

Annual Business Plan 2021-22



Adelaide Hills
COUNCIL

Welcome


This is our Annual Business Plan for 2021-22 which outlines how we plan to achieve our goals over the next financial year. These goals are linked directly to our *Strategic Plan 2020-24 – A Brighter Future*, but also come from our other plans and strategies. Our priorities for this year have been refined through community consultation held over the period 5 to 26 May 2021.

The Annual Business Plan meets the requirements of the *Local Government Act 1999*, and also provides relevant information for our community.

This publication is provided for our ratepayers, residents, business operators, visitors, government agencies and other interested people.

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Council acknowledges that we undertake our business on the traditional lands and waters of the Peramangk and Kurna people.

We pay our respects to Elders past, present and emerging as the Custodians of this ancient and beautiful land.

Overview

The Annual Business Plan 2021-22 shows our services, programs and projects for the next financial year. It also shows how we will allocate our resources to achieve the goals we set out in our *Strategic Plan 2020-24 – A Brighter Future*, while ensuring Council's long term financial targets are met.

Our focus in 2021-22 is on supporting the Adelaide Hills community, environment and economy to recover and strengthen through the challenges we continue to face from bushfires and COVID-19.

There will be an average general rate increase of 2.5% which will allow for continued financial sustainability and maintaining our much needed services. This will also provide an operating surplus of \$1.3m which can be used to invest further in our community and to prepare for future emergencies.

The key elements of the Annual Business Plan are outlined in the table to the right, and explained in more detail throughout this document.

Planned Activities

- We have **110** strategic initiatives identified which contribute towards achieving our long term goals
- These include:
 - **56** capital initiatives (\$11.8m)
 - **54** operating initiatives (\$2.1m)

Capital Budget

- **\$11.8** million for capital expenditure on new or upgraded assets
- **\$11.5** million for capital renewal

Operating Budget

- Expenditure of **\$49.0** million
- Income of **\$50.3** million
- The Operating Surplus of **\$1.3** million includes one off funding of **\$1.572** million from the Federal Government Local Roads and Community Infrastructure Project Program to support jobs, businesses and the resilience of local economies.

Borrowing

- Net Borrowings of **\$9.3m**, resulting in forecast Borrowings at June 2022 of **\$22.4m**

Rates

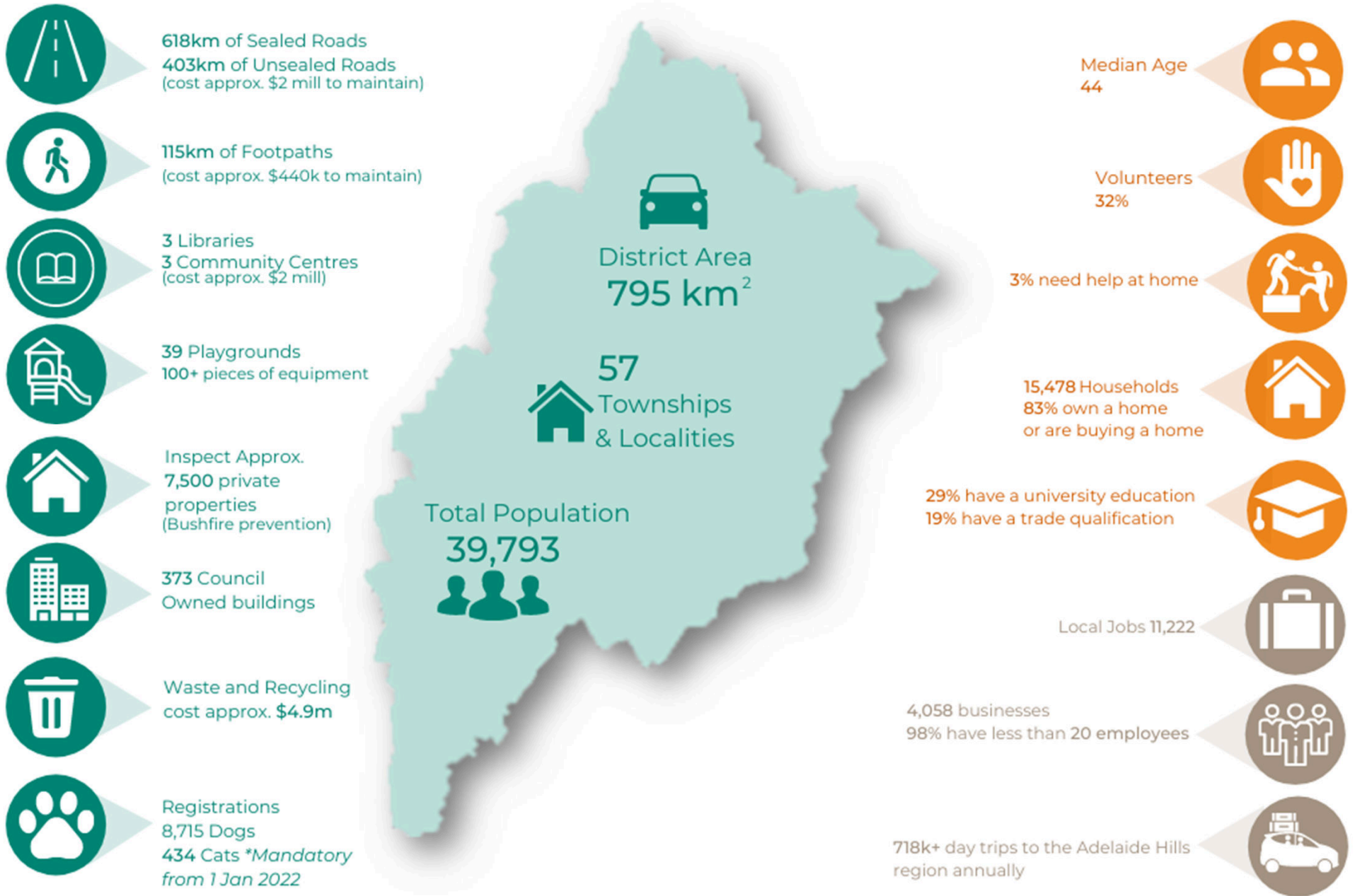
- Average increase in general rates of **2.5%**. For an average value residential property this equates to an increase of approximately \$50.

