



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

In preparing this *Annual Business Plan*, we recognise the many generations of stewardship the Kurna people have provided to this land, and respect that their cultural heritage and beliefs are as important today as they were for their ancestors.

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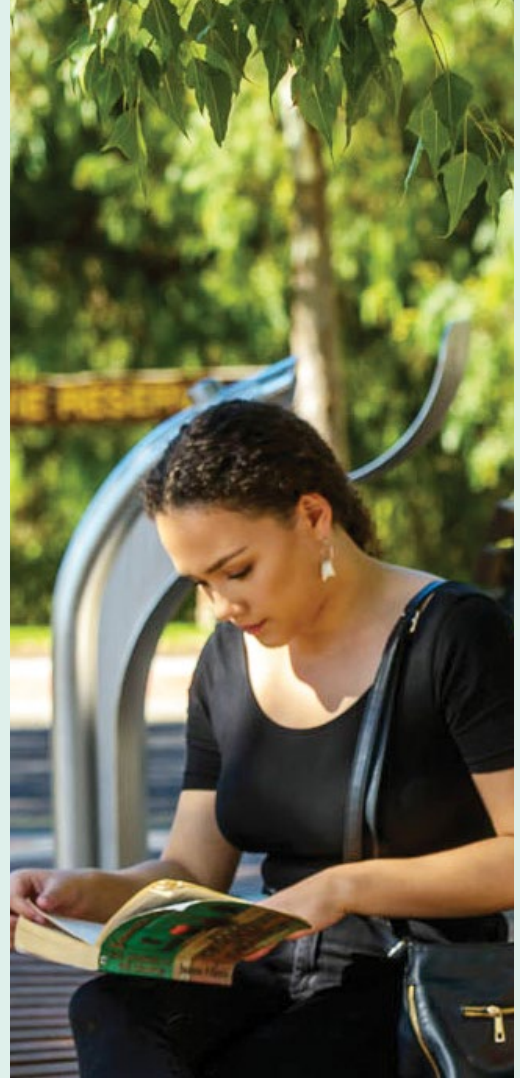
**walkerville.sa.gov.au**

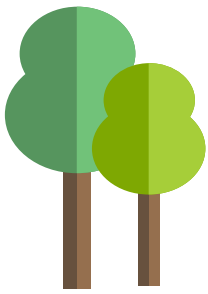
 **@walkerville5081**

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 **@TownOfWalkerville**

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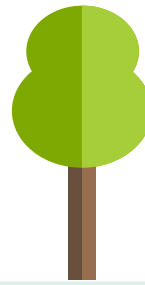


# 2020/21 annual business plan

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# 1 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 residential and non-residential ratepayers.

## Growth

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

## 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 the Regional Landscape Levy).
2. **Net financial liabilities ratio**  
This ratio demonstrates the relative size of Council's net financial liabilities against total operating income.
3. **Asset renewal funding ratio**  
The asset renewal funding 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 (CV)

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 of its various sources of funding including rates revenue (net of all rebates), fees 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.

# 2 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*.

**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.

## our town

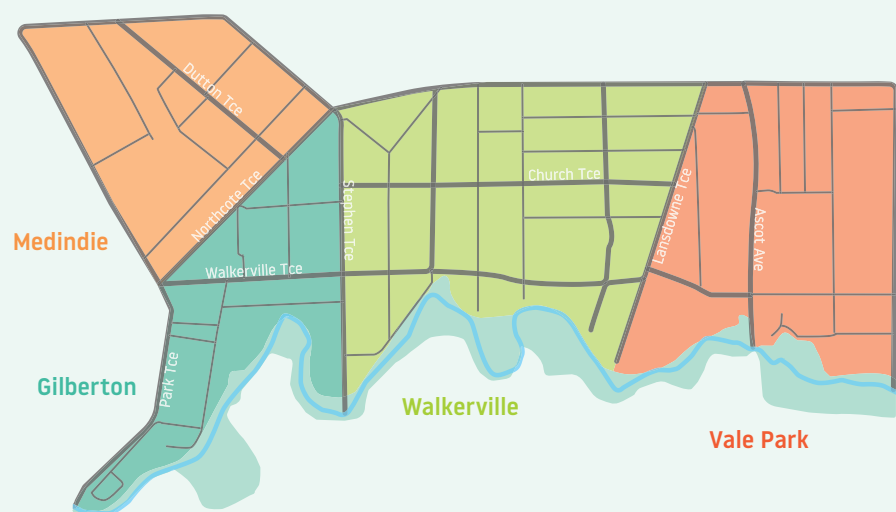
The Town of Walkerville encompasses the suburbs of Gilberton, Medindie, Vale Park and Walkerville and is located immediately north-east of the city of Adelaide, about six kilometres from the Adelaide GPO.

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

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

**Its street boundaries are:**

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



# 3 message from the Mayor

## Welcome to the Town of Walkerville's 2020/21 Annual Business Plan



2019/20 has been a rollercoaster. Australians have faced the flow-on effects from some of the worst bushfires in history followed by the outbreak of the COVID-19 pandemic. Along with our neighbouring Councils, the rest of the state and local government across the country, the test of this new financial year is moving past the impact that coronavirus has had on the health and living pressures of our residents and businesses. As a result, the 2020/21 budget aims to play a critical role in the Township's recovery, prioritising the wellbeing and economic recovery of our community. This means a substantial change to the way we think about budgeting in the future – not only for 2020/21, but also how the considerable decisions we make this year will impact the succeeding years.

