between Council and Administration. It was a process which entailed a forensic examination of different financial scenarios to determine which option would offer the most favourable outcome in terms of Council's financial position and the impact on the community.

Council's overall priority was to deliver a budget that focussed on: reducing the level of debt, improving the operating deficit and achieving a positive operating budget position in 2016-17.

To achieve this we set the following objectives:

- overall reduced debt
- optimum value for money through reduced discretionary spending
- a differential rate increase of 3% on residential properties
- a positive operating position in 2016-17 budget
- an increase in annual loan repayments for the Civic and Community Centre from \$600,000 to \$800,000 in this financial year
- a budget shortfall of no more than \$500,000 in this financial year
- a capital expenditure budget not exceeding \$1.9 million.

These were the parameters we set for Administration and around which the budget has been built.

In terms of the funded projects for 2015-16, Council wanted to see a greater emphasis on projects that supported excellence in customer services. How we interact with our community is a priority for this Council and I am pleased to see a range of projects put forward that will enhance this interaction.

Delivering on the priorities of the *Movement action plan*, endorsed by the Elected Members in February 2015, was a high priority. These projects will assist with the movement of traffic throughout the Township and enhance safety for the community in general, and for pedestrians in particular.

These are just two of the highlights from this year's budget. For the full list of funded projects, programs and activities for 2015-16 please refer to pages 25-28 of this document.

In summary, I believe we have presented an annual budget and long term financial plan that is practical, sustainable and responsive to community needs.

I would like to thank the Administration for their work in ensuring we achieved efficiency improvements, for undertaking specific economic modelling and for providing guidance to Council in delivering the *2015-16 Annual business plan*.



Raymond (Ray) Grigg
Mayor of Walkerville

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meet the elected members



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from the ceo

The 2015-16 Annual business plan has been developed in response to a series of clear parameters from Council.

Council gave us a framework to develop a budget that met the following objectives set by Council:

- overall reduced debt
- optimum value for money through reduced discretionary spending
- a positive operating position in 2016-17 budget
- a differential rate increase of 3%
- an increase in annual loan repayments for the Civic and Community Centre from \$600,000 to \$800,000 in this financial year
- a budget shortfall of no more than \$500,000 in this financial year
- a capital expenditure budget not exceeding \$1.9 million.

With this as a starting point, we provided Elected Members with a range of options all based on sound financial modelling. This enabled the Elected Members to see how each option would flow on to the community; in terms of the services and programs we could deliver, the effect on rates and Council's long-term financial position.

Overall, I believe we have delivered on Council's directives.

In 2015-16 we are anticipating a total revenue (money coming in) of \$8,746k. Our operating and capital expenditure (money going out) is at \$9,599k.

Capital expenditure is placed at \$2,652k, however, this includes a carry-forward of \$822,730 from the previous year's budget. In this context, we have delivered on Council's directive of a budget in which capital expenditure did not exceed \$1.9 million this financial year.

While a shortfall of no more than \$500,000 for this financial year was deemed acceptable to the Council, this budget has a deficit of \$433k.

As requested by Council, we have increased the annual loan repayments on the Civic and Community Centre by \$200,000 for this financial year.

In terms of the rates, this budget sets a differential rate increase of 3% and an average residential rate increase that does not exceed 5.07%.

Differential rates are inextricably tied to the capital value of properties, which are set, not by Council, but by the Valuer-General.

In the last 12 months there has been an increase in the value of properties in the Town of Walkerville, which in itself, is welcome news for many property owners.

In fact, according to the 2015-16 valuations, 18% of residential properties in this Council have a capital value of more than one million dollars and the capital value of 27% of residential properties has increased by more than 5%.

The table on page 14 of this *Annual business plan* shows how the capital value of your property will affect your rates.

To illustrate:

- Assuming your property was valued at \$500,000 in 2014-15 and that it has maintained the same valuation in 2015-16, you can expect to pay an additional \$37 (per year, not quarter) for your rates in 2015-16.
- If your property was valued at \$1,000,000 in 2014-15 and maintains the same valuation in 2015-16, you can expect to pay an additional \$74.

The 2015-16 capital value on your property will be printed on the first quarter rates notice for 2015-16.

Based on this budget, I am confident we are well-placed to achieve the Council's overarching objective of a positive operating position in 2016-17 budget.

In closing, I acknowledge the new Council for their direction and collaboration in developing a budget steered towards maintaining financial sustainability over the long term.

The budget was endorsed by the Council on the 20 July 2015 as per Council resolution CNC 8/15-16.



Kiki Magro
Chief Executive Officer





2015 ANZAC Day Dawn Service, sponsored by Walkerville Council.

2 council's strategic framework

strategic framework

Living in the Town of Walkerville: a strategic plan for the Town of Walkerville

Council's principal strategic planning document.