Financial Sustainability

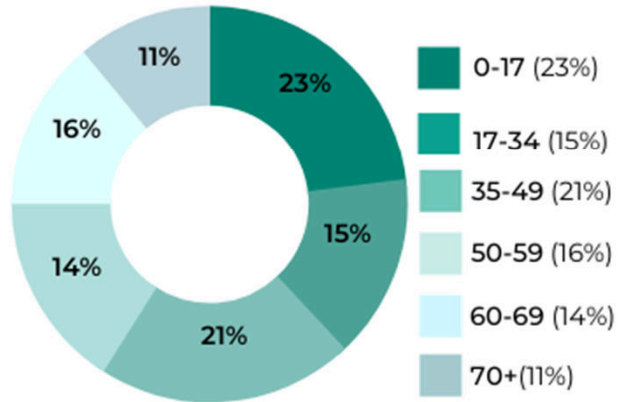
- Operating surplus ratio **2.7%** in line with Council's target of 1% to 5%
 - Net financial liabilities ratio **55%** in line with Council's target of 25% to 75%
 - Asset sustainability ratio **106%** aligned closely with Council's target of 95% to 105%
-

We Are Unique

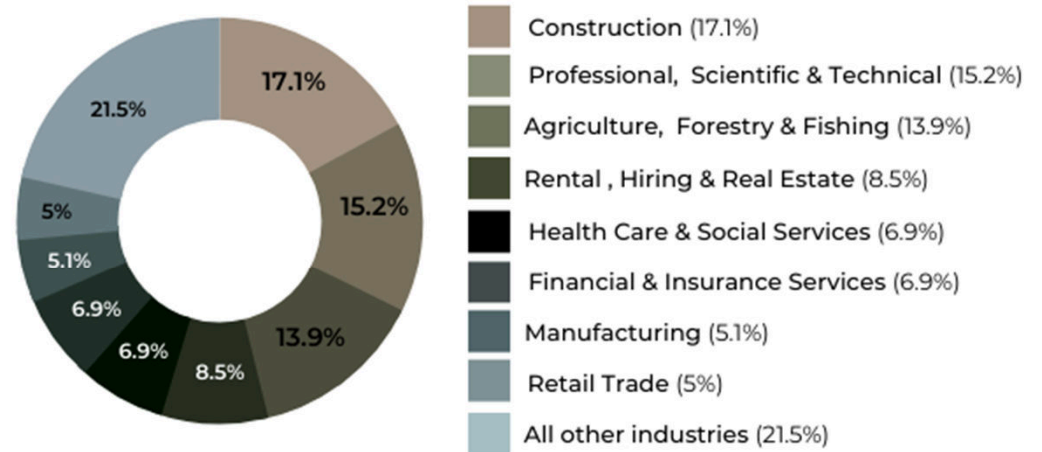
The size of a District Council with the expenses and population of a City Council



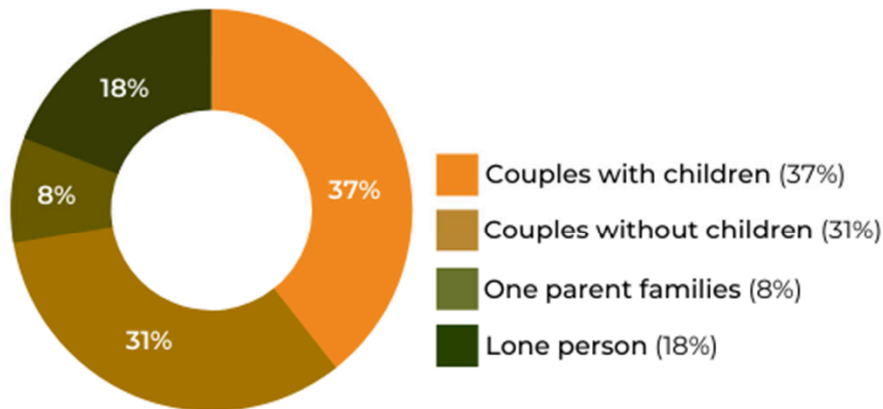
Age Profile of Adelaide Hills Council



Number of registered businesses by industry



Household Types



Data source: ABS Quarterly Population Estimates 2019

Planning for our future

Our community continues to demonstrate a resilience and community spirit we can all be proud of in the wake of the 2019 Cudlee Creek Bushfire, 2021 Cherry Gardens Bushfire and the ongoing COVID-19 pandemic. Council remains focused on recovery and keeping the community connected.

This Annual Business Plan 2021-22 sets out how we will deliver the essential services and infrastructure we need for a safe, healthy and prosperous community over the next year. In line with the *Long Term Financial Plan* and *Strategic Plan 2020 – 2024: A Brighter Future*, it establishes key goals and priorities around the Built Environment, Community Wellbeing, Economic Prosperity, the Natural Environment and Organisational Progress. These plans will continue to support our community, environment and economy to recover and strengthen through the continuing challenges.

The average rate increase for 2021-22 of 2.5% allows for continued financial sustainability and service delivery, and will make up approximately 80% of Council's income. For the average household this means an increase of approximately \$50 on their rates bill. However, the State Government's 'Revaluation Initiative Project' is resetting many property values and will result in significant valuation increases and decreases for a number of properties. In order to lessen the impact on our residents where valuations have increased, Council has modified its rate capping strategy to spread these valuation increases across future years. In addition to this and as part of our recovery strategy, Council has successfully lobbied State and Federal Governments to secure substantial grant funding for a number of key projects which has helped relieve the burden on ratepayer funding.

A significant inclusion to the budget is substantial ongoing funding for the management of trees as a result of the recent bushfire events and risk audits that have been undertaken. We will also progress our Community Resilience and Readiness program including mental health initiatives, continue to improve playgrounds and recreation options including in Lobethal Bushland Park, and provide youth with new opportunities to develop and connect such as the Heathfield Oval which will have new clubrooms by the end of the year. Our biggest grant of \$3 million for our new Arts and Heritage centre called Fabrik, plus \$1.3 million from Council, will start this year with the planning and development phase with the aim of starting the build the following year.

There are 110 strategic initiatives in this Annual Business Plan 2021-22 informed and refined by your feedback. We want these initiatives, along with ongoing service delivery, to ensure our residents, business owners and visitors continue to feel safe and supported in their communities; connected with each other; enjoy our unique natural landscape and local culture; and feel proud to be a part of the Adelaide Hills Region recently voted as Australia's most liveable place!

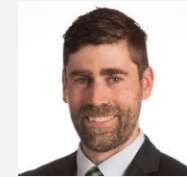
So please explore the plan and see what's in it for you and your family and for a brighter future in our community.

Dr Jan-Claire Wisdom
Mayor

Our Elected Council



Mayor
Jan-Claire Wisdom



Deputy Mayor
Cr Nathan Daniell
(Ranges Ward)



Cr Ian Bailey
(Ranges Ward)



Cr Kirrilee Boyd
(Ranges Ward)



Cr Pauline Gill
(Valleys Ward)



Cr Chris Grant
(Valleys Ward)



Cr Linda Green
(Valleys Ward)



Cr Malcolm Herrmann
(Valleys Ward)



Cr John Kemp
(Ranges Ward)



Cr Leith Mudge
(Ranges Ward)



Cr Mark Osterstock
(Ranges Ward)



Cr Kirsty Parkin
(Ranges Ward)



Cr Andrew Stratford
(Valleys Ward)

About us

Council and Committees

The Elected Council’s role is to provide for the governance and management of the Council area. It does this through representing the interests of the community; providing and coordinating public services and facilities; encouraging and developing initiatives to improve the community’s quality of life; and exercising, undertaking its functions under legislation and its strategic management plans.