Under Section 123 of the *Local Government Act 1999*, Council is required to have a budget for each financial year. The budget must be considered as part of Council's *Annual Business Plan*, which describes in detail how we are going to achieve our goals using our available funds. This year, our plans have been adapted to consider the impacts of COVID-19. We have had to think, rethink, reconsider and debate our options in great detail to decipher how we not only keep rates low for our residents and businesses, but also how to generate enough funding to ensure projects go ahead and we stimulate the economy and fuel re-employment. Elected Members had to weigh up several opportunities and make tough decisions. I believe having a

focus on capital works as part of our *Asset Management Plan*, while deferring non-essential operational projects, was the right way forward.

Council has adopted an average residential rate increase of 1.85% (including growth) and an operating surplus of approximately \$15,000. To reach this outcome, we have taken into careful consideration which projects and developments are necessary and which can be deferred without major consequence. We have made the difficult decision to forego the Christmas Fair (\$47,000 saving) and several other events and operating projects. In addition, we have frozen staff wage increases and deferred the fulfilment of existing staff vacancies for six months, saving more than \$150,000. A substantial factor in forming the budget was the financial impact of COVID-19 on Council's other commercial revenue sources, along with our commitment to supporting community tenants, businesses, residents and ratepayers during this time.

We are excited about our major projects including the upgrade of Warwick Street with a new footpath, picket fence and pedestrian crossing near the primary school, along with an upgrade of our much-loved Hamilton Reserve and funding for the St Andrew's Church bell restoration project. These are projects that have been discussed for some time and to have been able to save for,

plan and progress them now is very rewarding. We will also be delivering more than \$1.8 million in total renewal and new capital works for roads, footpaths, traffic plans and stormwater management, with more than \$860,000 to be spent on new infrastructure and assets. Our capital works program will not only continue to maintain our Township's liveability, but will help promote economic activity and job creation.

### Projects for this year's budget include:

- \$668,700 for open space projects, including the Hamilton Reserve upgrade;
- \$193,000 for the Warwick Street project;
- \$25,000 for a contribution towards the cost of St Andrew's Church bell restoration project;
- \$25,000 for Willow Bend and Levi Park tennis courts landscaping and surrounds;
- \$20,000 for the implementation of traffic plans.

In developing this budget, Council has carefully considered the objectives and desired outcomes outlined in its 2020-2024 Strategic Community Plan, which was endorsed on 18 May 2020. This plan aims to build a resilient Township for future generations by focussing on seven key pillars – including public infrastructure, safety and open space – which are reflected throughout the *Annual Business Plan*. With a new plan, comes a new vision for the Township – and this budget feeds off of these new aspirations, which was guided





by you in the 2019 community satisfaction survey. The Strategic Community Plan is about recognising the enormous potential of a small village in creating identity for our residents and businesses. A thriving community that works together is dynamic, and is growing and changing all the time – and that is exactly what this budget aims to foster.

When planning the 2020/21 budget, we needed to be innovative with our spending in order to show compassion to our community, while still progressing the fundamental projects a Council is responsible for. We needed to be prudent with our operational budget. We needed to be very careful on what we were planning on doing in 2020/21, while considering how our decisions would impact subsequent years. We needed to be prepared to help those who needed it, while improving the locality of the area. I believe the budget meets all of this criteria and presents a balanced yet effective outcome.

I wish to assure you that my fellow Elected Members and I have given extensive thought and interrogation to the projects going forward, along with our decision for a modest rate increase. Looking at the budget as a whole, we have managed to keep rates lower than anticipated and push major projects across the line. While other planned developments have been put on hold, and we retain a responsible level of debt, we have a plan that allows these to progress in the future while managing funds through our *Financial Guiding Principles*.

### The 2020/21 Annual Business Plan is forecasting:

- An average residential rate increase of **1.85% (including growth)**
- Total income of **\$10,212,207**
- Total expenditure of **\$10,196,985**
- Total expenditure allocated to capital works (the renewal of existing infrastructure, along with new projects, within the Township) of **\$2,738,000**
- A budgeted operating surplus of **\$15,224**

Elizabeth Fricker



Mayor of the Town of Walkerville

## key projects



Open space projects

**\$668,700**



Warwick Street project

**\$193,000**



St Andrew's Church bell restoration project contribution

**\$25,000**



Willow Bend and Levi Park tennis courts landscaping and surrounds

**\$25,000**



Implementation of traffic plans

**\$20,000**

## 4 message from the CEO

The *2020/21 Annual Business Plan* is the result of in depth interrogation of the financial state of the Council.



It is not only a snapshot of the coming financial year, it is also a reflection of the realities of the financial year just passed and the greatest health pandemic in our recent history – COVID-19.

As an organisation, we have taken into consideration the impacts of coronavirus on our community and the need to reinvigorate the Township.

Council has been deeply saddened by local businesses having to close, people losing their jobs and the consequent effects on community wellbeing.

In 2020/21, the focus is on our capital works program, to promote economic stimulation and to continue with the advancement of our district.

Across the Town of Walkerville, we will be investing in open space projects, upgrading Warwick Street and improving safety through the implementation of traffic plans.

**We have also ensured that our business plan aligns with the framework of our new 2020-2024 Living in the Town of Walkerville: a strategic community plan:**

- **Vision:** A liveable, cohesive, safe, active and sustainable township;
- **Mission:** We will provide services that are affordable, equitable and sustainable;
- **Values:** We are fair and ethical in our decision making.