A connected community: the Town of Walkerville urban master plan

A vision and direction for the future development of the Township for the next 30-40 years.

Long term financial plan

Outlining all aspects of Council's financial strategy and commitments.

Asset management plans

Demonstrating responsible management of assets and infrastructure.

Annual business plan

Setting out Council's proposed services to the community and its programs.

Work health & safety and injury management plan

Department plans

Disaster recovery plan

Business continuity plan

Annual budget




2 council's strategic framework

living in the town of walkerville: a strategic plan


Living in the Town of Walkerville: a strategic plan for the Town of Walkerville was formally adopted by Council in March 2012.


This is Council's principal strategic planning document and is closely aligned with the urban master plan (refer strategic framework, page 9).

The plan is focused on three strategic goals:


-  **a lively, local culture**
-  **an economically successful community**
-  **sensitive environments and development.**


Strategic goals are underpinned by a series of objectives:


 **Community involvement**
encouraging active community involvement in events, activities and places.


 **Diverse culture**
promoting and supporting diverse cultural values, heritage and identity.

 **Active centre**
creating an active, well-connected Town Centre.

 **Mixed-use development**
identifying and developing mixed-use opportunities along Main North Road and North East Road.

 **Linear Park**
creating a safe, well planned and bio-diverse Linear Park that allows for recreation along the river.

 **Sensitive development**
ensuring that development is in balance with the natural environment.

 **Connections**
creating accessible, useable and connected open spaces and streets.

The Annual business plan and budget sets out how Council will implement its strategic vision. Pages 25-28 lists the funded projects, programs and activities planned for 2015-16, and more importantly, shows how they link up with the goals and objectives of the strategic plan.

The Annual business plan and budget has been developed to support Council's overall strategic planning framework including:

- A connected community: the Town of Walkerville urban master plan.
- Living in the Town of Walkerville: a strategic plan.
- Long term financial plan (LTFP) and Council's Asset management plans.



3 rates

where do your rates go?

















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

factors that affect rates:

- the CPI All Groups Adelaide increase on goods and services for the 12 months ending 31 March 2015, 1.1%
- the LGPI* provides Council with a useful reference regarding the inflationary effect of price changes of goods and services consumed by Local Government, for the 12 months ending 31 March 2015, 1.4%
- staff wages increase based on an average of 1.1% in line with CPI
- increase in the utilities and waste management charges
- finance costs on the borrowings towards Civic and Community Centre upgrade (\$337.6k)
- maintaining and renewing assets to a standard that meet community needs
- growth (2.96%)
- funding depreciation.

how we compare:

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

 Playford	0.22182
 Burnside	0.2343
 Walkerville	0.25475
 NPSP*	0.25843
 West Torrens	0.265000
 Holdfast Bay	0.26601
 Unley	0.2661
 PAE*	0.269
 Charles Sturt	0.2785550
 Mitcham	0.303327
 Campbelltown	0.320586
 Prospect	0.322342
 Onkaparinga	0.32735
 Marion	0.364584
 Tea Tree Gully	0.407001
 Salisbury	0.4192

 ERA Councils

 Metropolitan Councils

*Norwood, Payneham and St Peters

*Port Adelaide Enfield

*Local Government Price Index

rating policy

In setting Council's rates for the 2015-2016 financial year, Council has considered the following:

- Achieving the goals and objectives outlined in *Living in the Town of Walkerville* – the strategic plan adopted by Council in 2012. This document outlines Council's vision and direction for the future.
- The budget for the 2015-16 financial year and any long term financial planning.
- The financial implications of complying with the requirements of the *Local Government Act 1999* and other legislations.
- The specific issues faced by our community, including:
 - the ongoing requirements for a capital program to replace, upgrade and maintain infrastructure assets which include roads, paths, storm water infrastructure, parks & reserves and public buildings
 - the development of a community service program based on community needs
 - the current economic climate.

Method used to value land

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

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

Capital values across Council's area have increased on an average by 7.4% from the previous year.

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.

General rates

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

To ensure the achievement of Council's financial goal of delivering an achievable budget Council has determined to raise \$7.74M in property rates for the 2015-2016 financial year.

*Total property rates
revenue 2015-16:*
\$7.74M

*Net property rates
revenue 2015-16:*
\$7.55M
(less rebates)

3 rates

Differential rate

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

In this budget Council has set a differential rate increase of 3% and an average residential rate increase of no more than 5.07%.

Proposed changes to differential rate

2015-16:	Residential (\$)	Non-res (\$)
2015-16	0.0025475	0.0039486
2014-15	0.0024733	0.0038336
2013-14	0.0024420	0.0037820

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 2015-16: \$1101

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

The minimum rate will apply to all residential properties valued by the Valuer-General at under \$432,000.