A number of committees have been established in accordance with legislation to assist the Council to discharge its responsibilities in specific areas. These are the Audit Committee, the Chief Executive Officer Performance Review Panel (CEOPRP), the Council Assessment Panel (CAP), the Building Fire Safety Committee and the Health & Safety Committee.

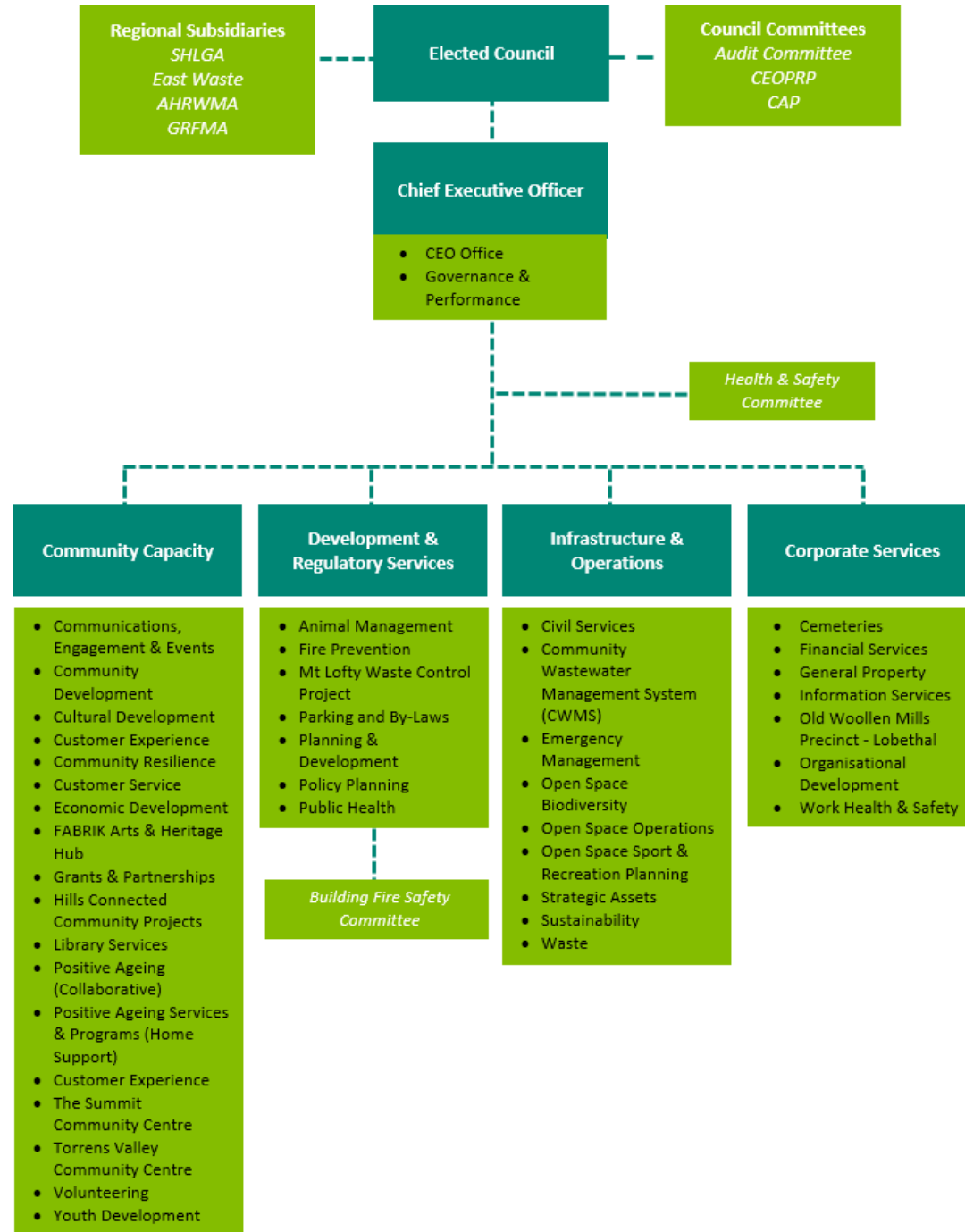
Regional Subsidiaries

Council is a member of four regional subsidiaries which assist in the strategic planning and service delivery activities. The subsidiaries are the Southern and Hills Local Government Association (SHLGA), the Eastern Waste Management Authority (East Waste), the Adelaide Hills Region Waste Management Authority (AHRWMA), and the Gawler River Floodplain Management Authority (GRFMA).

Administration

The Council's Administration is led by a Chief Executive Officer appointed by the Council.

The Chief Executive Officer appoints staff to carry out the functions and duties delegated to them and to implement Council decisions. The Administration is organised into directorates (see diagram), each with a specific area of focus and functional responsibilities. The arrangement of the directorates provides for the separation of the regulatory activities (into the Development & Regulatory Services Directorate) from the other activities of the Council.



Our Goals

The Annual Business Plan has been developed to align with our *Strategic Plan 2020-24 – A Brighter Future*, which was adopted by Council on 28 April 2020 and sets out what we wanted to achieve over the four year period. These goals and objectives are listed in the table below. Over the following pages we will show how our day to day activities, recovery efforts and strategic initiatives will help us to deliver each of these long term goals.

A functional Built Environment

B1 Our district is easily accessible for community, our businesses and visitors

B2 Preserve and enhance the unique character of the Hills for current and future generations

B3 Consider external influences in our long term asset management and adaptation planning

B4 Sustainable management of our built assets ensures a safe, functional and well serviced community

Community Wellbeing

C1 A community for everyone - that is inclusive, welcoming and accessible

C2 A connected, engaged and supported community

C3 A community that grows together

C4 An active, healthy, thriving and resilient community

C5 Respect for Aboriginal Culture and values

C6 Celebrate our community's unique culture through arts, heritage and events

A prosperous Economy

E1 Support and grow our region's existing and emerging industries

E2 Provide local infrastructure to drive growth and productivity

E3 Encourage, attract and retain a creative, talented and skilled workforce in our region

E4 Cultivate a clear, unique and consistent regional identity that can be leveraged to attract national and international attention

A valued Natural Environment

N1 Conserve and enhance the regional natural landscape character and amenity values of our region

N2 Recognise the benefits of ecosystem services and improve environmental resilience by reducing environmental impacts

N3 Nurture valuable partnerships and collaborations and engage the local community in the management of our natural environment

N4 Reduce the impact of waste to landfill by maintaining a robust waste and resource management framework

N5 Assist our community to reduce the impact of waste to landfill on the environment

A progressive Organisation

O1 We have the right people with the right knowledge and skills in the right jobs and they are supported and developed

O2 Our customers find it easier to interact and do business with Council and have an improved customer experience

O3 Our organisation is financially sustainable for both current and future generations

O4 We actively represent our community

O5 We are accountable, informed, and make decisions in the best interests of the whole community

O6 Technology and innovation is utilised to better meet our community's expectations and deliver value for money



Our Aspiration

Ensure that all decisions regarding the built environment recognise our unique character and natural environment to maintain and enhance liveability for our community.

