

2019/20 annual business plan



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

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

Town of Walkerville
66 Walkerville Terrace
Gilberton SA 5081

telephone 08 8342 7100

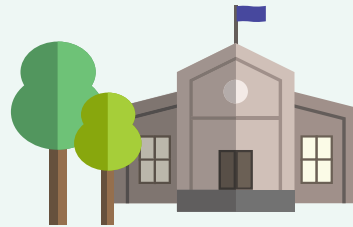
walkerville@walkerville.sa.gov.au

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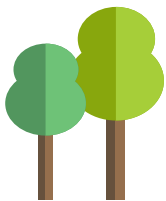
Design and production: The Set Up



2019/20

annual business plan

	USEFUL DEFINITIONS	4
1	WELCOME	5
	preamble	5
	about the Town of Walkerville	5
	from the Mayor of Walkerville	6
	from the Chief Executive Officer	8
2	COUNCIL'S STRATEGIC FRAMEWORK	10
	strategic framework	10
	<i>2016–2020 Living in the Town of Walkerville: a strategic community plan</i>	11
3	RATES	12
	where do your rates go?	12
	factors that affect rates	12
	rating policy	13
	State government concessions	16
4	MAKING IT HAPPEN	17
	how Council plans to achieve these objectives	17
	funding the plan	17
	revenue	18
5	FINANCIAL INDICATORS	20
6	FUNDED PROJECTS, PROGRAMS AND ACTIVITIES: OPERATING	22
7	BUDGETED FINANCIAL STATEMENTS	24
8	ASSET MANAGEMENT PLANS	29



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

- 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 NRM Levy).
2. **Net financial liabilities ratio**
This ratio demonstrates the relative size of Council's net financial liabilities against total operating income.
3. **Asset sustainability ratio**
The asset sustainability ratio represents the ratio of new capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in Council's *Asset management plan*.

Land use classification

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

Average residential rate

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

Average capital value

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

Total revenue

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

Operating expenditure

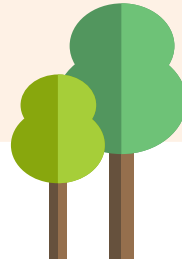
The cost related to the running of the Council, it represents the cost of consumption incurred when supplying services in the period.

Capital expenditure

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



1 welcome



preamble

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

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

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

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

The *Annual business plan* will also:

- assess the financial requirements for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue

- set out the rates structure and policies for the financial year
- assess the impact of the rates structure and policies on the community, based on modelling that has been undertaken or obtained by the Council
- take into account the Council's *Long term financial plan* and relevant issues relating to the management and development of infrastructure and major assets by the Council.

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

about the Town of Walkerville

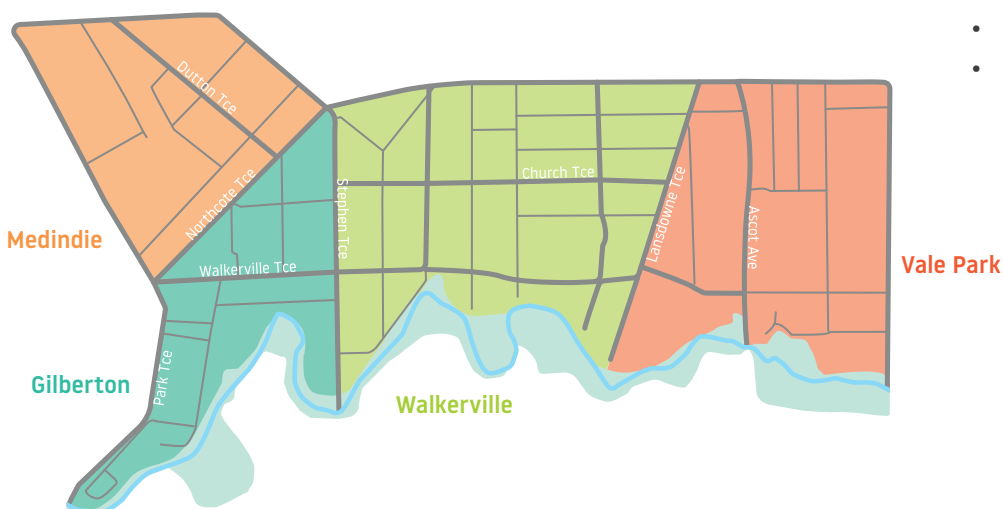
The Town of Walkerville encompasses the suburbs of Gilberton, Medindie, Vale Park and Walkerville and is located immediately north-east of the city of Adelaide, about 4 kilometres from the Adelaide GPO.

The Town of Walkerville is the smallest council in inner metropolitan Adelaide and covers a land area of 3.5km². The Township is home to almost 8000 residents and remains the only council in inner metropolitan Adelaide to have retained its 'Town' status.

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

Its street boundaries are:

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



from the Mayor of Walkerville



The 2019/20 Annual business plan represents two notable 'firsts'.

Firstly, it is the first budget developed and delivered by the new Elected Member body, who came into office following the Local Government elections in November 2018.

Secondly, it is the first budget that has been developed in line with the *Financial guiding principles* which were adopted by Council in August 2018. The *Financial guiding principles* were introduced to provide Council with a framework to achieve its financial priorities and ensure stability, affordability and efficiency (i.e. value for money).

The Financial guiding principles are intended to achieve the following outcomes for the community:

1. That the community's finances will be managed responsibly to enhance the wellbeing of residents – meaning Council only raises the revenue it needs and manages the community's 'funds' according to best practice standards.
2. That Council will maintain community 'wealth' to ensure that the 'wealth' enjoyed by today's generation may also be enjoyed by future generations. In short, that we recognise that it is Council's role to seek
3. That Council's financial position will be robust enough to recover from unanticipated events and absorb the volatility inherent in revenue and expenses. As we have seen in recent years, Council is increasingly required to make up the shortfall from unexpected weather events or changes to State and Federal funding arrangements.

Community highlights for this year's budget include:

Civic & Community Centre: Solar panels

\$80,000

Installations of solar panels for the Civic and Community Centre.

Parking, Water sensitive urban design treatments (WSUD), Traffic calming devices

\$100,000

Budget for civic works identified throughout the financial year, includes recommendations from the endorsed *Traffic Plan 2017-22*.



Walkerville Wesleyan Cemetery

\$50,000

Improved landscaping and ongoing general maintenance works.

Walkerville Sports Club

\$25,000

Seal the dirt road driveway to reduce ongoing maintenance during wetter months.



Netball & tennis courts

\$60,000

Refit the existing tennis courts adjacent to the Walkerville Oval so that they can also serve as netball courts. Install new lighting so that courts can be used at night.

Light fleet replacement

\$100,000

Three replacement vehicles for the beautification team.

Herbert St upgrade

\$416,000

Road, kerb and footpath are due for renewal (combination of bluestone and concrete kerb and asphalt footpath).

Walkerville Wesleyan Cemetery: Public consultation

\$25,000

Commission a Townwide survey to ascertain community expectations and preferences for the future of this historical site.

Public art and design strategy

\$10,000

Commission Council's first *Public art and design strategy* to encourage high quality public art in the Township.



Walkerville Wesleyan Cemetery

\$50,000

Undertake restoration of selected headstones that require immediate repair.

4. That resources will be allocated to those activities that generate community benefit – this confirms our commitment to ensuring that all financial decisions are based on transparency and are evaluated against their potential to generate the maximum benefit across the community.

In addition to the *Financial guiding principles*, Council has also been influenced by the findings of the *2019 Townwide community satisfaction survey*. The survey was formally received by the Council at the April 2019 meeting.