The minimum rate will affect approximately 28.2% of properties. (Maximum permitted under Section 158(2)(d) of the *Local Government Act 1999* is 35%.)

Objection to land use classification

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

Note that the lodgement of an objection does not change the due date for payment.

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

If your property was valued at \$500,000, in 2014-15 and does not increase in 2015-16, your rates will increase by \$37 in 2015-16.

If your property was valued at \$1M, in 2014-15 and does not increase in 2015-16, your rates will increase by \$74 in 2015-16.

Rates at a glance:

- a differential rate increase of 3 %
- an average residential rate increase of no more than 5.07 %

• average capital value for 2015-16 is \$716,973

• average residential rate for 2015-16 is \$1,926.

Capital value and rates 2013-16:

capital value differential rate	2013-14 0.0024420	2014-15 0.0024733	2015-16 0.0025475	variance	variance
\$500,000	\$1,221	\$1,237	\$1,274	\$37	3%
\$750,000	\$1,832	\$1,855	\$1,911	\$56	3%
\$1,000,000	\$2,442	\$2,473	\$2,548	\$74	3%
\$1,250,000	\$3,053	\$3,092	\$3,184	\$94	3%

Payment of rates

The Council has determined that the payment of all rates can be either by full payment – due and payable by the **17 September 2015** or by quarterly instalments due and payable on the following dates:

1st payment: 17 September 2015

2nd payment: 1 December 2015

3rd payment: 17 March 2016

4th payment: 17 June 2016

Rates may be paid through:

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

Late payment of rates

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

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

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

Postponement of rates

Seniors

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

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

Remission and postponement of rates due to hardship

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

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

Forms are available from Council's website.



3 rates

concessions

State Government concessions

Until this year, the State Government funded concessions on Council rates. These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees. These concessions were all abolished by the State Government with effect from 30 June 2015.

From 1 July 2015, the State Government has elected to replace these concessions with a single "cost-of-living payment" provided directly to those entitled.

This payment may be used for any purpose, including offsetting Council rates. Note that not all former recipients of rates concessions will be entitled to the new payment. 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 2015-16 is \$246,370 (2014-15: \$233,931).

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.

	2014-15	2015-16
100% Religious	\$22,465	\$23,218
75% Community services	-	\$1,481
75% Education	\$131,224	\$137,530
	\$153,689	\$162,229
Discretionary rebate – Levi Caravan Park	\$34,886	\$35,932
total rebates	\$188,575	\$198,161

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

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





4 making it happen

how council plans to achieve its objectives

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

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

Council's primary revenue source comes from property rates, which represent 86.38% 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 of 1.1% & 1.4% LGPI for the March 2015 quarter in rates analysis
- increase in salaries based on CPI or employment agreements
- increase in insurance costs
- increase in depreciation on account of capital works and revaluations, 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.

Council has determined that there will be a shortfall of \$433k.