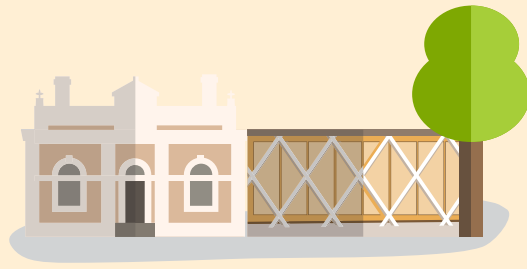
This year, we are comfortable doing more with less. We are the smallest Council in metropolitan Adelaide and yet are one of the City's biggest collaborators. We have been innovative during the pandemic, completing projects, engaging with the community and moving online with a number of our programs.

I am proud of our creativity and the way we have delivered our services and activities despite COVID-19. We have had to cancel, defer and abandon some events and projects, but rather than leave a void in their place, we were one of the first Councils in the state to move these online.

Recognising that the budget is tight, we have made the decision, nonetheless, to ensure we deliver the essentials.







Administration willingly accepted my decision to freeze all staff wages and to put a hold on hiring until 1 January 2021, in order to save more than \$150,000 for our community. This move was not instigated by the Council itself and for that, I wish to say a heartfelt thank you to my staff.

My greatest level of gratitude goes out to the people behind this organisation. The fact that I received not one ounce of backlash when proposing the idea, says a lot about the people who work for Walkerville. These people are experts in their fields, they are motivated and they are enthusiastic. They also have a high level of compassion and dedication to the community they serve – and I believe this shines through in our budget.

### **We were committed and prepared to make sacrifices.**

We were still able to deliver a budget and average residential rate increase lower than recommended by our *Guiding Financial Principles*. I'm comfortable with the 1.85% average residential rate increase, which we must acknowledge is inclusive of 0.61% growth.

Although the decision was made to cull some projects and events, including the Christmas Fair, I believe this was the best outcome, in order to deliver the budget we have before us, particularly in light of the unpredictable climate.

**Ultimately, I believe we have the balance – and the budget – right.**

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

I look forward, with optimism and determination, to this coming financial year.

**Kiki Cristol**

**Chief Executive Officer**

### **Vision**

A liveable, cohesive, safe, active and sustainable township.

### **Values**

We are fair and ethical in our decision making.

### **Mission**

We will provide services that are affordable, equitable and sustainable.

# 5 council's strategic framework



## 2020–2024

# Living in the Town of Walkerville: a strategic community plan

### The 2020–2024 Strategic Plan sets out the direction and aspirations of Council.

Driving strong policy, creating sustainability, securing the wellbeing for all and delivering outcomes in the Town of Walkerville are key tactics which formulate the overarching strategy. This plan provides a framework for decisions about infrastructure investment, assets, community and corporate services. The basis behind this vision is to build a resilient Township for future generations. This plan grew out of the *2016-2020 Living in the Town of Walkerville: a strategic community plan*.

### Vision

a liveable, cohesive, safe, active and sustainable township

### Values

we are fair and ethical in our decision making

### Mission

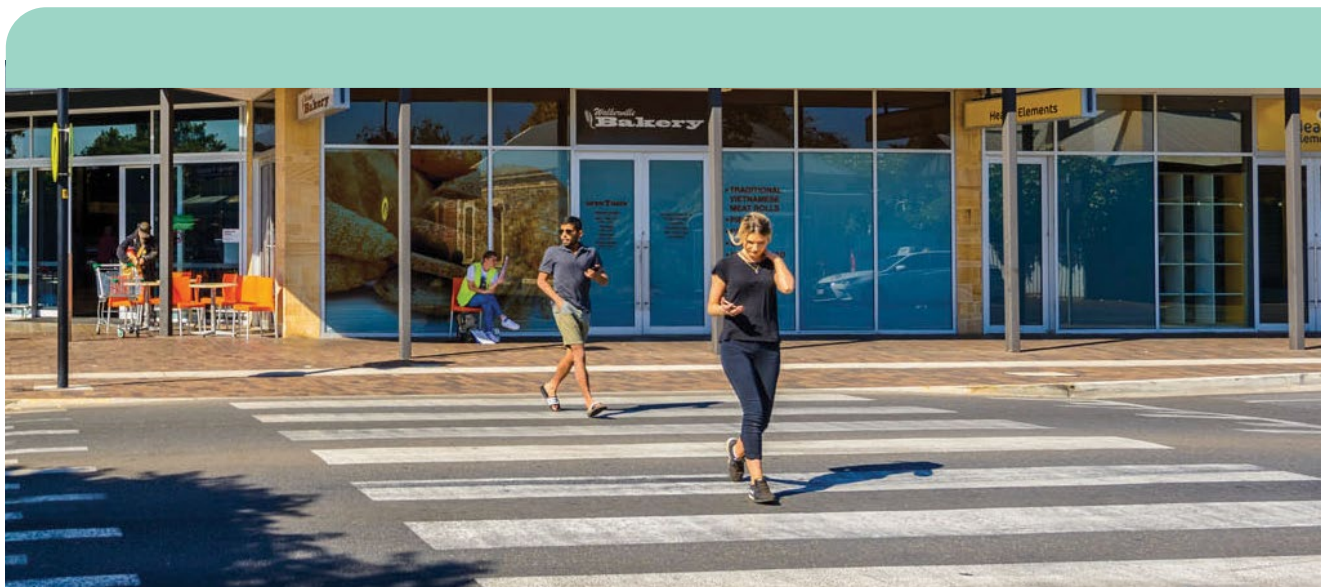
we will provide services that are affordable, equitable and sustainable