Through this survey, the community listed its top 3 priorities as follows:

1. having a range of public open spaces such as parks, gardens and playgrounds
2. the visual presentation of the township - tidy streets, lots of trees etc
3. ease of travelling and moving within the township whether by foot, bike or car.

In developing this budget Council has assessed the findings from the survey, as well as the goals and objectives outlined in the *2016–2020 Living in the Town of Walkerville: a strategic community plan*.

As a Councillor – a former Deputy Mayor – and now the Mayor – my priority is to present to the community a positive operating budget, which focuses on managing debt and delivering projects and services that benefit the community.

Looking at the budget as a whole we have focused on managing our debt in a responsible manner.

We do have debt, but it is both managed and manageable. Adhering to the *Financial guiding principles* ensures that Council never ‘gets in over its head’ whilst at the same time, makes it possible to invest strategically to improve assets and outcomes for the community.

Guided by our *Strategic community plan* and the *Townwide community satisfaction survey*, we have allocated funds where they can best ensure the continued vitality of the Township, quality of infrastructure, respect of heritage and a level of services and customer service that meets the needs of our community, now – and into the future.

The 2019/20 Annual business plan is forecasting:

An average residential rate increase of no more than **2.26%**

Total income of **\$10,164,723**

Total expenditure of **\$10,147,975**

Total expenditure allocated to capital works of **\$3,342,000***

An operating surplus of **\$16,748**

Elizabeth Fricker



Mayor of the Town of Walkerville



Beautification team

\$85,000

Recruit an additional field officer for the Depot operations team.



Park benches

\$30,000

Provide additional seating within the Township at key locations (including bus stops without seating).

**Civic & Community Centre:
New signage display systems**

\$15,000

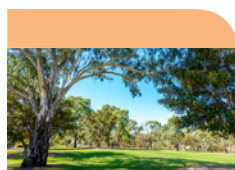
Installation of signage and display areas in the library and concierge for Council and local community groups to promote events and information.



Library ICT Upgrade

\$9,000

Software upgrade of outdated self-checking machine to ensure it is compatible with Library Management System software.



Various open space projects, including Hamilton Reserve

\$675,000*

Identify improvements and plans to enhance our high profile open spaces, including Hamilton Reserve. Proposals will be assessed by the Strategic Planning and Development Policy Committee.



Library ICT Upgrade

\$13,000

Replacement of the library security gates (too costly to repair).



Irrigation

\$40,000

Upgrade irrigation systems along verges adjacent to major reserve areas, includes minor landscaping.

* This funding allocation includes \$675,000 that was originally earmarked for the completion of the Mary P Harris/Howie Reserve Redevelopment in the 2018/19 budget. This project did not proceed as per community feedback following a period of public consultation

from the CEO of Walkerville



With the endorsement of this *2019/20 Annual business plan* (as per Council resolution CNC4/19-20), Administration now has a clear remit to proceed on delivering the range of funded projects, programs and activities outlined in this publication.

They say that timing is everything – and that certainly has been the case in bringing the *2019/20 Annual business plan* from a draft document to an endorsed plan of action.

This year, three key factors had an unprecedented impact on the budget process:

1. increase to the Solid Waste Levy
2. receipt of a Local Roads Grant
3. changes to the Valuer-General's valuations.

Whilst some of these factors were covered extensively in the media, it is worth referencing how they also played out and influenced the development of the *2019/20 Annual business plan*.

The Solid Waste Levy was introduced in 2003/04 and is a tax on waste sent to landfill. When the 2019/20 State Budget revealed a 40% increase to its Solid Waste Levy, it caught every Council off guard. Our Council was in the midst of public consultation on the draft plan and we had already notified every ratepayer by mail that a community information session would be held on Tuesday 25th June 2019. As a consequence of the State Budget, the community information session was postponed for a week so that Administration could present a series of alternative budget scenarios to the Elected Members, to assess of the increase

to the Solid Waste Levy. At that stage, it was a distinct possibility that we might need to commence the consultation process from scratch.

However, Council held a special meeting on the 27th June 2019, during which it resolved to endorse Administration's recommendation to retain the average rate increase of no more than 2.26% that had been put forward in the original draft budget.

Council was able to do this by bringing forward the following three operational projects from the 2019/20 budget and allocating them to the 2018/19 budget:

1. purchase of a library wand: \$5,000
2. replacement of old steel aluminium bins: \$22,500
3. investigation into Warwick St to consider introduction of one-way traffic, footpath widening and various traffic controls: \$20,000.

Those three projects became the second unprecedented factor in the development of the draft budget. Literally a few hours before Council met to reassess the draft budget, Administration was notified that it would receive a Local Roads Grant, in the order of a \$77,000. Incidentally, this grant had to be discharged prior to the 30 June 2019.



Fortunately, we had those three projects 'ready to go' and this 'windfall' meant that Council could retain its original forecast of an average residential rate increase of no more than 2.26%; as well as achieve a larger than expected surplus of \$16,416. As a result, the need to go out for a second round of public consultation was also averted.


Many ratepayers have been talking about valuations from the Valuer-General. As part of a pilot program, rateable properties in the Town were subject to a site valuation from the Valuer-General, as opposed to a desktop valuation. For some ratepayers, the outcome was that the capital value of their residential property increased – in some cases rather significantly. This action from the Valuer-General was not specific to the Town of Walkerville, indeed, it is in line with a State Government initiative which will result in all properties being subject to site valuation over the next five years.

We have 4014 rateable properties in the Township and 268 (including two Council owned properties and property-owners) have been notified by the Valuer-General of increases. Council does not decide on the valuation of properties. If you have an objection to the valuation referred to on your rates notice, you must notify the Valuer-General, not Council. Please refer to page 13 for more information.

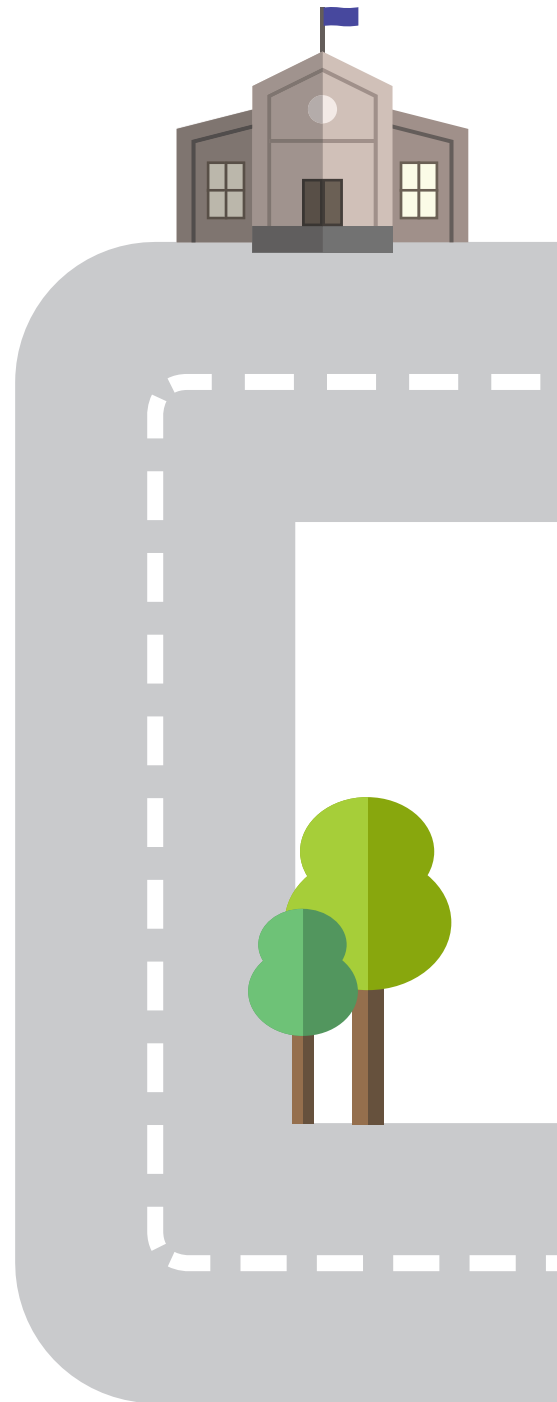
I hope this information, provides some insight and context to how this budget was developed and the journey we undertook to have it endorsed. Whilst the process was not always straightforward and some circumstances were not in our control; I believe this Council demonstrated the necessary resilience and leadership to achieve the best outcome for its community.