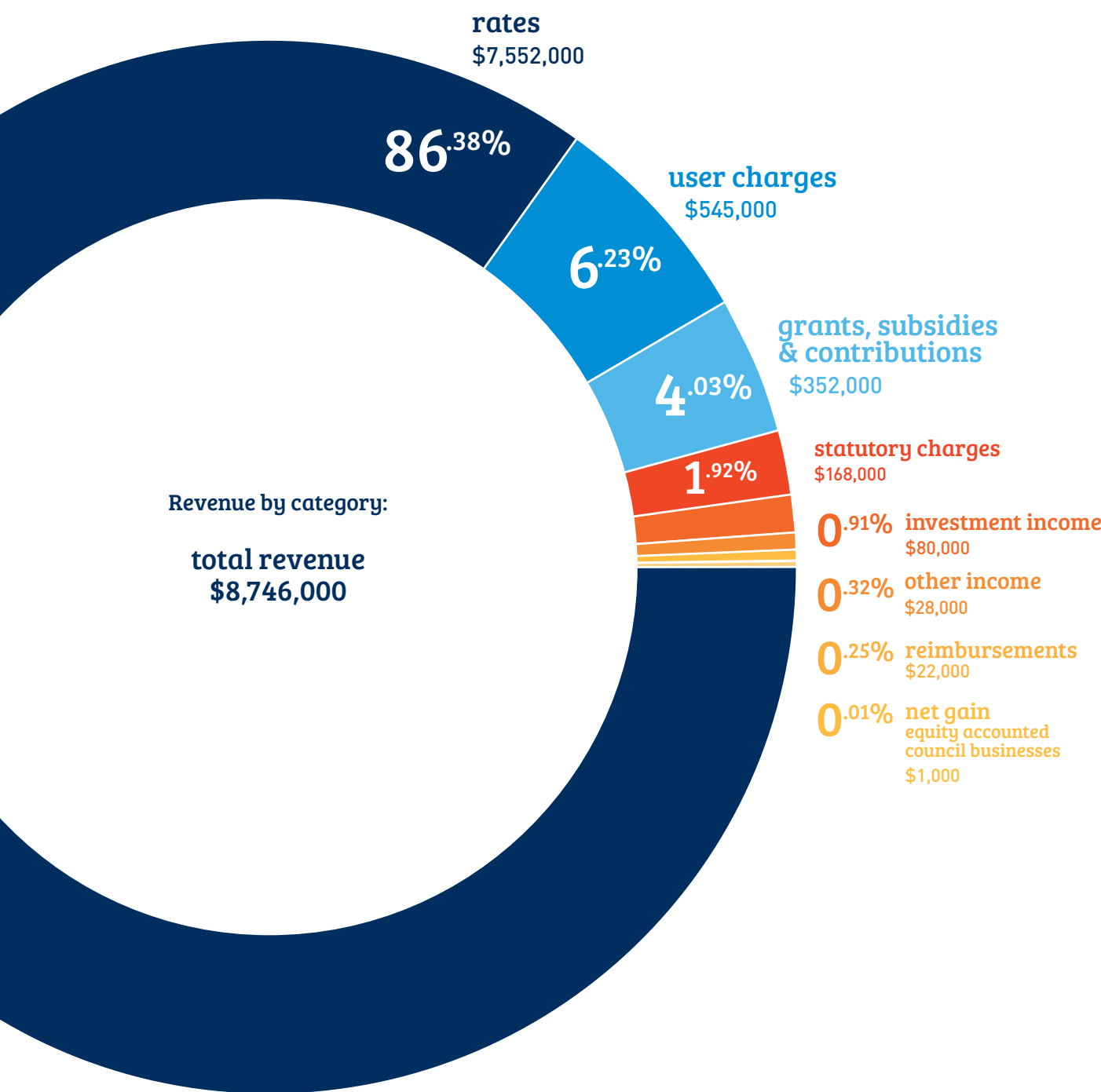
Operational expenditure is impacted by CPI and LGPI together with salary and wages costs which are adjusted annually in accordance with enterprise agreements, performance reviews, and incremental increases. Depreciation is adjusted subsequent to additions, disposals and revaluations when appropriate.

Fees and charges

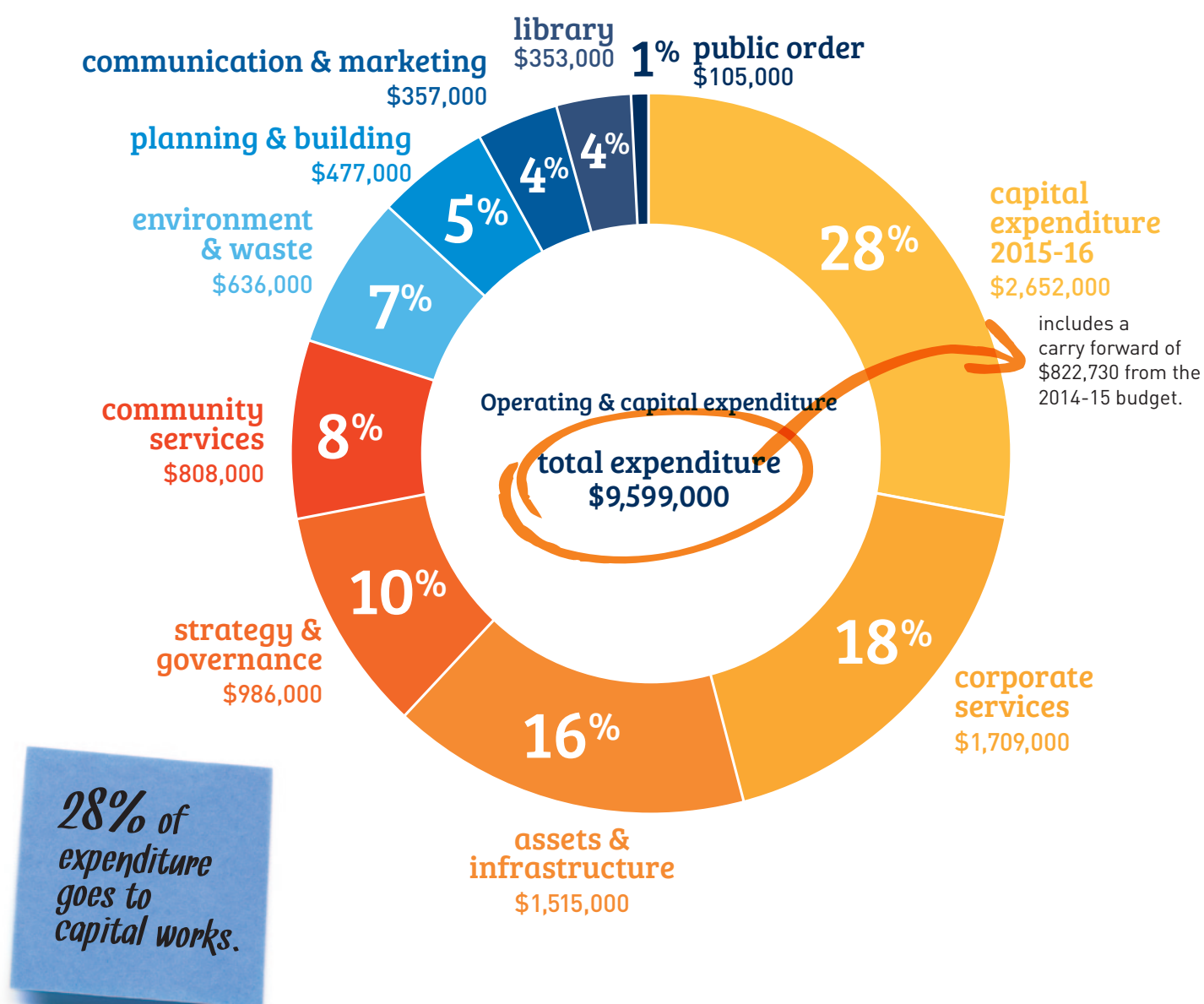
Council sets and reviews its fees and charges pursuant to Section 188 of the *Local Government Act 1999*, that states fees or charges must not exceed a reasonable estimate of the direct cost to the Council. Fees and charges are taken into account when developing the budget.