### Seven key pillars

Future projects and budgets will be assessed on their capacity to deliver the outcomes in the plan, as well as for how they align to the objectives of the seven key pillars:

- Places and spaces:** create useable open space facilities that meet community needs and promote physical activity
- Safety:** support the provision of a safe and supportive social environment that contributes to people and families feeling safe
- Mobility and movement:** provide easy traffic and pedestrian movement throughout the town
- Assets:** continue to provide for and maintain a good standard of assets and public infrastructure
- Heritage:** protect and maintain the unique history of the township and its buildings
- Economy:** create the means to enable economic diversity and encourage business opportunities
- Leadership:** a responsible and influential local government organisation

This plan was adopted on 18 May 2020 as per resolution CNC382/19-20.



# 6 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
- 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
- increase to Solid Waste Levy
- increase to gate fees associated with recyclables



## rating policy

In setting Council's rates for the 2020/21 financial year, Council has considered the following:

- Impacts from the COVID-19 pandemic;
- Adhering to Council's financial guiding principles;
- Achieving the goals and objectives outlined in 2020-2024 Living in the Town of Walkerville: a strategic community plan, adopted by Council in May 2020. 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 legislation;
- 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 and reserves and public buildings;
  - The development of a community service program based on community needs;
  - The current economic climate.

Ratepayers who are experiencing financial difficulties and who are unable to make payments by the due date, should contact the Customer Experience Team or Council's Rates Officer at the earliest opportunity to apply for a revised instalment payment scheme that fits their particular circumstances. Applications made after the amounts have fallen into arrears may, in some circumstances, be approved; however, such late applications will normally result in fines and interest being incurred in accordance with the requirements of the *Local Government Act 1999*. Payment of all rates, fines, interest and costs will not, in the absence of exceptional circumstances, be postponed beyond 30 June in the fiscal year in which they were incurred.

## council and the office of the valuer-general

All land within the Council area, except for land specifically exempt (e.g. Crown Land and Council-owned land), is considered subject to rates.

Council does not 'decide' on the valuation of properties within the Town of Walkerville. Valuations are provided by Valuer-General (State Government). Historically, the Valuer-General's office provided revaluations only on a portion of properties. This practice has now changed. As part of the State Government's *Revaluation initiative project*, beginning in 2018/19 all properties in the Township have been revalued and Council's budget process has been modified accordingly to reflect changes in valuations across all properties.

Refer to pages 12 and 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 can be forwarded to:**

State Valuation Office, 101 Grenfell Street, Adelaide SA 5000.  
Phone: **1300 653 345** or email: [OVGO objections@sa.gov.au](mailto:OVGO objections@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 **\$8,850,853** in property rates (including rates rebates and excluding the Regional Landscape Levy for the 2020/21 financial year).

**Total budgeted  
revenue raised  
from properties  
(excluding the Regional  
Landscape Levy):**

**\$8,850,853**



## regional landscape levy

The Regional Landscape Levy (formally the NRM Levy) is collected by the Council on behalf of the State Government. Rates figures presented in this report are exclusive of the Regional Landscape Levy unless otherwise stated.

## 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 2020/21:

**Residential** (\$ 0.0023010

**Non-residential** (\$ 0.0037966

Note: The 'rates in the dollar' presented are subject to amendment based on the final property valuations for the township prepared by the Valuer-General as at 30 June 2020.

## 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: \$1,215

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 **\$528,031**.

The minimum rate will affect approximately 28.7% 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.

## Capital value and rates 2018-2021

capital value differential rate	2018/19 0.0023456	2019/20 0.0022738	2020/21 0.0023	variance	variance
\$600,000	\$1,407	\$1,364	\$1,380	\$16	1.2%
\$750,000	\$1,759	\$1,705	\$1,725	\$20	1.2%
\$1,000,000	\$2,346	\$2,274	\$2,300	\$26	1.2%
\$1,250,000	\$2,932	\$2,842	\$2,875	\$33	1.2%



### Valuations

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

If your property was valued at **\$600,000** in 2019/20 and does not increase in 2020/21, your rates will increase by **\$16** in 2020/21.

If your property was valued at **\$1,000,000** in 2019/20 and does not increase in 2020/21, your rates will increase by **\$26** in 2020/21.





## payment of rates

The Council has determined that the payment of all rates can be either by full payment – due and payable by the 18 September 2020 – or by quarterly instalments due and payable on the following dates:

- 1st payment:** 18 September 2020
- 2nd payment:** 18 December 2020
- 3rd payment:** 18 March 2021
- 4th payment:** 18 June 2021

### 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 the Civic and Community Centre
- 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 1999* 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 1999* 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, starting from the oldest account.