Some of the key highlights we have planned for 2021-22 include:

- Implementing the State's new Planning and Development System including the conversion of Council's Development Plan into the new Code
- Implementing a new Cemetery Management System
- Preparing revised Asset Management Plans

How we will measure our success

Our success will be demonstrated through service based performance measures and customer feedback in delivering what our community needs and what we aspire to achieve under our Capital Works Program, Civil Zone Maintenance Program, Asset Management Plans, and energy usage targets.

We have developed Corporate Performance Indicators (*Appendix 3*) which will be used in our reporting to Council each quarter, and in our Annual report for 2021-22.

Our Services

- **Planning & Development** – Assessment of development applications and activities within the region. Inspection of approved buildings and swimming pools and taking compliance action where required . Reviewing safety of publicly accessible buildings.
- **Policy Planning** – undertaking policy and project work such as amendments to the new Planning and Design Code, and preparation of urban design guidelines.
- **Customer Service** – frontline customer service including processing of development applications.
- **Property Services** - Ongoing maintenance and management of Council's real estate assets including some 380+ parcels of land and 180+ buildings.
- **Cemeteries** – Ongoing maintenance and management of 16 Council owned cemeteries within the region.
- **Strategic Assets** – Develops and refines the Asset Management Plans and the future renewal Capital Works Programs. Manages Council's Geographic Information Systems and associated corporate data.
- **Open Space Operations** – Carries out Capital Works upgrades for projects such as playgrounds.
- **Civil Services** – Ongoing management, maintenance and replacement planning of public infrastructure including roads, bridges, signage, stormwater, kerbs and footpaths.
- **Community Wastewater Management Systems (CWMS)** – Management of CWMS and associated infrastructure e.g. septic tanks, treatment ponds.

Our Objectives and Priorities

Objectives

B1 Our district is easily accessible for community, our businesses and visitors

B2 Preserve and enhance the unique character of the Hills for current and future generations

B3 Consider external influences in our long term asset management and adaptation planning

B4 Sustainable management of our built assets ensures a safe, functional and well serviced community

Priorities

B1.1 Increase accessibility to our district through the development and delivery of high priority trails and routes for all cyclists (on-road, off road, commuters, recreational) and pedestrians

B2.1 Continue to embrace and support community led public place revitalisation across our district

B3.1 Improve water security by maximising water reuse opportunities, reducing reliance on ground water and improving water efficiencies for open space irrigation and building facilities

B4.1 Ensure the long term management of the built form and public spaces occurs in consideration of the relevant financial, social and environmental management matters

B1.2 Improve outcomes for the elderly by incorporating Council's Age Friendly Strategic Plan into built environment design and delivery

B2.2 Incorporate Water Sensitive Urban Design principles within Council developments and projects and advocate for other developments within the region to do the same

B3.2 Aim to achieve 100% renewable energy use for our corporate operations and strive towards carbon neutrality

B4.2 Embrace innovative and new technology solutions to proactively maintain our built assets that further enhance the provision of efficient services to the community

B1.3 Progress state-wide and inter-regional connectivity of cyclist routes by partnering with neighbouring councils

B2.3 Proactively work with developers to ensure that built form complements or enhances existing local character whilst preserving the character and amenity of our towns, historic buildings and scenic environment

B3.3 Investigate and source recyclable materials for asset renewal projects wherever practical and in doing so promote the circular economy

B4.3 Ensure Council owned or managed assets, including staff accommodation, are functional and adaptive to meet service requirements. Also, where appropriate and endorsed by Council, equitably assist community owned site (halls and recreation sites) to ensure their facilities are functional and meet service standards

B1.4 Ensure that the key road network is accessible for heavy vehicles used by the primary production, tourism and construction sectors through engagement with industry and Government

B2.4 Ensure our planning framework, council policies and guidelines support privately owned local heritage places

B3.4 Proactively adapt our built environment to changes in social and environmental factors to minimise the impact from natural hazards such and fire and flood

B4.4 Improve road safety through a safe system approach to road design, construction and maintenance including on-going applications to the State and Federal Road Blackspot program

B1.5 Provide accessibility for the full range of users by ensuring Council's road, footpath and trails network is adequately maintained and service levels for all users are developed and considered

B2.5 Continue to collaborate with other councils and stakeholders in pursuing our World Heritage Bid to protect the landscapes, sites and facilities that represent the State's aboriginal and early colonial history

B2.6 Support communities recovering from natural disasters with expedited development assessment services

B4.5 Explore and provide the infrastructure to support Electric Vehicles (EV) and investigate infrastructure requirements for emerging technological transport such as Connected and Automated Vehicles (CAV)

Built Environment - Strategic Initiatives

Strategic Initiatives are specially funded and prioritised activities, projects and programs of work that are planned over the next 3 years. “Capital” initiatives are generally related to new physical assets and infrastructure investment, while “Operating” initiatives are related to administrative projects, community programs and other activities and tasks.

Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
B1001	Recreation Trails & Cycling Route Upgrades	Infrastructure & Operations	B1.1	Capital	75	75	75
B1003	New bus shelter installation program	Infrastructure & Operations	B1.3	Capital	20	40	40
B1004	New and upgraded footpaths	Infrastructure & Operations	B1.5	Capital	250	250	250
B1006	Crafers Village Main Street Traffic Calming and Open Space Upgrades (G)	Infrastructure & Operations	B1.5	Capital	300	-	-
B2001	Federation Park and oval masterplan implementation	Infrastructure & Operations	B2	Capital	-	50	50
B2002	Gumeracha Main Street (stage 2)	Infrastructure & Operations	B2	Capital	680	-	-
B2004	Gumeracha Main Street Stormwater	Infrastructure & Operations	B2.1	Capital	391	-	-
B2005	Transition to the Planning, Development & Infrastructure Act (PDI Act)	Development & Regulatory Services	B2.3	Operating	CO	-	-
B2006	Local Heritage Grant Fund	Development & Regulatory Services	B2	Operating	20	-	-
B2007	Integration of Development Assessment Systems	Development & Regulatory Services	B2	Operating	CO	-	-
B3001	Water reuse for Woodside Recreation Ground irrigation (Investigation Year 1)	Infrastructure & Operations	B3.1	Capital	200	200	-
B3002	Implementing water efficiencies through irrigation renewals /upgrades	Infrastructure & Operations	B3	Capital	100	100	100
B3003	Investigate and implement central irrigation control system (region wide)	Infrastructure & Operations	B3	Capital	-	50	100