The outcome is that every project originally put forward in the draft budget will be delivered.

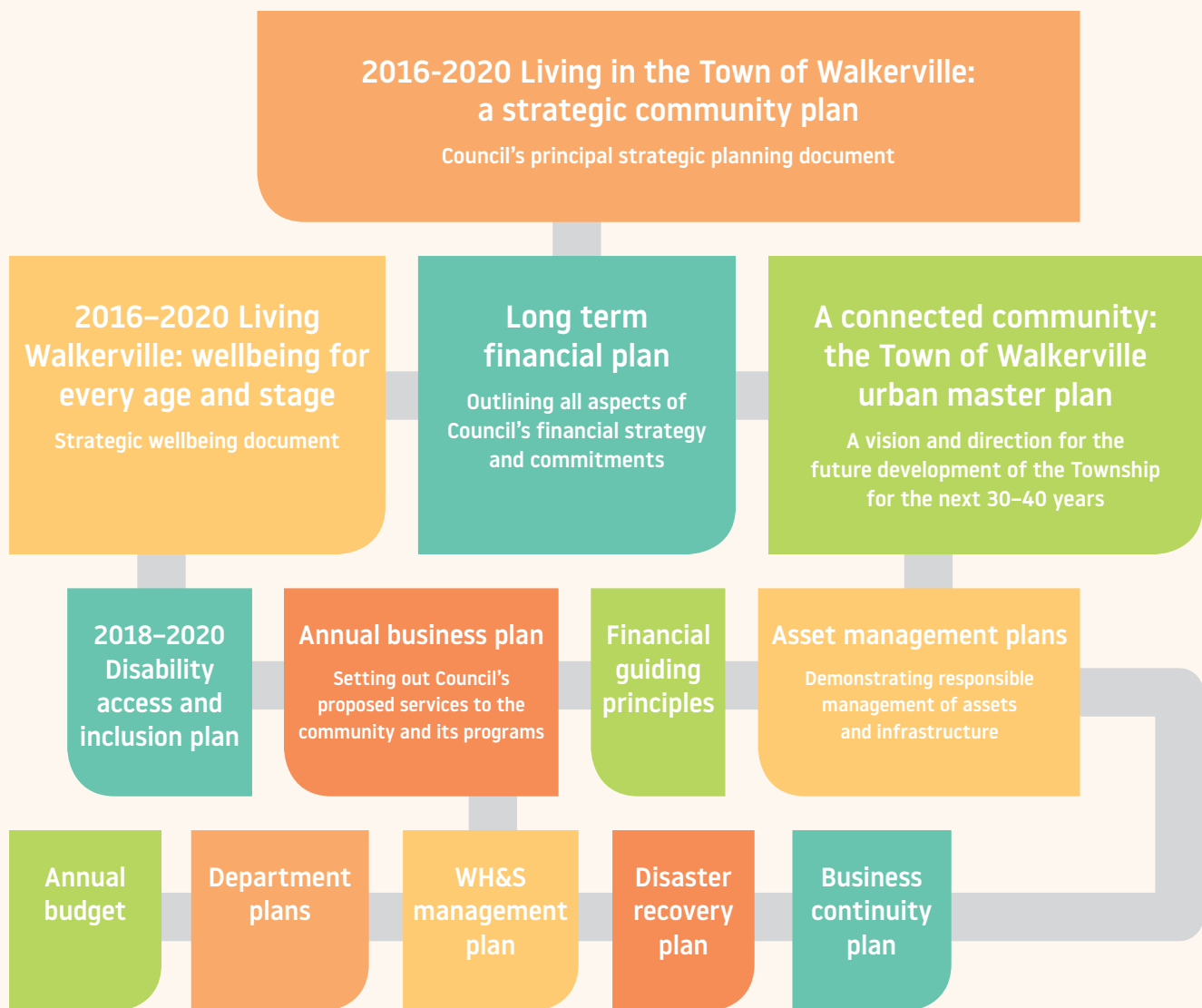
Kiki Magro



Chief Executive Officer



2 council's strategic framework



2016–2020 Living in the Town of Walkerville: a strategic community plan

Building sustainability for the Town of Walkerville is a key visionary strategy for Council and a fundamental foundation for future generations. The plan grew out of *2012–2016 Living in the Town of Walkerville: a strategic plan for the Town of Walkerville*.

Vision

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

Mission

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

Values

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

2016–2020 Living in the Town of Walkerville: a strategic community plan outlines five key focus areas:

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

Each focus area is supported by initiatives, desired outcomes and targets.

The plan was adopted in July 2016 as per resolution CNC5/16–17.



3 rates

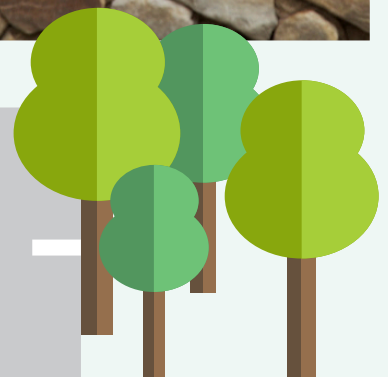


where do your rates go?

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

factors that affect rates

- cost increases due to inflation
- increase in the utilities and waste management charges
- finance costs on borrowings for major capital projects
- maintaining and renewing assets to a standard that meet community needs
- growth
- increase to Solid Waste Levy
- increase to gate fees associated with recyclables



rating policy

In setting Council's rates for the 2019/20 financial year, Council has considered the following:

- Adhering to Council's *Financial guiding principles*.
- Achieving the goals and objectives outlined in *2016-2020 Living in the Town of Walkerville: a strategic community plan*, adopted by Council in 2016. This document outlines Council's vision and direction for the future.
- The budget for the financial year and our long term financial planning.
- The financial implications of complying with the requirements of the *Local Government Act 1999* and other 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 & reserves and public buildings
 - the development of a community service program based on community needs
 - the current economic climate.

council and the office of the valuer-general

All land within the Council area, except for land specifically exempt (e.g. Crown Land and land own by the Council), 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 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 **\$8,669,567** in property rates for the 2019/20 financial year.

Total budgeted
revenue raised
from properties:

\$8,669,567

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 2019/20:

Residential (\$) 0.0022738

Non-residential (\$) 0.0037517

minimum rate

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

Minimum rate: \$1,193

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

The minimum rate will apply to properties valued less than \$524,684.

The minimum rate will affect approximately 28.6% 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 2017-20

capital value	2017/18	2018/19	2019/20		
differential rate	0.0024423	0.0023456	0.0022738	variance	variance
\$600,000	\$1,465	\$1,407	\$1,364	-\$43	-3.2%
\$750,000	\$1,832	\$1,759	\$1,705	-\$54	-3.2%
\$1,000,000	\$2,442	\$2,346	\$2,274	-\$72	-3.2%
\$1,250,000	\$3,053	\$2,932	\$2,842	-\$90	-3.2%

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

If your property was valued at **\$600,000** in 2018/19 and does not increase in 2019/20, your rates will decrease by **\$43** in 2019/20.