## postponement of rates

### Seniors

Ratepayers who have a 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 1999* 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:  
[www.walkerville.sa.gov.au/services/applicationforms](http://www.walkerville.sa.gov.au/services/applicationforms)

### Rates based on your property value

CV Range	all assessments	percentage of residential properties	
up to \$500,000	1,275	1,057	28.5%
\$500,000 – \$750,000	907	862	23.3%
\$750,000 – \$1,000,000	689	657	17.7%
\$1,000,000 – \$1,250,000	456	448	12.1%
\$1,250,000+	713	679	18.3%
	<b>4,040</b>	<b>3,703</b>	

## 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 [www.sa.gov.au/concessions](http://www.sa.gov.au/concessions).

### Regional Landscape Levy (RLL)

Council collects a Regional Landscape Levy (previously known as the Natural Resources Management Levy) on behalf of the State Government. The Landscape Board sets the levy, which helps to fund the operations of regional landscape boards which have responsibility for the management of the State's natural resources. These responsibilities include regional landscape planning, water allocation planning, community capacity building, education and compliance activities. The RLL for 2020/21 is \$332,652 (2019/20: \$323,740).

For further information regarding this levy, or the work the levy supports, please visit [www.landscape.sa.gov.au](http://www.landscape.sa.gov.au).

### Statutory rebate of rates

The *Local Government Act 1999* 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 service charges or rates in certain circumstances, as per Section 166 of the *Local Government Act 1999*.

The Council has an absolute discretion to:

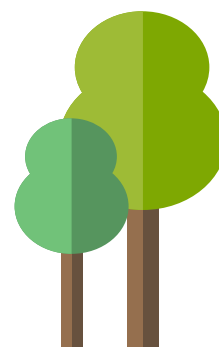
- grant a rebate of rates or service charges as per the *Local Government Act 1999*
- determine the amount of any such rebate.

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

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

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

The *Local Government Act 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.



statutory rebates of rates	2018/19	2019/20	2020/21
100% Religious	\$24,620	\$24,967	\$21,992
75% Community Services	\$51,001	\$51,896	\$52,853
75% Education	\$169,962	\$171,445	\$173,422
	<b>\$245,583</b>	<b>\$248,308</b>	<b>\$248,267</b>

# 7 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 **86.7%** 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
- 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 contractual requirements, performance reviews and incremental increases. Depreciation is adjusted subsequent to additions, disposals and revaluations as appropriate.

## fees and charges

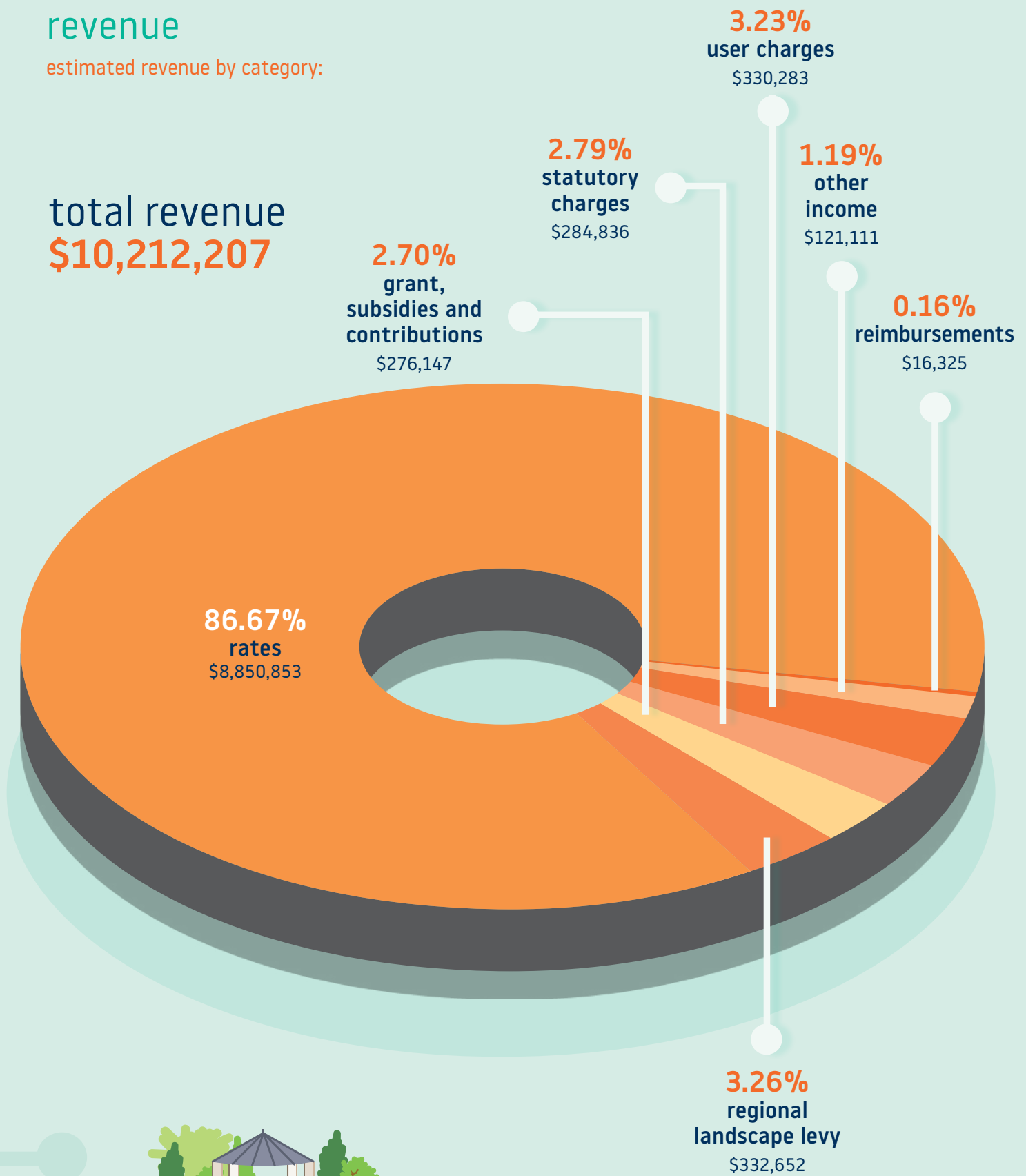
Council sets and reviews its fees and charges pursuant to Section 188 of the *Local Government Act 1999*. The Act states fees or charges must not exceed a reasonable estimate of the direct cost to the Council. Fees and charges are taken into account when developing the budget.