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year



Built Environment - Strategic Initiatives *continued...*



Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
B3004	Prepare turf and irrigation design/management plans for key bore water use areas	Infrastructure & Operations	B3	Operating	-	20	20
B3005	Energy Upgrades, Battery & Efficiency Actions from new Carbon Management Plan	Infrastructure & Operations	B3	Capital	170	50	50
B3006	LED street lighting replacement	Infrastructure & Operations	B3	Capital	175	-	-
B3008	Sustainable Buildings Policy	Infrastructure & Operations	B3	Operating	-	10	-
B3011	Carbon Offsets Policy	Infrastructure & Operations	B3	Operating	-	-	8
B4006	Asset Management – Additional System Licences and Field Devices	Infrastructure & Operations	B4	Capital	59	40	-
B4007	Asset Management Plans for Buildings	Infrastructure & Operations	B4.1	Capital	100	-	-
B4009	Building Upgrades - Minor	Infrastructure & Operations	B4.1	Capital	100	100	100
B4010	Cemeteries Upgrades	Infrastructure & Operations	B4.1	Capital	38	39	40
B4011	Community Wastewater Management System Capacity Upgrades (Birdwood and Woodside Gravity Mains)	Infrastructure & Operations	B4	Capital	50	510	540
B4014	Road Safety Program including co-contribution to Road Blackspot	Infrastructure & Operations	B4	Capital	200	200	150
B4015	Installation of further Electric Vehicle charging stations	Infrastructure & Operations	B4	Capital	35	-	-
B4016	Purchase of Electric Vehicles for Council fleet	Infrastructure & Operations	B4	Capital	20	20	20

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year

Built Environment - Strategic Initiatives *continued...*

Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
B4019	Aldgate Main Street amenity upgrade (G)	Infrastructure & Operations	B4	Capital	38	-	-
B4020	Reporting on embodied energy of materials used in Council activities	Infrastructure & Operations	B4	Operating	-	-	30
B4021	Merchants Rd slip repair (G)	Infrastructure & Operations	B4	Capital	60	-	-
B4022	Western Branch Creek erosion protection - design only.	Infrastructure & Operations	B4	Capital	20	-	-
B4023	Bushland Park lookout tower (G)	Infrastructure & Operations	B4.1	Capital	45	-	-
B4024	Bridgewater Oval Drainage	Infrastructure & Operations	B4.1	Capital	40	-	-
B4025	Playspace Audit	Infrastructure & Operations	B4.1	Operating	10	-	-
B4026	Woodside Rec Ground - Driveway & Carpark Upgrade	Infrastructure & Operations	B4.1	Capital	40	-	-
B4027	Woodside Recreation Ground - Masterplan progression	Infrastructure & Operations	B4.1	Capital	20	-	-
B4028	Aldgate Bridgewater Crafers Stormwater Master Plan	Infrastructure & Operations	B4.1	Capital	83	-	-
B4029	Park Furniture Audit	Infrastructure & Operations	B4.1	Operating	-	-	20
B4030	Mill Road, Lobethal - School Crossing (G)	Infrastructure & Operations	B4	Capital	30	-	-
B4031	Public Toilet Upgrades – Stirling, Aldgate and Bridgewater (G)	Infrastructure & Operations	B4	Capital	560	-	-
B4032	Mount Barker Road, Aldgate ' Park and Ride' (G)	Infrastructure & Operations	B4	Capital	20	-	-

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year



Built Environment - Strategic Initiatives *continued...*



Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
B4033	Upper Sturt Road Walking Path (G)	Infrastructure & Operations	B4	Capital	15	-	-
B4034	Strathalbyn Rd - Service road Sealing (G)	Infrastructure & Operations	B4	Capital	12	-	-
B4035	Hunters Road - Amenity Upgrade (G)	Infrastructure & Operations	B4	Capital	10	-	-
B4036	Mount Lofty Gardens - Lampert Road Safety Upgrade (G)	Infrastructure & Operations	B4	Capital	110	-	-
B4037	Birdwood footpath from Kindergarten to playground (G)	Infrastructure & Operations	B4	Capital	25	-	-
B4038	Bus Stop Replacement – Main street Stirling (G)	Infrastructure & Operations	B4	Capital	20	-	-
B4039	Civil Services Cadet Engineer	Infrastructure & Operations	B4	Operating	15	15	16
B4040	Crafers to Stirling Bikeway (G)	Infrastructure & Operations	B4	Capital	389	-	-

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year



Our Aspiration

An inclusive and prosperous community with the capacity to flourish and fulfil their potential through opportunities to engage, connect, participate and enhance wellbeing.

Some of the key highlights we have planned for 2021-22 include:

- Development of a Regional Health Plan with a focus on wellbeing
- Implementation of the Multicultural Action Plan, which will assist us to bring cultural experiences and shared understanding to the community
- Implementation of the Access and Inclusion Plan
- Progression of the development of Fabrik Arts & Heritage Hub
- Development of a Library Strategic Plan which will help to guide the future development and programs related to our library services and staff
- Development of the Innovate Reconciliation Action Plan
- Supporting Youth in areas of leadership, skill development and engagement with their community, through workshops and other programs
- Progressing the Community and Recreation Facilities Framework

How we will measure our success

We demonstrate our success by using service based performance measures and customer feedback in areas of community participation and volunteering, community development programs and support, ageing support, library usage and the achievement of our disaster recovery objectives.

We have developed Corporate Performance Indicators (*Appendix 3*) which will be used in our reporting to Council each quarter, and in our Annual report for 2021-22.



Our Services

- **Fabrik Arts and Heritage Hub** – Providing community exhibitions, workshops and events. Supporting community on creative recovery after the Cudlee Creek fire and COVID-19.
- **Library & Customer Services** - Providing access to information resources for learning or leisure. Providing opportunities for community to engage, learn and connect. Staffing libraries, outreach services, customer service desks and call centre. Processing payments, registrations and development applications.
- **Volunteering** – Encouraging voluntary participation across the Adelaide Hills through provision of opportunities, training and support for volunteer involving groups.
- **Property Services** – Management and maintenance of Council’s Bridgewater retirement village.
- **Public Health** – Inspections of food businesses, waste water and public swimming pools.
- **Parking and By-law Enforcement** – Activities aimed at maximising safety and enjoyment for all road users and pedestrians. Assisting with community events and markets.
- **Sport & Recreation Planning** – Management and utilisation of Council’s sport, recreation and open space assets; and support of clubs and the community’s recreational activities throughout the region.
- **Youth Development** – Providing a range of programs and activities to support and develop youth in our community.
- **Positive Ageing** – Providing home and social support. Developing and implementing targeted strategies and programs in our region.
- **Community Centres** – Providing opportunities to improve health and wellbeing, participate in lifelong learning, share their skills and experience and contributing to their community through volunteering.
- **Communications, Engagement and Events** – Ensuring communication between the Council and community is accurate, relevant, valuable and engaging. Promoting and supporting community events.
- **Community Development** – Overseeing community wellbeing and disability access and inclusion programs, as well as a number of regional support programs.
- **Cultural Development** – Focusing on cultural diversity, Aboriginal respect and recognition, and the arts in all its forms.
- **Grants & Partnerships** – Grant giving programs supporting community based initiatives. Partnerships with other stakeholders to deliver local and regional outcomes.