If your property was valued at **\$1,000,000** in 2018/19 and does not increase in 2019/20, your rates will decrease by **\$72** in 2019/20.

payment of rates

The Council has determined that the payment of all rates can be either by full payment – due and payable by the 11 September 2019 – or by quarterly instalments due and payable on the following dates:

1st payment:	11 September 2019
2nd payment:	11 December 2019
3rd payment:	11 March 2020
4th payment:	11 June 2020

Rates may be paid through:

- BPay Service
- telephone 1300 276 468 using Mastercard or Visa card
- Council's website using Mastercard or Visa card
- in person at Council offices
- via the Community information kiosk located at Woolworths Shopping Centre, Walkerville Terrace, Walkerville, 5081
- cheque, money order, cash, EFTPOS, Mastercard or Visa card facilities are available for payments (American Express and Diners Club cards are not accepted)
- post addressed to the Town of Walkerville
PO Box 55, Walkerville SA 5081
- Australia Post.

Late payment of rates

The *Local Government Act 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, in chronological order (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.

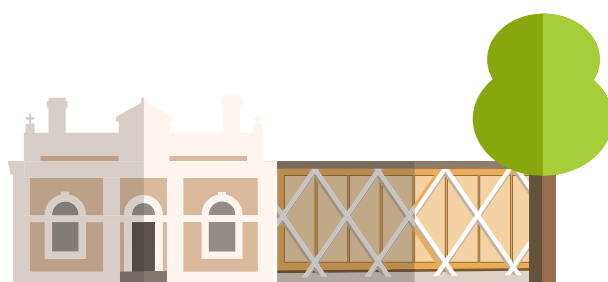
Remission and postponement of rates due to hardship

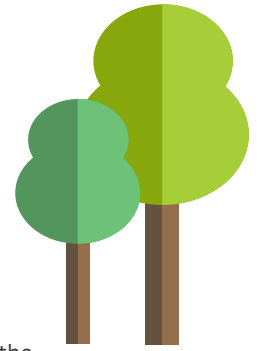
The *Local Government Act 1999* permits a Council, on the application of the ratepayer, to partially or wholly remit rates on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they can contact the Rates Officer to discuss the matter. Such enquiries are treated confidentially 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.

CV Range	all assessments	residential	percentage of properties
up to \$500,000	1,262	1,053	29%
\$500,000 – \$750,000	925	879	24%
\$750,000 – \$1,000,000	680	643	17%
\$1,000,000 – \$1,250,000	440	432	12%
\$1,250,000 +	707	672	18%
	4,014	3,679	





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.

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 on how the Board sets the Levy, but acts as a collection agency on behalf of the NRM Board. The NRM Levy for 2019/20 is \$323,740 (2018/19: \$310,485).

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

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

The Council has an absolute discretion to:

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

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

Application forms are available from Council's website, www.walkerville.sa.gov.au

Sale of land for non-payment of rates

The *Local Government Act 1999* provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide the owner with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

statutory rebates of rates	2017/18	2018/19	2019/20
100% Religious	\$23,546	\$24,620	\$24,967
75% Community Services	\$38,567	\$51,001	\$51,896
75% Education	\$148,163	\$169,962	\$171,445
	\$210,276	\$245,583	\$248,308

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

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 84.9% of total revenue. Every year, Council makes an informed assessment of how much it needs to maintain financial sustainability and ensure that services and infrastructure maintenance, renewal and development, can be afforded by the community over the long term.

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

- Council's financial strategy and commitments
- transparency and accountability
- zero based budgeting
- compliance with Australian accounting standards
- effective and efficient use of resources available
- alignment with strategic framework
- Adelaide CPI and LGPI for the March 2019 quarter in rates analysis
- increase in salaries based on CPI or employment agreements
- increase in insurance costs
- increase in finance costs, waste management charges and utilities.