## revenue

estimated revenue by category:

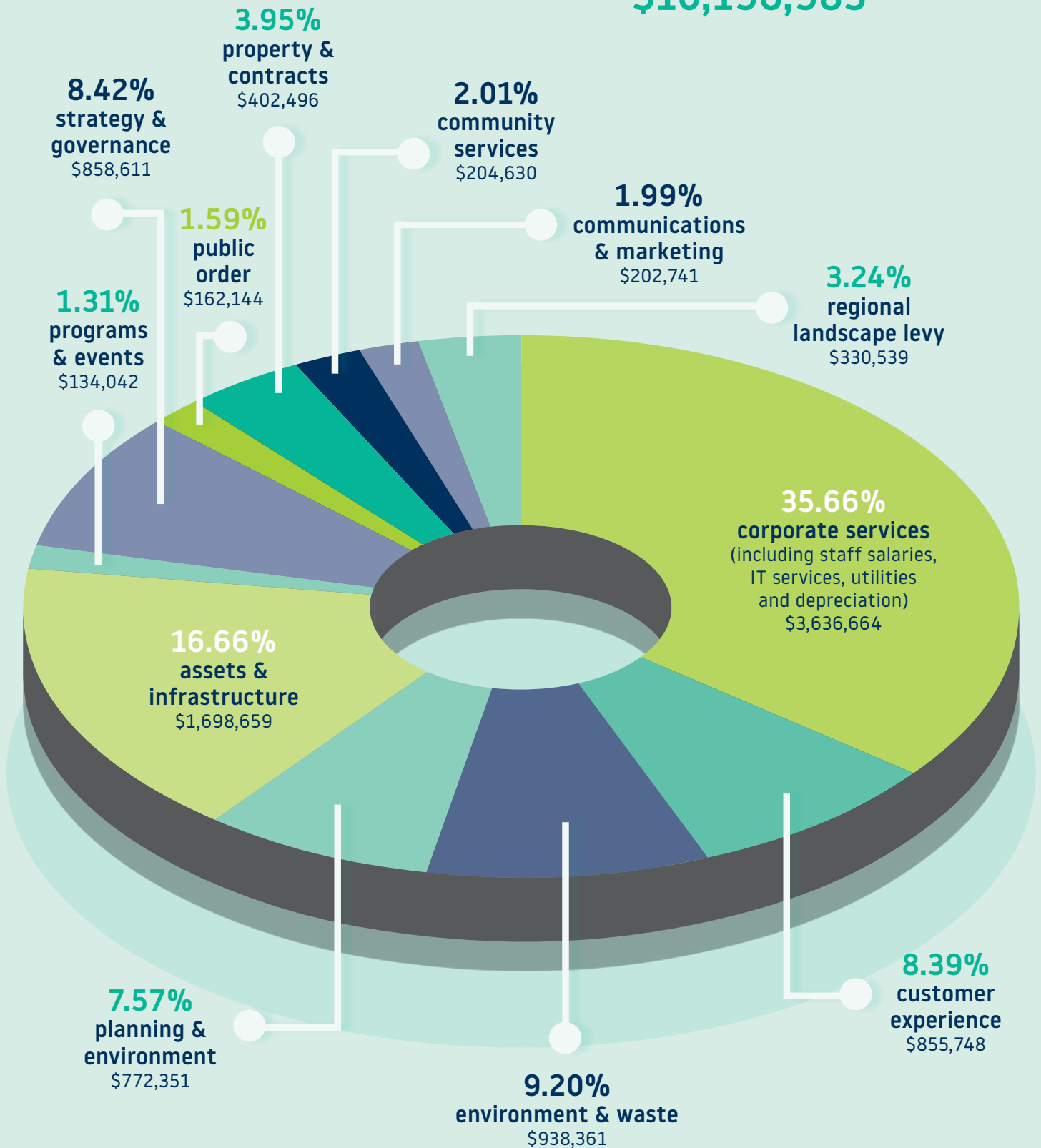
total revenue  
**\$10,212,207**



## expenditure

estimated expenditure by category:

total expenditure  
**\$10,196,985**





## 8 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 2020/21 to ensure the implementation of previous strategies and to maintain Council's focus on its organisational sustainability.

### Operating surplus ratio

The operating surplus ratio highlights the operating result as a percentage of total rate revenue (excluding Regional Landscape Levy). The Council target range is between 0-15%.

### Net financial liabilities ratio

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.

### Asset renewal funding ratio

The asset renewal funding 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*. Council's target range is between 90–110% over the next five year period.