Our Objectives and Priorities

Objectives

C1 - A community for everyone that is inclusive, welcoming and accessible

C2 - A connected, engaged and supported community

C3 - A community that grows together

C4 - An active, healthy, thriving and resilient community

C5 - Respect for Aboriginal Culture & values

C6 - Celebrate our community's unique culture through arts, heritage & events

Priorities

C1.1 Provide welcoming spaces and places for the community through our libraries, community centres, and Council and community facilities

C2.1 - Work with community to provide a range of programs and opportunities to connect and engage around shared interests

C3.1 - Provide and support programs and services that encourage and enhance personal growth, lifelong learning and professional development

C4.1 - Support community wellbeing through our contribution to public health planning, disaster recovery activities and the implementation of strategies that aim to measure and enhance wellbeing.

C5.1 - Partner with the Aboriginal and Torres Strait Islander community to develop our second Reconciliation Action Plan (Innovate) and actively participate in Reconciliation Week

C6.1 - Develop Fabrik as a vibrant cultural hub for the Adelaide Hills, fostering community connections and creativity and presenting the significant history of the Woollen Mill site

C1.2 Support and promote opportunities for social inclusion and celebration of our cultural diversity

C2.2 - Support our ageing community to access services and continue to participate and contribute to community life

C3.2 - Support volunteering both organisationally and in the community as an essential element in delivering community outcomes and building wellbeing

C4.2 - Support the provision of formal and informal sport, recreation and play spaces for the community to enjoy

C5.2 - Celebrate and recognise Aboriginal culture and heritage through participation in and the delivery of programs and activities that engage our community in cultural experience and learning

C6.2 - Develop, support or bring events to our district that have social, cultural, environmental or economic benefits

C1.3 Make the district more accessible and welcoming for all with a focus on youth participation, positive ageing, disability inclusion and multiculturalism

C2.3 - Facilitate opportunities for our youth to develop skills, build resilience and be actively involved in and connected to their community.

C3.3 - Empower our community groups and leaders to shape and determine change in their community through the provision of training opportunities, grants that meet strategic priorities, building relationships and supporting communities to be cohesive in progressing local projects.

C4.3 - Recognise that trails are a destination in their own right and support both commuter and recreational trail opportunities

C6.3 - Recognise, encourage and support artists, emerging artists, writers and performers through promotion of the Arts and supporting opportunities to exhibit and perform

C1.4 Advocate and Seek opportunities to improve transport options for those who need it most

C2.4 - Increase participation from the broadest range of our community and engage with them to shape policies, places and decisions that affect them

C3.4 - Build partnerships with community and other stakeholders to enhance our capacity to provide and support opportunities for them to thrive

C4.4 - Support clubs and groups to continue to provide sport and recreation activities to the community

C6.4 - Foster the development of Public Art that adds value to public spaces and supports place making in our community

C1.5 - Encourage more housing opportunities where provided for in the Development Plan

C2.5 - Continue to work with government agencies and non-governmental organisations to support the community recovery from natural disasters and the COVID-19 pandemic.

C4.5 - Take an all hazards approach to emergency management so we can support the emergency services and the community before, during and after disaster events.

Community Wellbeing - Strategic Initiatives

Strategic Initiatives are specially funded and prioritised activities, projects and programs of work that are planned over the next 3 years. “Capital” initiatives are generally related to new physical assets and infrastructure investment, while “Operating” initiatives are related to administrative projects, community programs and other activities and tasks.

Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
C1001	Disability Planning - staffing	Community Capacity	C1	Operating	54	56	57
C1002	Disability Planning - materials	Community Capacity	C1	Operating	10	10	10
C1003	Mylor BMX - Pump track at Sherry Park (G)	Infrastructure & Operations	C1.1	Capital	50	-	-
C1004	Gumeracha Library upgrades	Community Capacity	C1.1	Capital	5	95	-
C1005	Stirling region Skate Park	Infrastructure & Operations	C1.1	Capital	15	-	-
C2002	Develop the next Age Friendly Community Plan	Community Capacity	C2	Operating	-	-	20
C2003	The Summit Community Centre Natural Amenity Space	Community Capacity	C2.1	Capital	10	-	-
C4001	Community Wellbeing Initiatives - staffing	Community Capacity	C4.1	Operating	21	21	22
C4002	Regional Health Planning Initiatives - staffing	Community Capacity	C4.1	Operating	21	22	23
C4004	Gumeracha Court Resurfacing	Infrastructure & Operations	C4	Capital	386	-	-
C4006	Play Space Upgrades	Infrastructure & Operations	C4.2	Capital	120	70	70
C4009	AHC contribution to Heathfield High School Sport Courts Redevelopment	Infrastructure & Operations	C4	Operating	485	-	-
				Capital	296	-	-
B3013	Community Carbon Management Plan	Infrastructure & Operations	C4	Operating	-	20	-

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year



Community Wellbeing - Strategic Initiatives *continued...*



Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
C4017	Bridgewater Court Resurfacing (G)	Infrastructure & Operations	C4	Capital	22	-	-
C4012	Climate Change Adaptation Plan projects	Infrastructure & Operations	C4.5	Capital	-	20	30
C4018	Community Resilience and Readiness program (G)	Community Capacity	C4.5	Operating	140	-	-
C4019	Heathfield Oval change room upgrades	Infrastructure & Operations	C4	Capital	1,635	-	-
C4020	Play space upgrade at Lobethal Bushland Park	Infrastructure & Operations	C4	Capital	439	-	-
C5001	Reconciliation Action Plan (RAP) initiatives	Community Capacity	C5	Operating	5	5	5
C5002	Aboriginal Cultural Centre development	Community Capacity	C5	Operating	10	10	10
C6001	Fabrik Activation - Capital	Community Capacity	C6	Capital	2,167	2008	-
C6002	Capital Divestment - Sales Revenue	Corporate Services	C6	Capital	(1,230)	-	-
C6003	Capital Divestment - Capital Cost	Corporate Services	C6	Capital	1,307	710	-
C6004	Activation Arts & Heritage Hub - Operating (Income)	Community Capacity	C6	Operating	(295)	(305)	(342)
C6005	Activation Arts & Heritage Hub - Operating (Expenditure)	Community Capacity	C6	Operating	505	603	635
C6006	Grow our involvement in the Women's Tour Down Under	Community Capacity	C6.2	Operating	10	10	10
C6007	Support for small community events	Community Capacity	C6.2	Operating	5	5	5
C6008	Support for high profile regional event	Community Capacity	C6	Operating	-	20	20
C6009	Public Art (including acquisition)	Community Capacity	C6.4	Operating	15	15	15

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year

A prosperous Economy



Our Aspiration

Our region's economy is diverse and sustainable with a reputation for quality, niche products, services and experiences underpinned by a culture of creativity and innovation.