funding the plan

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

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

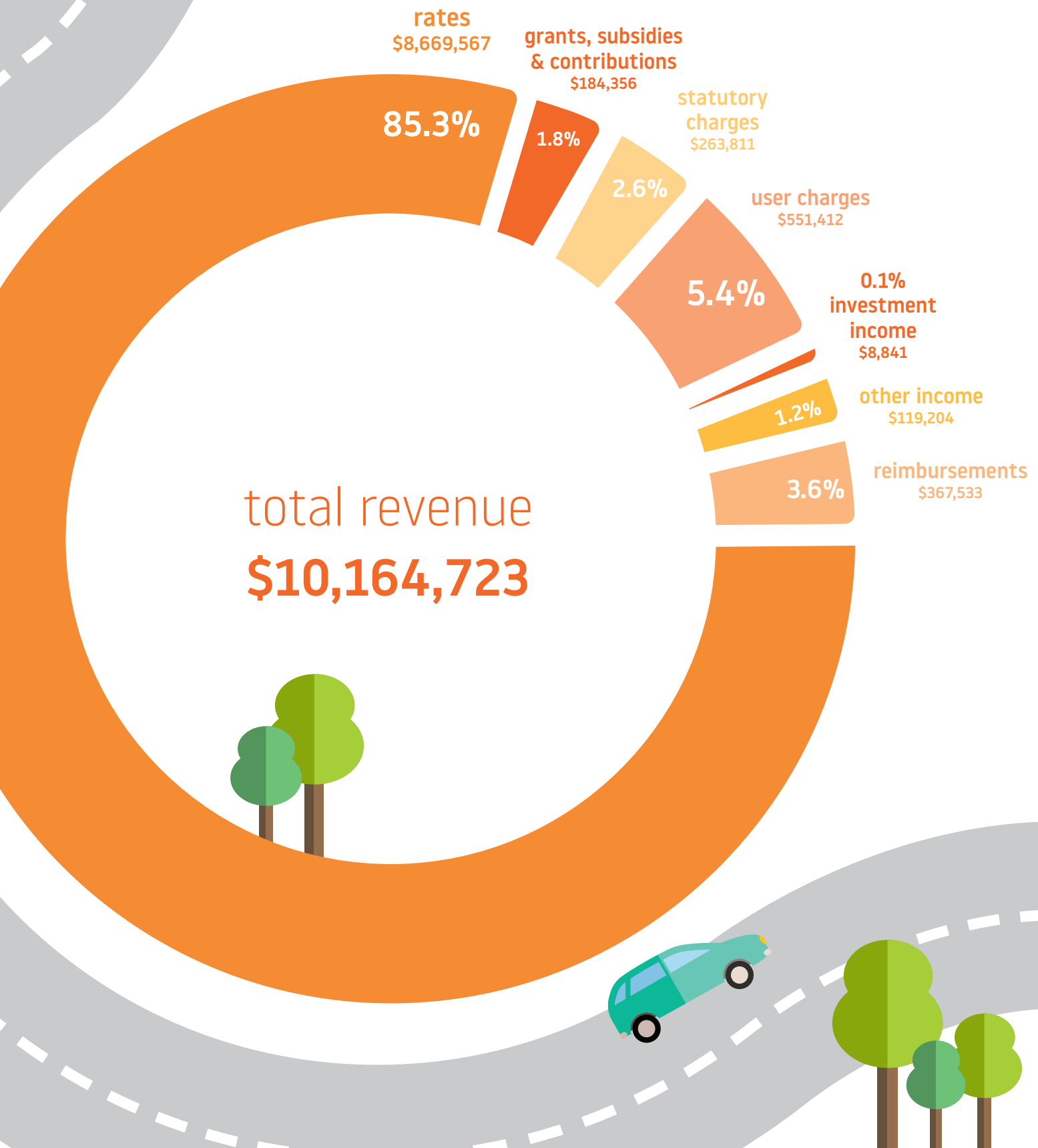
Fees and charges

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



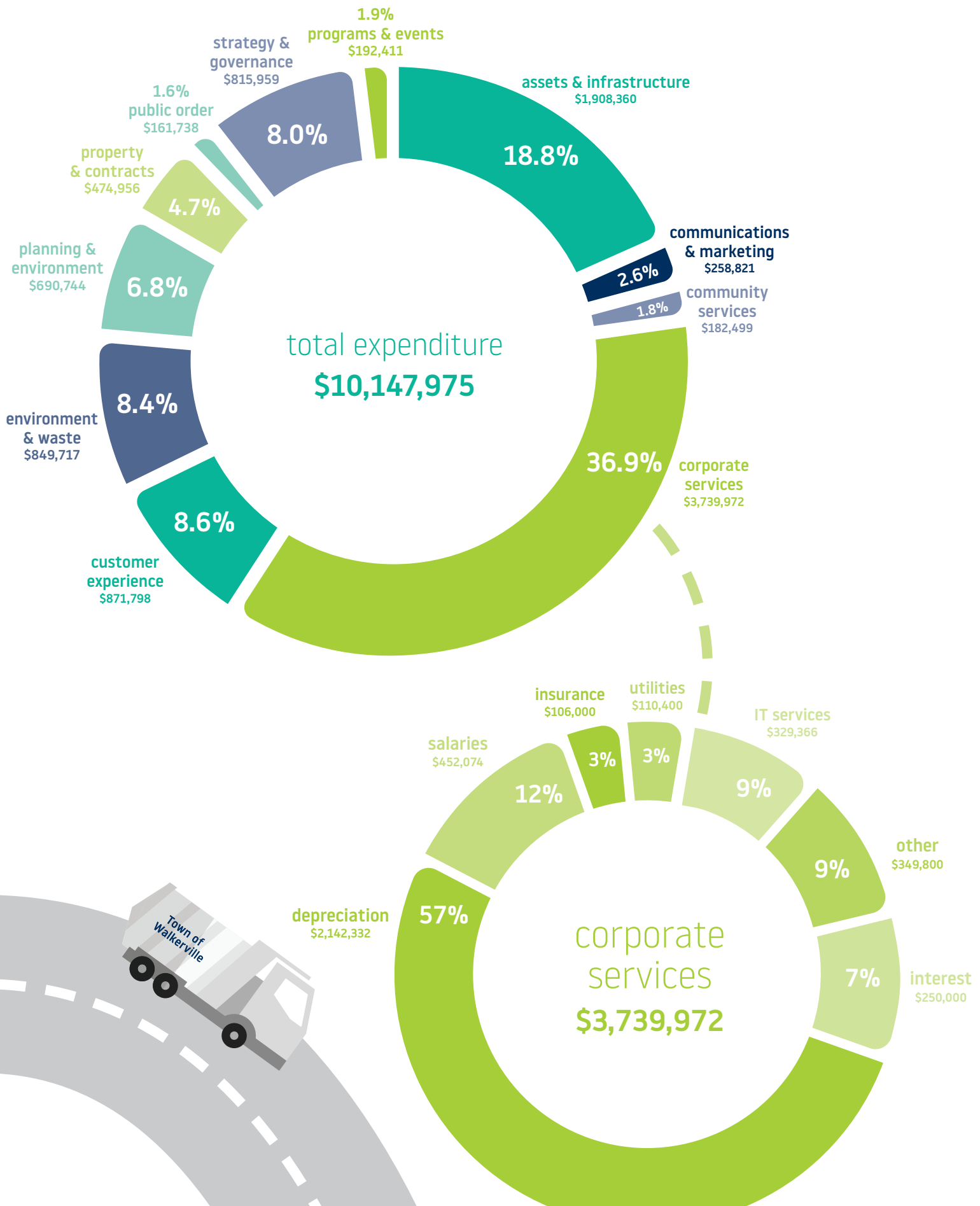
revenue

estimated revenue by category:



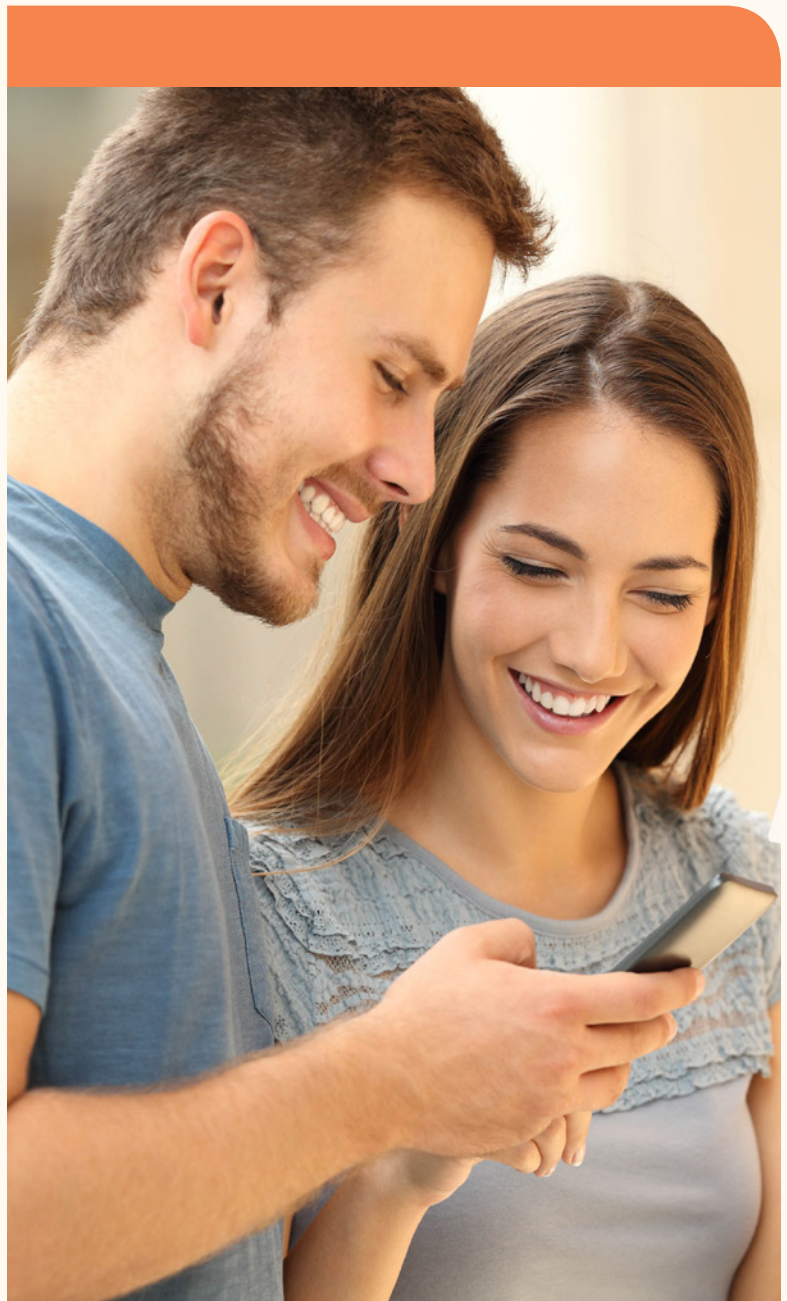
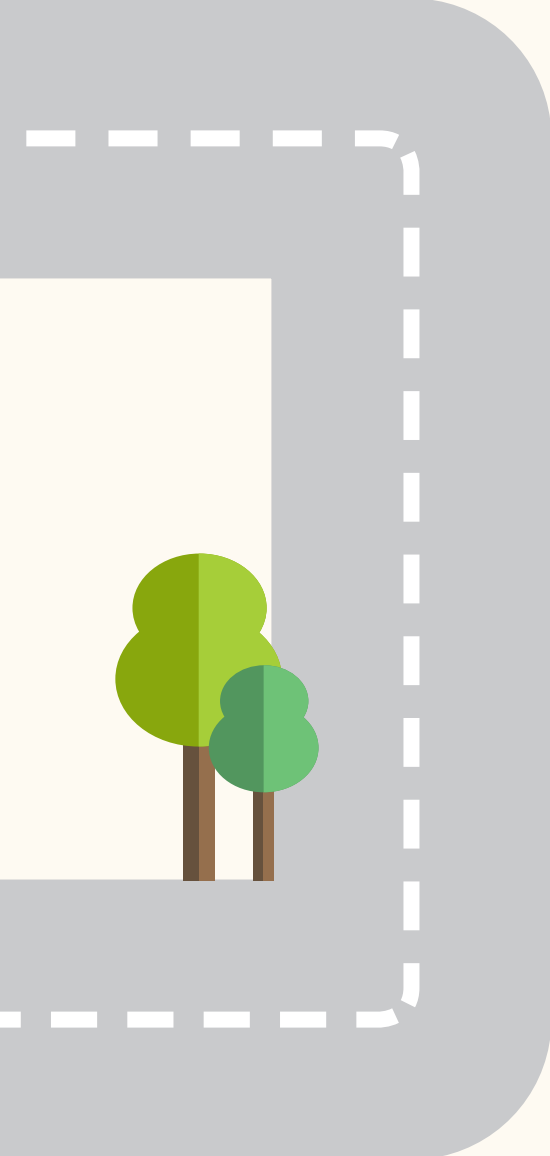
expenditure