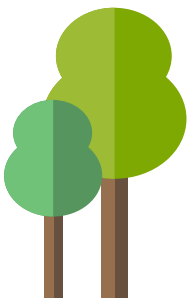
Key financial indicators 2020/21	Target range	2019/20 Budget (BR2)	2020/21 Budget
operating surplus/(deficit) ratio	0 - 15%	0.1%	0.1%
net financial liability ratio	0 - 120%	91%	85.7%
asset renewal funding ratio	90 - 110%	100%	100%



# 9 budgeted financial statements

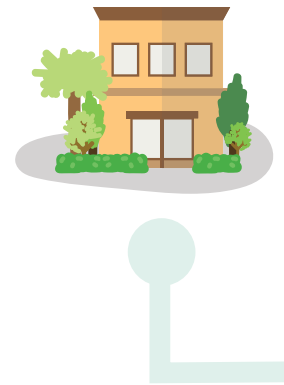
## statement of comprehensive income

income	2019-20 BR2* \$(‘000)	2020-21 \$(‘000)
net rates** revenue	9,002	9,184
statutory charges	264	285
user charges	551	330
grants, subsidies and contributions	534	276
investment income	9	0
reimbursements	18	16
other income	174	121
net gain – equity accounted Council businesses	(5)	0
<b>total revenues</b>	<b>10,547</b>	<b>10,212</b>
<b>expenses</b>		
employee costs	3,219	3,366
materials, contracts and other expenses	4,912	4,489
finance costs	250	159
depreciation, amortisation and impairment	2,142	2,182
net loss – equity accounted Council businesses	0	0
<b>total expenses</b>	<b>10,524</b>	<b>10,197</b>
<b>operating surplus/(deficit) before capital amounts</b>	<b>23</b>	<b>15</b>
asset disposal and fair value adjustments	0	0
amounts specifically for new/upgraded assets	0	0
infrastructure, property, plant and equipment received free of charge	0	0
<b>net surplus/(deficit)</b>	<b>23</b>	<b>15</b>
<b>other comprehensive income</b>		
changes in revaluation surplus		
<b>total other comprehensive income</b>	<b>0</b>	<b>0</b>
<b>total comprehensive income</b>	<b>23</b>	<b>15</b>



## statement of financial position

assets	2019–20 BR2* \$(‘000)	2020–21 \$(‘000)
<b>current assets</b>		
cash & cash equivalents	359	54
trade & other receivables	417	425
inventories	0	0
<b>total current assets</b>	<b>776</b>	<b>479</b>
<b>non-current assets</b>		
financial assets	80	80
equity accounted investments in Council business	2,782	2,782
infrastructure, property, plant & equipment	119,004	118,583
other non-current assets	0	0
<b>total non-current assets</b>	<b>121,865</b>	<b>121,444</b>
<b>total assets</b>	<b>122,641</b>	<b>121,923</b>
<b>liabilities</b>		
<b>current liabilities</b>		
trade & other payables	1,746	1,729
borrowings – current	0	0
provisions	486	505
<b>total current liabilities</b>	<b>2,233</b>	<b>2,234</b>
<b>non-current liabilities</b>		
trade & other payables	0	0
borrowings – non-current		
long term borrowings	7,525	6,686
other non-current borrowings		
provisions	65	65
liability – equity accounted Council businesses	327	327
<b>total non-current liabilities</b>	<b>7,917</b>	<b>7,078</b>
<b>total liabilities</b>	<b>10,150</b>	<b>9,312</b>
<b>net assets</b>	<b>112,491</b>	<b>112,611</b>
<b>equity</b>		
accumulated surplus	34,480	34,600
asset revaluation reserve	77,620	77,620
open space strategy reserve	220	220
other reserves	171	171
<b>total equity</b>	<b>112,491</b>	<b>112,611</b>



## budgeted cash flow statement

cash flows from operating activities	2019-20 BR2* \$('000)	2020-21 \$('000)
<b>receipts</b>		
operating receipts	10,126	10,204
investment receipts	9	0
<b>payments</b>		
operating payments to suppliers and employees	(7,277)	(7,825)
finance payments	(238)	(159)
<b>net cash provided by (or used in) operating activities</b>	<b>2,621</b>	<b>2,220</b>
cash flows from investing activities		
<b>receipts</b>		
amounts specifically for new/upgraded assets	0	0
sale of replaced assets		
net distributions received from equity accounted business		
repayments of loans by community groups	0	0
<b>payments</b>		
expenditure on renewal/replacement of assets	(2,169)	(1,877)
expenditure on new/upgraded assets	(1,523)	(861)
<b>net cash provided by (or used in) investing activities</b>	<b>(3,692)</b>	<b>(2,738)</b>
cash flows from financing activities		
<b>receipts</b>		
proceeds from borrowings	0	0
long term borrowings	1,100	250
other new borrowings	0	0
<b>payments</b>		
repayments of other borrowings	0	0
repayments of borrowings	0	0
<b>net cash provided by (or used in) financing activities</b>	<b>1,100</b>	<b>250</b>
<b>net increase/(decrease) in cash held</b>	<b>29</b>	<b>(305)</b>
<b>cash &amp; cash equivalents at beginning of period</b>	<b>330</b>	<b>359</b>
<b>cash &amp; cash equivalents at end of period</b>	<b>359</b>	<b>54</b>

\* Budget review 2 (not audited)