Some of the key highlights we have planned for 2021-22 include:

- Supporting events in the region such as the Tour Down Under
- Funding and supporting preparation for tourism restart across the region
- Seeking external funding opportunities for key projects and programs in the region
- Progressing our World Heritage Bid

How we will measure our success

Getting feedback from our business community as well as analysing business demographic, growth and visitor data will help to show where our services are assisting local businesses and overall economic prosperity.

We have developed Corporate Performance Indicators (Appendix 3) which will be used in our reporting to Council each quarter, and in our Annual report for 2021-22.

Our Services

- **Economic Development** - Providing networking opportunities, coordinating local development efforts, promoting branding and tourism initiatives, and advocating to other levels of government to support projects and investments benefiting the local economy.
- **Property Services** – Managing permits related to events, outdoor dining, roadside trading and mobile food vans.
- **Old Woollen Mills Precinct** – Maintaining strong relationships with the owners and tenants of the site (Council being one of the owners) to support the continued success of the businesses and the development of Fabrik.
- **Public Health** – Legislative function related to public safety with regard to food businesses and treatment and disposal of waste water on site.
- **Communications, Engagement and Events** – Managing, promoting and supporting various large and small events to benefit our community such as the Tour Down Under, Stirling Markets, and Gumeracha Medieval Fair.
- **Development Advice & Approvals** – Assisting businesses and landowners when wishing to develop their properties.

Our Objectives and Priorities

Objectives

E1 - Support and grow our region's existing and emerging industries

E2 - Provide local infrastructure to drive growth and productivity

E3 - Encourage, attract and retain a creative, talented and skilled workforce in our region

E4 - Cultivate a clear, unique and consistent regional identity that can be leveraged to attract national and international attention

Priorities

E1.1 - Support and encourage local and international tourists to visit the Adelaide Hills

E2.1 - Work with all levels of Government to ensure the region's infrastructure needs are understood and prioritised

E3.1 - Attract and encourage professional and business development and networking activities

E4.1 - Work with key stakeholders to develop a realistic, yet inspiring, collective vision to connect the region and its industries

E1.2 - Take advantage of the full potential of our region's primary production and associated value adding activities

E2.2 - Explore and advocate for the opportunities that new technologies could bring to our region

E3.2 - Understand the nature of skills our region's businesses will require to prosper into the future

E4.2 - Work with our communities and businesses to encourage co-ordinated and strategic regional projects that enhance and support the regional identity

E1.3 - Support and encourage the growth and development of our region's creative industry micro businesses

E2.3 - Support changes to planning and development that leverages and encourages sustainable economic development

E3.3 - Work with our local communities and businesses to create active, attractive and vibrant places

E4.3 - Support and encourage events that supports the region's identity and generates social, cultural and economic benefits

E1.4 – Promote, support and encourage our existing and emerging businesses to respond to economic changes by being creative, innovative, productive and resilient to unexpected impacts.

E2.4 - Manage and maintain Council assets to maximise their utilisation and benefit to the community

E3.4 - Enable start-ups and home based business through services, information and networking opportunities

E4.4 - Support the continued development and community engagement for the World Heritage nomination of the region

E1.5 - Engage and assist our region's key business and industry groups to be resilient, proactive and successful

E1.6 - Encourage and facilitate local supplier participation in all level of Government tendering processes

Economy - Strategic Initiatives

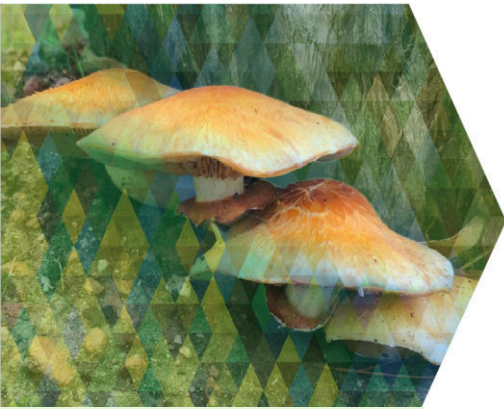
Strategic Initiatives are specially funded and prioritised activities, projects and programs of work that are planned over the next 3 years. “Capital” initiatives are generally related to new physical assets and infrastructure investment, while “Operating” initiatives are related to administrative projects, community programs and other activities and tasks.

Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
E1003	Undertake an expression of interest process related to the level of interest and viability of 'free'- camping sites in the district	Community Capacity	E1.1	Operating	CO	-	-
E2001	Review and upgrade Council signage and branding	Community Capacity	E2.5	Capital	15	15	15
E2002	Place making program to shape, activate and coordinate place making at a community level	Development & Regulatory Services	E2	Operating	CO	CO	CO
E4001	Additional Tree safety work required to support the Tour Down Under	Infrastructure & Operations	E4	Operating	30	30	30
E4002	UNESCO World Heritage Bid	Development & Regulatory Services	E4.4	Operating	5	5	-

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year



A valued Natural Environment



Our Aspiration

The natural environment of the Adelaide Hills contributes significantly to the character of the region and is greatly valued by our local community and visitors.

Some of the key highlights we have planned for 2021-22 include:

- Community education on the proposed cat confinement rules in preparation of 1 January 2022 implementation
- Exploring options for a cat facility
- Expanded incorporation of recycled materials into our Capital Works program
- Expanding on our emergency management response
- Property inspections and education as part of bushfire prevention strategies

How we will measure our success

The services we provide and the influence we have in the community will demonstrate our success in maintaining a healthy and resilient region. In particular this will be shown through community education outcomes, achieving biodiversity targets, and service driven performance in managing animals, waste and resources, and our natural spaces.

We have developed Corporate Performance Indicators (Appendix 3) which will be used in our reporting to Council each quarter, and in our Annual report for 2021-22.

Our Services

- **Sustainability**– Including climate change considerations into Council decision making, providing strategies for carbon neutrality, water management and renewable energy in response to climate change impacts.
- **Open Space Biodiversity**– Undertaking activities such as weed management, habitat conservation and expansion, research and knowledge development, and supporting community in their related activities.
- **Animal Management** - Promoting responsible dog and cat ownership, responding to nuisance and hazards caused by other animals including livestock, eradicating European wasp nests and conducting a Feral Cat Study.
- **Open Space Operations** – Maintaining parks and reserves, biodiversity activities, and fire breaks/tracks.
- **Fire Prevention**– Legislative function of ensuring identified properties are prepared for the bushfire season. Assessing the extent of bushfire hazards within the Council area and providing advice to land owners in respect of bushfire prevention and management.
- **Wastewater Systems Compliance** – working with landowners to ensure their on-site wastewater systems are compliant and operating correctly to minimise impact on the water catchment.
- **Waste** - Providing waste collections and recycling services to 16,500 properties, green waste organics kerbside collections in townships, ‘at call’ hard waste collection, and operates the Heathfield Resource Recovery Centre for community use.