4 making it happen

revenue sources: money coming in



expenditure: money going out





long term financial plan

2016-26



long term financial plan: high

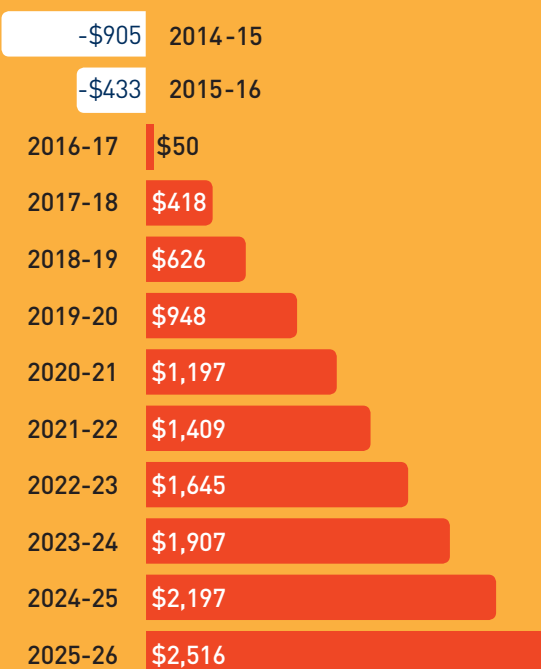
To achieve the objectives outlined in Council's strategic framework Council needs a *Long term financial plan* which sets out financial strategies and commitments.

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

A *Long term financial plan* supports Council in:

- maintaining financial sustainability over the long term
- achieving the objectives of Council's strategic framework to benefit the community

operating surplus/deficit ('000) 2014-15 to 2025-26



key financial indicators 2015-16 to 2025-26

particulars	2015-16 budget	2016-17 year 1
operating surplus ratio	-6%	1%
net financial liabilities ratio	108%	88%
asset sustainability ratio	82%	68%

asset management plans 2015-16 to 2025-26 (as per

particulars	2015-16 budget	2016-17 year 1	2017-18 year 2
building	\$100,000	\$65,000	\$65,000
furniture & fittings	\$205,464	\$50,000	\$50,000
infrastructure: pavements	\$401,800	\$150,000	\$150,000
infrastructure: footpath	-	\$129,920	\$129,920
infrastructure: kerb & gutter	\$103,671	\$110,468	\$110,468
infrastructure: roads sealed	\$625,592	\$197,804	\$197,804
infrastructure: open space	\$525,000	\$50,000	\$50,000
library	\$50,000	\$50,000	\$50,000
plant & equipment	\$130,000	\$384,000	\$384,000
stormwater drainage	\$5,000	\$5,000	\$5,000
structures	\$505,530	-	-
total capital expenditure	\$2,652,057	\$1,192,192	\$1,192,192

Highlights

- minimising the possibility of unplanned increases for ratepayers
- ensuring optimum 'value for money' outcomes for ratepayers
- ensuring transparency and accountability.