estimated operating and capital expenditure (including depreciation):



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 2019/20 to ensure the implementation of previous strategies and to maintain Council's focus on its organisational sustainability.

Operating surplus ratio: 0%

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

The Council target range is between zero to 15%. The Council has a target to achieve a positive operating position in 2019/20.

Net financial liabilities ratio: 84%

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

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

Asset sustainability ratio: 100%

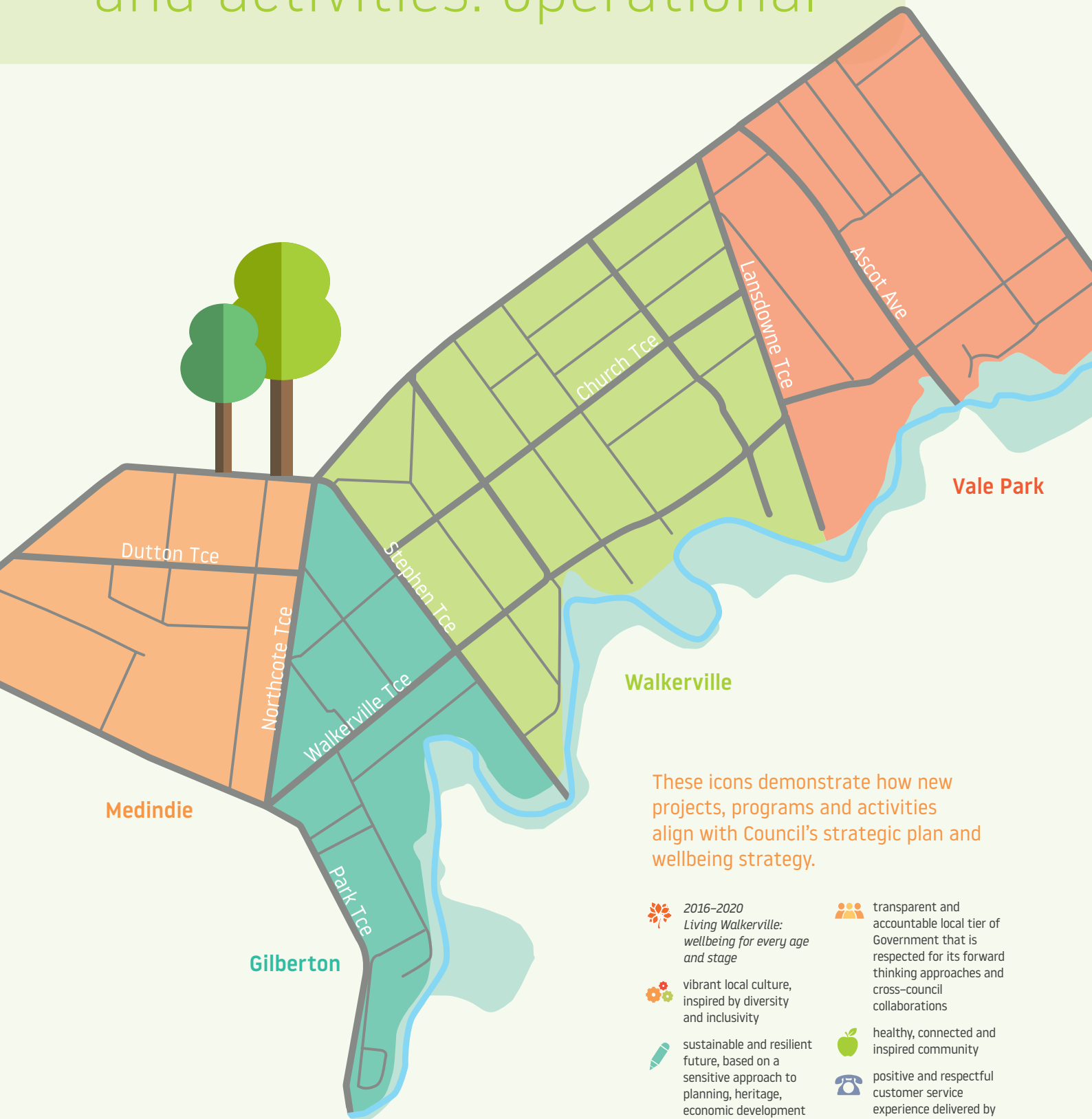
The asset sustainability ratio represents the ratio of new capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in Council's *Asset management plan*.

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

Key financial indicators 2019/20	2018/19 Budget (BR2)	2018/19 Budget
operating surplus/(deficit) \$,000	-18	17
operating surplus/(deficit) ratio	-0.2%	0.2%
net financial liability ratio	85.8%	84%
asset sustainability ratio	100%	100%



6 funded projects, programs and activities: operational



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



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



vibrant local culture,
inspired by diversity
and inclusivity



sustainable and resilient
future, based on a
sensitive approach to
planning, heritage,
economic development
and the public realm



transparent and
accountable local tier of
Government that is
respected for its forward
thinking approaches and
cross-council
collaborations



healthy, connected and
inspired community



positive and respectful
customer service
experience delivered by
professional, informed
and cohesive work force

	project	description	2019/20	goal
1	irrigation Practice- reserves	upgrade irrigation systems along verges adjacent to major reserve areas, includes minor landscaping	40,000	
2	Walkerville Wesleyan Cemetery: public consultation	commission a Townwide survey to ascertain community expectations and preferences for the future of this historical site	25,000	
3	Walkerville Wesleyan Cemetery	improved landscaping and ongoing general maintenance works	50,000	
4	public consultation costs	combined costs for Administration to meet the legislative requirements associated with public consultation	70,000	
5	Vale House	compliance maintenance on Vale House	30,000	
6	internal audit program	engage an external service provider to undertake Council's internal audit function over a 3 year program	20,000	
7	agency	additional agency cost due to focus on training for customer experience staff	10,000	
8	asset management support	system administrator support - Assetic	60,000	
9	Women of Walkerville Foundation seed funding	seed funding to assist Women of Walkerville Foundation's community programs, will be reimbursed on an annual basis.	5,000	
10	field staff	recruit an additional field officer for the depot operations team	85,000	
11	community garden	undertake a preliminary investigation into the establishment of a community garden	5,000	
12	public art and design strategy	commission Council's first <i>Public art and design strategy</i> to encourage high quality public art in the Township	10,000	
13	customer experience	recruit an additional customer experience officer for the customer experience team	85,000	
14	Payroll	investigation into a integrated payroll system	10,000	