## budgeted statement of changes in equity

accumulated surplus	2019–20 BR2* \$(‘000)	2020–21 \$(‘000)
balance at end of previous reporting period	34,465	34,585
net surplus/(deficit)	15	15
transfers to other reserves	0	0
transfers from other reserves	0	0
<b>balance at end of period</b>	<b>34,480</b>	<b>34,600</b>
<b>asset revaluation reserve</b>		
balance at end of previous reporting period	77,620	77,620
gain on revaluation on infrastructure, property, plant & equipment	0	0
transfer to accumulated surplus on sale of property, plant & equipment	0	0
<b>balance at end of period</b>	<b>77,620</b>	<b>77,620</b>
<b>other reserves</b>		
balance at end of previous reporting period	391	391
transfers from accumulated surplus	0	0
transfers to accumulated surplus	0	0
<b>balance at end of period</b>	<b>391</b>	<b>391</b>
<b>total equity at end of reporting period</b>	<b>112,491</b>	<b>112,611</b>

\* Budget review 2 (not audited)



## uniform presentation of finances

	2019-20 BR2* \$('000)	2020-21 \$('000)
operating revenues	10,215	10,212
less operating expenses	10,200	10,197
<b>operating surplus/(deficit) before capital amounts</b>	<b>15</b>	<b>15</b>
<b>less: net outlays on existing assets</b>		
capital expenditure on renewal/replacement of existing assets	1,819	1,877
less depreciation, amortisation & impairment	2,142	2,182
less proceeds from sale of replaced assets	0	0
	<b>(323)</b>	<b>(305)</b>
<b>less: net outlays on new and upgraded assets</b>		
capital expenditure on new/upgraded assets	1,523	861
less amounts specifically for new/upgraded assets	0	0
less proceeds from sale of surplus assets		
	<b>1,523</b>	<b>861</b>
<b>net lending/(borrowing) for financial year</b>	<b>(1,185)</b>	<b>(556)</b>

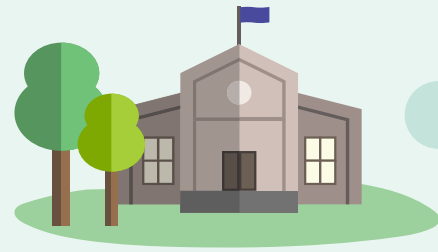
## key financial indicators

	Target range	2019-20 BR2* \$('000)	2020-21 \$('000)
operating surplus ratio – %	0 - 15%	0.1%	0.1%
net financial liabilities ratio – %	0 - 120%	91.0%	85.7%
asset renewal funding ratio – %	90 - 110%	100%	100%

\* Budget review 2 (not audited)







# 10 asset management plan

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 Management Plan* 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.

When determining the appropriate expenditure levels across various asset classes a number of factors are taken into consideration. These include: indexation based on December CPI of 2.1%, condition, age, useful life, degradation/ consumption curves, agreed levels of service and intervention markers.

infrastructure programs	2020-21 Year 1 \$('000)	2021-22 Year 2 \$('000)	2022-23 Year 3 \$('000)
infrastructure: roads & pavements & kerb	652	645	692
infrastructure: footpath	120	120	120
infrastructure: traffic control devices	104	104	104
infrastructure: building	479	256	179
infrastructure: stormwater	41	152	56
infrastructure: lighting	-	25	-
other infrastructure programs			
plant and equipment	75	35	15
open space: reserve structures (incl: playgrounds)	25	25	25
open space: irrigation	61	21	60
other			
furniture & fittings	66	52	52
IT	254	362	100
<b>total</b>	<b>1,877</b>	<b>1,797</b>	<b>1,403</b>

new capital			
Warwick Street upgrade	193	-	-
carry forward: open space	668	-	-
Walkerville Oval	-	1,500	1,500
<b>total</b>	<b>861</b>	<b>1,500</b>	<b>1,500</b>
<b>grand total</b>	<b>2,738</b>	<b>3,297</b>	<b>2,903</b>





infrastructure programs	2023-24 Year 4 \$('000)	2024-25 Year 5 \$('000)	2025-26 Year 6 \$('000)	2026-27 Year 7 \$('000)	2027-28 Year 8 \$('000)	2028-29 Year 9 \$('000)	2029-30 Year 10 \$('000)
infrastructure: roads & pavements & kerb	748	800	798	799	750	697	650
infrastructure: footpath	150	150	150	175	199	199	200
infrastructure: traffic control devices	104	104	104	104	104	104	104
infrastructure: building	64	1350	550	69	69	69	69
infrastructure: stormwater	40	40	40	142	142	142	142
infrastructure: lighting	25	-	25	-	25	-	25
<b>other infrastructure programs</b>							
plant and equipment	130	140	15	15	15	15	16
open space: reserve structures (incl: playgrounds)	25	150	25	25	25	150	25
open space: irrigation	35	40	20	25	25	25	25
<b>other</b>							
furniture & fittings	52	525	52	52	52	52	52
IT	100	100	250	350	100	100	100
<b>total</b>	<b>1,473</b>	<b>3,399</b>	<b>2,029</b>	<b>1,756</b>	<b>1,506</b>	<b>1,553</b>	<b>1,408</b>

<b>new capital</b>							
Warwick Street upgrade	-	-	-	-	-	-	-
carry forward: open space	-	-	-	-	-	-	-
Walkerville Oval	-	-	-	-	-	-	-
<b>total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>grand total</b>	<b>1,473</b>	<b>3,399</b>	<b>2,029</b>	<b>1,756</b>	<b>1,506</b>	<b>1,553</b>	<b>1,408</b>