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

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

2017-18 year 2	2018-19 year 3	2019-20 year 4	2020-21 year 5	2021-22 year 6	2022-2023 year 7	2023-24 year 8	2024-25 year 9	2025-26 year 10
5%	7%	10%	12%	13%	15%	16%	18%	19%
72%	47%	21%	-7%	0%	0%	0%	0%	0%
97%	95%	95%	95%	97%	96%	96%	96%	96%

the *Long term financial plan*, projections for the *Asset management plans* are subject to change to reflect the *Strategic plan*)

2017-18 year 2	2018-19 year 3	2019-20 year 4	2020-21 year 5	2021-22 year 6	2022-2023 year 7	2023-24 year 8	2024-25 year 9	2025-26 year 10
\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
-	-	-	-	-	-	-	-	-
\$95,200	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$29,473	\$29,473	\$29,473
459,676	\$432,830	\$426,396	\$424,780	\$424,780	\$405,387	\$408,731	\$414,006	\$476,232
203,629	\$204,656	\$191,659	\$204,908	\$204,088	\$204,041	\$203,385	\$202,943	\$219,102
\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
725,000	\$5,000	\$5,000	\$5,000	\$965,000	\$245,000	\$245,000	\$245,000	\$245,000
-	-	-	-	-	-	-	-	-
748,505	\$952,486	\$933,055	\$944,688	\$1,903,868	\$1,164,428	\$1,151,588	\$1,156,422	\$1,234,807



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 2015-2016 to ensure the implementation of previous strategies and to maintain Council's focus on its organisational sustainability.

Operating surplus ratio: (6%)

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

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

Net financial liabilities: \$9432k

This measure indicates the balance of total liabilities after subtracting cash, cash equivalents and other financial assets.

Net financial liabilities ratio: 108%

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

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

Asset sustainability ratio: 82%

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 2015-16

	2014-15 BR3	2015-16 Budget
operating surplus/(deficit) \$'000	(905)	(433)
operating surplus ratio	(13%)	(6%)
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 \$'000	8578	9432
net financial liabilities ratio	103%	108%
0-60% of operating revenue (how significant is the net amount owed compared with income). Total liabilities less financial assets expressed as a percentage of total operating revenue.		
asset sustainability ratio	75%	82%
90-110%: (are assets being replaced at the rate they are wearing out). Capital expenditure on renewals and replacements expressed as a percentage of depreciation expense.		



6 funded projects, programs and activities

item no*	project	cost (\$)	rationale	goal/objective
community services & IT				
1	review of Council's IT (phase 1)	50,000	to ensure that Council's IT infrastructure is maintained at an acceptable level to maintain the integrity of IT systems and hardware	
2	quality service provision of customer service: exceeding expectations	5,000	to provide ongoing training for staff for continuous improvement across every aspect of customer service; to measure customer satisfaction and deliver a level of service that exceeds expectation	
3	external customer service request system upgrade with tracking	5,500	to enable ratepayers to track progress on their customer service request	
4	RFID self check out system (library)	12,500	for greater accuracy and a streamlined stock taking process for the library	
5	synergysoft records management enhancements	15,000	to ensure that administration is compliant with State Records legislation	
6	surface tablets for depot	5,000	tablets will be used to capture mobile audits of footpaths/trees/risk that links directly to the customer requests system and result in faster response times	
7	sharepoint upgrade to sharepoint server 2013	16,000	enable compulsory inductions, performance development reviews to be done online as part of Council's continuous improvement processes	
8	nintex (sharepoint workflow software)	5,000	workflow automation software to replace obsolete internal processes that could be handled more efficiently if moved online, in line with internal control processes	
9	disaster recovery server and increase disk space for servers (phase 2 dependent on IT review)	65,764	ensuring the Council is compliant with its risk assessment framework, in line with internal control processes	
10	penetration test (phase 2 dependent on IT review)	12,000	protection against hacking to maintain integrity of IT systems and hardware	
11	secunia vulnerability management for windows machines (phase 2 dependent on IT review)	5,200	automatic security updates to maintain and improve on IT systems and hardware	

*does not denote priority

key:

	capital expenditure
	operating

corporate goal













strategic goals

- a lively local culture
- an economically successful community
- sensitive environments and development






































strategic objectives

- community involvement
- diverse culture
- active centre
- mixed-use development
- Linear Park
- sensitive development
- connections