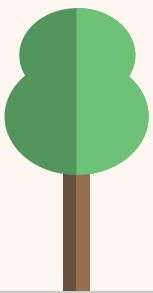


7 budgeted financial statements

statement of comprehensive income

income	2018-19 Current yr BR2* \$('000)	2019-20 \$('000)
net rates revenue	8,407	8,670
statutory charges	299	264
user charges	526	551
grants, subsidies and contributions	224	184
investment income	9	9
reimbursements	17	368
other income	103	119
net gain – equity accounted Council businesses	(5)	(5)
total revenues	9,580	10,160
expenses		
employee costs	3,234	3,285
materials, contracts and other expenses	4,119	4,466
finance costs	203	250
depreciation, amortisation and impairment	2,070	2,142
net loss – equity accounted Council businesses	0	0
total expenses	9,626	10,143
operating surplus/(deficit) before capital amounts	(46)	17
asset disposal and fair value adjustments	28	
amounts specifically for new/upgraded assets		
infrastructure, property, plant and equipment received free of charge		
net surplus/(deficit)	(18)	17
other comprehensive income		
changes in revaluation surplus		
total other comprehensive income	0	0
total comprehensive income	(18)	17

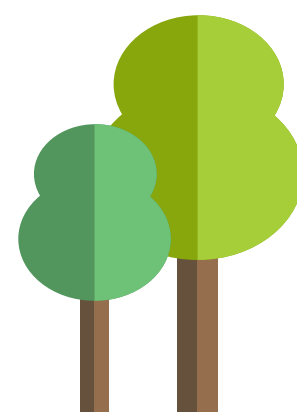
* Budget review 2 (not audited)

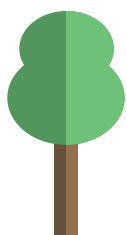


statement of financial position

assets	2018-19 Current yr BR2* \$('000)	2019-20 \$('000)
current assets		
cash & cash equivalents	654	479
trade & other receivables	602	614
inventories	0	0
total current assets	1,256	1,094
non-current assets		
financial assets	92	92
equity accounted investments in Council business	3,087	3,083
infrastructure, property, plant & equipment	111,482	112,682
other non-current assets	0	0
total non-current assets	114,661	115,856
total assets	115,917	116,950
liabilities		
current liabilities		
trade & other payables	1,936	1,969
borrowings – current	62	0
provisions	485	493
total current liabilities	2,483	2,462
non-current liabilities		
trade & other payables	0	0
borrowings – non current		
long term borrowings	5,640	6,840
other non current borrowings	0	0
provisions	68	70
liability – equity accounted Council businesses	350	350
total non-current liabilities	6,058	7,260
total liabilities	8,541	9,722
net assets	107,376	107,228
equity		
accumulated surplus	34,423	34,440
asset revaluation reserve	72,563	72,398
open space strategy reserve	220	220
other reserves	170	170
total equity	107,376	107,228

* Budget review 2 (not audited)





budgeted cash flow statement

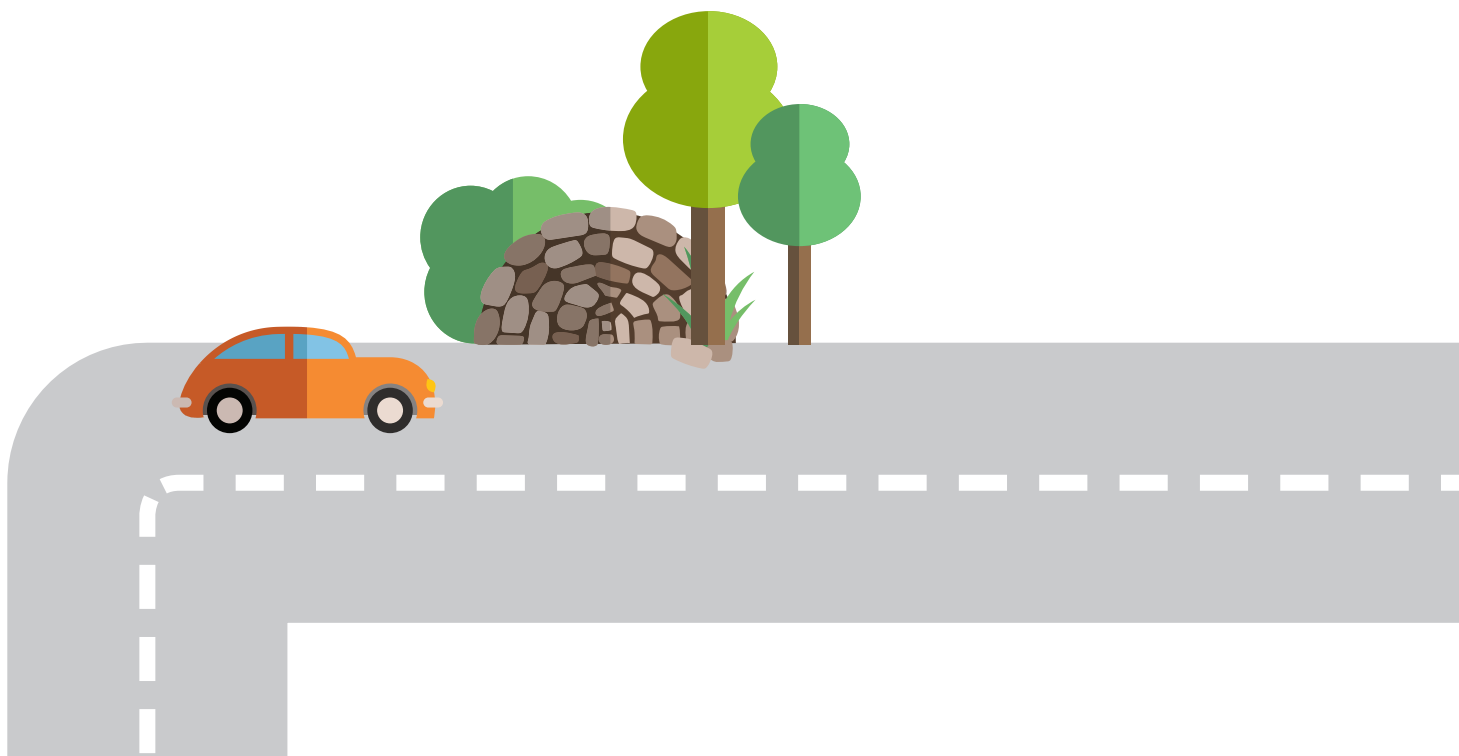
cash flows from operating activities	2018-19 Current yr BR2* \$('000)	2019-20 \$('000)
receipts		
operating receipts	9,064	9,632
investment receipts	11	11
payments		
operating payments to suppliers and employees	(5304)	(7,452)
finance payments	(198)	(245)
net cash provided by (or used in) operating activities	3,573	1,945
cash flows from investing activities		
receipts		
amounts specifically for new/upgraded assets	0	0
sale of replaced assets	28	0
net distributions received from equity accounted business		
repayments of loans by community groups	22	22
payments		
expenditure on renewal/replacement of assets	(1,880)	(1,819)
expenditure on new/upgraded assets	(1,500)	(1,523)
net cash provided by (or used in) investing activities	(3,330)	(3,320)
cash flows from financing activities		
receipts		
proceeds from borrowings	0	0
long term borrowings	0	1,200
other new borrowings		
payments		
repayments of borrowings	0	0
net cash provided by (or used in) financing activities	0	1,200
net increase/(decrease) in cash held	(243)	(175)
cash & cash equivalents at beginning of period	411	654
cash & cash equivalents at end of period	654	479