6 funded projects, programs and activities

item no*	project	cost (\$)	rationale	goal/objective
marketing & communications				
12	civic & community centre: <i>Why do business in the CBD when you can come to Town?</i>	10,000	develop a prospectus for the Civic and Community Centre promoting it as a venue for conferences and industry events to generate revenue for Council	
13	mayor's forums	5,000	to present two free public forums a year on topics of community interest to encourage community participation and involvement in local events.	
14	website design upgrade	20,000	to ensure the website is an effective communication and promotional tool which enables ratepayers to quickly locate the information and services they require website has not had a significant upgrade for at least 10 years	
15	launch of the National Broadband Network: community event	5,000	to encourage, educate and support residents, traders and visitors on how to get connected to the NBN and its benefits with a community event in September 2015	
16	community survey: develop and implement a customer satisfaction survey	40,000	to assess current customer satisfaction and awareness of Council services survey includes a customer journey mapping tool which documents the customer experience from start to finish findings of the survey will be used to inform Council on a variety of issues	
corporate services				
17	synergy generated cash flow statement, uniform presentation of finances, key financial indicators	12,000	to ensure transparency by introducing an automated system that minimises human error/intervention in line with Council's internal control processes	
18	internal audits	20,000	to ensure effective, internal controls as outlined in the <i>Local Government better practice model</i>	
19	hacking insurance	15,000	to ensure financial compensation in the case of systems being hacked	
20	WHS training	25,530	mandatory training	
21	HR expenses	30,000	shared services with Burnside Council	

*does not denote priority

item no*	project	cost (\$)	rationale	goal/objective
planning & infrastructure				
22	capital works program: kerb and gutter, road reseal, stormwater and footpath upgrade – combined total	319,263	that Council assets are upgraded as per the <i>Asset management plan</i> and to maintain an appropriate asset sustainability ratio	 
23	<i>Movement action plan</i> items year 1 (projects to be spread over the next 3 years – average)	287,600	to implement the Council endorsed priorities from the <i>Movement action plan</i>	 
24	DPA (general planning policy reforms)	60,000	to fund <i>Development plan amendments</i> as required by State Government	 
25	traffic study	50,000	to undertake a whole of township traffic study in line with Council's resolution from January 2015	 
26	Walkerville town hall: disability access	60,000	to enable direct external disability access into the Town Hall and ensure DDA compliance	 
27	banner posts (Walkerville Terrace) & banners	40,000	current banners are retrofitted to the street lights and require upgrading a new system will improve appearance of Walkerville Terrace and extend the life of banners	  
28	Robe Terrace irrigation / planting	40,000	improve the amenity and beautification of this area	 
29	additional depot staff (wage)	70,000	to provide a greater level of service to the public realm	
30	levi park sewer upgrade	180,000	the current earthenware infrastructure is at the end of its life and has an ever increasing maintenance cost due to its age and durability	 
31	walkerville oval (turf) upgrade**	110,000	to improve oval condition and maintenance	 
32	depot plant (hydro ladder walker & 2 trailers)	110,000	the current equipment is at the end of its working life and has an increasing maintenance cost	
33	gilberton swing bridge	270,000	this project is a joint venture with Norwood, Payneham and St Peters and addresses maintenance, safety and DDA issues with the bridge	  
34	special infrastructure / open space projects	50,000	to cover additional projects or initiatives that have not been identified or anticipated by elected members	  
35	levi park cabins upgrades	20,000	to improve facilities and promote future returns on Council owned assets	  
36	kindy upgrades	20,000	to improve facilities and promote future returns on Council owned assets	    
37	WSUD kerb inlets	5,000	trial to reduce water use and tree damage on infrastructure (ie trees searching for water lifting roads and kerbs)	 

** Plus \$50,000 carried forward (see page 28)

6 funded projects, programs and activities: capital budget carried forward from 2014-15

item no	category	program description	job description	carry forward
38	structures	reserves infrastructure program	open space upgrades	\$225,000
39	stormwater and infrastructure	transport program: reconstruction	The Avenue (001) from Robe Terrace to Herbert Street	\$410,000
40	stormwater and infrastructure	transport program	<i>Movement action plan</i> projects	\$54,200
41	irrigation infrastructure	irrigation renewal program	Walkerville Oval irrigation upgrade	\$50,000
42	infrastructure	parks, gardens and reserves	Levi Park drain replacement	\$15,530
43	corporate services	IT	pc replacement	\$68,000
capital budget carried forward from 2014-15				\$822,730