* Budget review 2 (not audited)

budgeted statement of changes in equity

accumulated surplus	2018-19 Current yr BR2* \$('000)	2019-20 \$('000)
balance at end of previous reporting period	34,441	34,423
net surplus/(deficit)	(18)	17
transfer to other reserves	0	0
transfers from other reserves	0	0
balance at end of period	34,423	34,440
asset revaluation reserve		
balance at end of previous reporting period	72,563	72,398
gain on revaluation on infrastructure, property, plant & equipment	0	0
transfer to accumulated surplus on sale of property, plant & equipment	0	0
balance at end of period	72,563	72,398
other reserves		
balance at end of previous reporting period	390	390
transfers from accumulated surplus	0	0
transfers to accumulated surplus	0	0
balance at end of period	390	390
total equity at end of reporting period	107,376	107,228

* Budget review 2 (not audited)

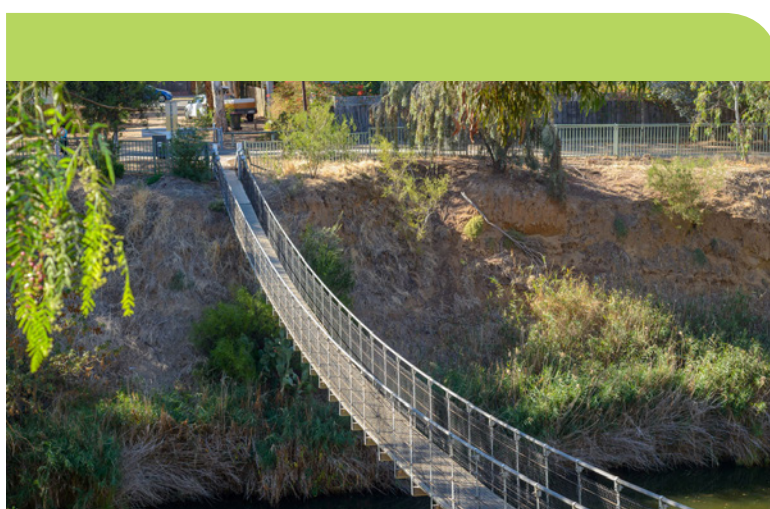


uniform presentation of finances

	2018-19 Current yr BR2 \$('000)	2019-20 \$('000)
operating revenues	9,580	10,160
less operating expenses	9,626	10,143
operating surplus/(deficit) before capital amounts	(46)	17
less: net outlays on existing assets		
capital expenditure on renewal/replacement of existing assets	1,880	1,819
less depreciation, amortisation & impairment	2,070	2,142
less proceeds from sale of replaced assets	28	0
	(218)	(323)
less: net outlays on upgraded assets		
capital expenditure on new/upgraded assets	1500	1,523
less amounts specifically for new/upgraded assets	0	0
less proceeds from sale of surplus assets		
	1,500	1,523
net lending/(borrowing) for financial year	(1,328)	(1,183)

key financial indicators

	2018-19	2019-20
operating surplus/(deficit) – \$'000	(18)	17
operating surplus ratio – %	-0.2%	0.2%
net financial liabilities ratio – %	78%	84%
asset sustainability ratio – %	100%	100%



8 asset management plans

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

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

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

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 1.8%, condition, age, useful life, degradation/ consumption curves, agreed levels of service and intervention markers.

* Water sensitive urban design

** This funding allocation was originally earmarked for the completion of the Mary P Harris/Howie Reserve Redevelopment in the 2018/19 budget. This project did not proceed as per community feedback following a period of public consultation

infrastructure programs	2019-20 Year 1 \$('000)	2020-21 Year 2 \$('000)	2021-22 Year 3 \$('000)
infrastructure: roads & pavement	571	571	580
infrastructure: kerb & gutter	66	62	57
infrastructure: footpath	120	122	124
infrastructure: traffic control devices	51	51	52
infrastructure: parking and traffic	51	51	52
infrastructure: building	309	74	265
infrastructure: stormwater	95	41	152
infrastructure: lighting	254	25	26
other infrastructure programs			
plant & equipment	45	50	35
open space: reserve structures (incl: playgrounds)	122	122	124
open space: irrigation	20	61	21
Gilberton lower level bridge	-	-	52
other			
furniture & fittings	35	51	52
IT	30	254	362
total	1,769	1,535	1,953
new considerations			
Walkerville Wesleyan Cemetery – preservation maintenance	50	50	50
solar panels – civic and community centre	80	-	-
Walkerville Oval upgrades – netball courts	60	-	-
Walkerville Oval upgrades – driveway	25	-	-
library gates	13	-	-
library self check out	9	-	-
light fleet replacement	100	25	-
installation of park benches	30	-	-
signage and display areas for Civic & Community Centre	15	15	-
Herbert Street road upgrade	416	-	-
parking, WSUD*, traffic calming devices	100	-	-
Walkerville Oval precinct redevelopment	-	1,500	1,500
various open space projects, including Hamilton Reserve	675**	-	-
total	1,573	1,590	1,550
grand total	3,342	3,125	3,503

infrastructure programs	2022-23 Year 4 \$('000)	2023-24 Year 5 \$('000)	2024-25 Year 6 \$('000)	2025-26 Year 7 \$('000)	2026-27 Year 8 \$('000)	2027-28 Year 9 \$('000)	2028-29 Year 10 \$('000)
infrastructure: roads & pavement	590	600	610	621	631	642	653
infrastructure: kerb & gutter	63	74	88	81	150	152	155
infrastructure: footpath	126	128	129	132	133	135	137
infrastructure: traffic control devices	53	53	54	55	56	57	58
infrastructure: parking and traffic	53	53	54	55	56	57	58
infrastructure: building	188	68	1,469	609	78	79	80
infrastructure: stormwater	59	43	44	44	160	163	165
infrastructure: lighting	26	27	27	28	28	29	29
other infrastructure programs							
plant & equipment	15	130	140	15	15	15	15
open space: reserve structures (incl: playgrounds)	126	128	131	133	135	137	140
open space: irrigation	63	37	44	22	28	29	29
Gilberton lower level bridge	526	-	-	-	-	-	-
other							
furniture & fittings	53	53	54	55	56	57	58
IT	105	107	109	277	394	114	116
total	2,046	1,504	2,943	2,126	1,920	1,666	1,694
new considerations							
Walkerville Wesleyan Cemetery – preservation maintenance	50	50	50	50	50	50	50
solar panels – civic and community centre	-	-	-	-	-	-	-
Walkerville Oval upgrades – netball courts	-	-	-	-	-	-	-
Walkerville Oval upgrades – driveway	-	-	-	-	-	-	-
library gates	-	-	-	-	-	-	-
library self check out	-	-	-	-	-	-	-
light fleet replacement	-	-	-	-	-	-	-
installation of park benches	-	-	-	-	-	-	-
signage and display areas for Civic & Community Centre	-	-	-	-	-	-	-
Herbert Street road upgrade	-	-	-	-	-	-	-
parking, WSUD*, traffic calming devices	-	-	-	-	-	-	-
Walkerville Sports Club	-	-	-	-	-	-	-
total	50	50	50	50	50	50	50
grand total	2,096	1,554	3,003	2,176	1,970	1,716	1,744

* Water sensitive urban design