7

budgeted financial statements

financials ABP 2015-16

budgeted income statement	2014-15 BR3	2015-16 Budget
income	\$('000)	\$('000)
rates revenue	7,097	7,552
statutory charges	167	168
user charges	520	545
grants, subsidies & contributions	298	352
investment income	85	80
reimbursements	21	22
other income	117	28
net gain: equity accounted council businesses	32	1
total revenues	8,338	8,746
expenses		
employee costs*	2,602	2,906
materials, contracts & other expenses	4,017	3,679
finance costs	417	360
depreciation, amortisation & impairment	2,120	2,232
net loss: equity accounted council businesses	87	2
total expenses	9,243	9,179
operating surplus/(deficit) before capital amounts	(905)	(433)
asset disposal & fair value adjustments	190	0
infrastructure, property, plant & equipment received FOC	500	0
net surplus/(deficit)	(215)	(433)
other comprehensive income		
changes in revaluation surplus	1,000	0
total other comprehensive income	1,000	0
total comprehensive income	785	(433)

* Refers to staff wages increase based on an average of 1.1% in line with CPI and includes Workcover, sick and accident insurance, superannuation and other employee related costs.

budgeted balance sheet	2014-15 BR3	2015-16 Budget
assets: current	\$('000)	\$('000)
cash & cash equivalents	1,757	930
ERA funds		
trade & other receivables	335	378
inventories	0	0
total current assets	2,092	1,308
assets: non-current		
financial assets	148	131
equity accounted investments in council businesses	73	74
infrastructure, property, plant & equipment	109,081	109,557
other non-current assets	57	0
total non-current assets	109,360	109,762
total assets	111,451	111,070
liabilities: current		
trade & other payables	1,393	2,411
borrowings: current	858	858
provisions	350	297
total current liabilities	2,601	3,566
liabilities: non-current		
borrowings: non current	7,597	6,682
provisions	80	80
liability: equity accounted council businesses	540	542
total non-current liabilities	8,217	7,304
total liabilities	10,818	10,871
net assets	100,633	100,199
equity		
accumulated surplus	30,723	30,537
asset revaluation reserve	69,663	69,663
open space strategy reserve	247	0
other reserves	0	0
total equity	100,633	100,199

7 budgeted financial statements

budgeted cash flow	2014-15 BR3	2015-16 Budget
cash flows from operating activities	\$('000)	\$('000)
receipts		
operating receipts	8,200	8,533
investment receipts	219	67
payments		
operating payments to suppliers and employees (salaries)	(6,534)	(6,255)
finance payments	(412)	(355)
net cash provided by (or used in) operating activities	1,473	1,989
cash flows from investing activities		
receipts		
sale of replaced assets	190	0
repayments of loans by community groups	17	18
payments		
expenditure on renewal/replacement of assets	(1,280)	(1,666)
expenditure on new/upgraded assets	(32)	(309)
net cash provided by (or used in) investing activities	(1,105)	(1,958)
cash flows from financing activities		
payments		
repayments of borrowings	(600)	(858)
net cash provided by (or used in) financing activities	(600)	(858)
net increase/(decrease) in cash held	(233)	(826)
cash & cash equivalents at beginning of period	1,989	1,756
cash & cash equivalents at end of period	1,756	930

budgeted statement of changes in equity	2014-15 BR3	2015-16 Budget
accumulated surplus	\$('000)	\$('000)
balance at end of previous reporting period	30,939	30,724
net surplus/(deficit)	(215)	(433)
transfers to other reserves	0	0
transfers from other reserves	0	247
balance at end of period	30,724	30,538
asset revaluation reserve		
balance at end of previous reporting period	68,663	69,663
gain on revaluation of infrastructure, property, plant & equipment	1,000	0
transfer to accumulated surplus on sale of property, plant & equipment	0	0
balance at end of period	69,663	69,663
other reserves		
balance at end of previous reporting period	247	247
transfers from accumulated surplus	0	0
transfers to accumulated surplus	0	(247)
balance at end of period	247	0
total equity at end of reporting period	100,633	100,199

7 budgeted financial statements

uniform presentation of finances	2014-15 BR3	2015-16 Budget
	\$('000)	\$('000)
operating revenues	8,338	8,746
less operating expenses	9,243	9,179
operating surplus/(deficit) before capital amounts	(905)	(433)
<i>less: net outlays on existing assets</i>		
capital expenditure on renewal/replacement of existing assets	1,600	2,167
less depreciation, amortisation & impairment	2,120	2,232
less proceeds from sale of replaced assets	190	0
	(710)	(65)
<i>less: net outlays on new and upgraded assets</i>		
capital expenditure on new/upgraded assets	40	485
less amounts specifically for new/upgraded assets	0	0
less proceeds from sale of surplus assets	0	0
	40	485
net lending /(borrowing) for financial year	(235)	(853)
key financial indicators		
operating surplus ratio: %	-13%	-6%
net financial liabilities ratio: %	103%	108%
asset sustainability ratio: %	75%	82%