Our Objectives and Priorities

Objectives	<i>N1 - Conserve and enhance the regional natural landscape character and amenity values of our region</i>	<i>N2 - Recognise the benefits of ecosystem services and improve environmental resilience by reducing environmental impacts</i>	<i>N3 - Nurture valuable partnerships and collaborations and engage the local community in the management of our natural environment</i>	<i>N4 - Reduce the impact of waste to landfill by maintaining a robust waste and resource management framework</i>	<i>N5 - Assist our community to reduce the impact of waste to landfill on the environment</i>
Priorities	<p>N1.1 - Enhance and manage horticultural amenity, including succession planning for street trees that contribute to and reinforce our distinctive streetscapes and villages</p> <hr/> <p>N1.2 - Manage reserves and open space to support the community, whilst balancing biodiversity conservation, resource use and environmental impacts</p>	<p>N2.1 - Monitor and manage areas of high biodiversity or habitat value on Council reserves and Native Vegetation Marker Scheme (NVMS) sites using best practice methodologies</p> <hr/> <p>N2.2 - Explore opportunities and take appropriate actions to monitor current and emerging threats to biodiversity including feral cats and Phytophthora</p> <hr/> <p>N2.3 - Mitigate bushfire risks across the landscape by undertaking fuel reduction activities including woody weed control, maintenance of asset protection zones and educate & enforcement to reduce fuels on private property</p> <hr/> <p>N2.4 - Work with supporting organisations and agencies to foster the restoration of native flora and fauna habitat following the 2019-20 bushfire</p>	<p>N3.1 - Increase knowledge and environmental awareness within the community through engagement and education</p> <hr/> <p>N3.2 - Collaborate and engage with public and private organisations, schools and community members (including the Aboriginal community as the first nation peoples), to improve biodiversity outcomes and land management practices.</p> <hr/> <p>N3.3 - Continue to work in partnership with the Resilient Hills and Coasts region to build Council and community resilience to the impacts of climate change</p>	<p>N4.1 - We will work with partners to analyse the benefits and feasibility of introducing a fee incentive to property owners to produce less waste in relation to the kerbside bin service</p> <hr/> <p>N4.2 - We will explore more Green Organics options to achieve improved environmental and financial outcomes.</p> <hr/> <p>N4.3 - We will provide specific education to the community to increase their level of food scrap recycling</p> <hr/> <p>N4.4 - Implement new or improved waste service opportunities whilst continuing to provide ongoing resource recovery and waste service to our community</p>	<p>N5.1 - Encourage and educate the community to help minimise the generation of household waste by advocating the principles of the Waste Management Hierarchy to avoid, reduce and reuse</p> <hr/> <p>N5.2 - Support and assist the community to prevent valuable resources going to landfill and reduce contamination in kerbside recycling bins</p>

Natural Environment - Strategic Initiatives

Strategic Initiatives are specially funded and priority activities, projects and programs of work that are planned over the next 3 years. “Capital” initiatives are generally related to new physical assets and infrastructure investment, while “Operating” initiatives are related to administrative projects, community programs and other activities and tasks.

Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
N1003	Long Term Strategic Tree Planting Program	Infrastructure & Operations	N1.1	Operating	20	20	20
N1004	Strategic Tree Planting - Avenue of trees	Infrastructure & Operations	N1.1	Operating	100	-	-
N1005	Internal resourcing of Tree Team	Infrastructure & Operations	N1.1	Operating	245	252	260
				Capital	400	-	-
N2002	Heritage Agreements for land under Council’s care and control	Infrastructure & Operations	N2.3	Operating	5	5	5
N2003	Native Vegetation Marker Program to protect and manage roadside vegetation	Infrastructure & Operations	N2.1	Operating	45	45	45
N2004	Review Unformed Public Roads to ascertain connectivity potential & habitat value	Infrastructure & Operations	N2.1	Operating	-	64	-
N2005	Develop Encroachment Policy	Infrastructure & Operations	N2.2	Operating	-	6	-
N2006	Develop and review Council Management Plans for high value reserves	Infrastructure & Operations	N2.1	Operating	3	3	3
N2008	Develop informative and attractive signage in Council reserves/playgrounds	Infrastructure & Operations	N2.1	Capital	10	10	10
N2010	Follow up weed control post-burn on Bushfire Management Area Plan sites	Infrastructure & Operations	N2.3	Operating	20	60	20

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year



Natural Environment - Strategic Initiatives *continued...*



Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
N3001	Local Climate Adaptations for landscape conservation	Infrastructure & Operations	N2.1	Operating	10	10	10
N3002	Resilient community facilities and open space including water fountains	Infrastructure & Operations	N3	Capital	20	30	30
N4001	Analyse the benefits and feasibility of introducing a fee incentive to property owners to produce less waste in kerbside bins	Infrastructure & Operations	N4.1	Operating	-	-	25
N5001	Undertake kerbside waste audits	Infrastructure & Operations	N5.1	Operating	10	10	-

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year

A progressive Organisation



Our Aspiration

Council is recognised for its skilled and agile workforce, for its representative and accountable governance, its commitment to cost effectiveness and efficient service delivery.

Some of the key highlights we have planned for 2021-22 include:

- Continuing to explore and implement digital solutions to improve the staff and customer experience
- Undertake a Cyber Security Audit to assess whether the necessary systems and strategies are in place to mitigate the threat of cyber attacks
- Implement the Service Review Framework to better analyse our services and how we allocate our resources

How we will measure our success

As an organisation, our measures of success include service-driven performance measures, achievement of financial targets, evidence of our corporate governance, implementation of innovative processes and technology, and organisational development achievements.

We have developed Corporate Performance Indicators (Appendix 3) which will be used in our reporting to Council each quarter, and in our Annual report for 2021-22.

Our Services

- **Customer Experience** – Driving organisational improvement and innovation to improve the customer experience.
- **Information, Communication and Technology** – Providing support for over 1300 devices, 250 system users and 100 public access devices for libraries and community centres. Manages system security, asset maintenance and renewal.
- **Financial services** – Providing accounting and financial activities including procurement support, payments, collection of rates and debt recovery, treasury management and support to Council in financial decision making.
- **Organisational Development and Work Health & Safety** – Providing support across the whole organisation including development, human resource management, work health and safety and payroll.
- **Governance** – Supporting elected Council Members, the Administration and community with their legislated roles and responsibilities including coordination of Council & Committee meetings, elections, risk management, audit and review activities, and corporate planning and reporting activities.
- **Property Services** – Ongoing maintenance and management of Council's service centres and operational sites.
- **Information Systems** – Systems for the capture, dissemination, storage, security, accessibility and management of information received and generated by Council.
- **Emergency Management** – Working collaboratively to prevent, prepare, respond and recover from natural disasters and other hazards.
- **Bushfire Recovery** – Planning, coordination and overall impact of the recovery effort related to the Cudlee Creek Bushfire.

Our Objectives and Priorities

Objectives	O1 - We have the right people with the right knowledge and skills in the right jobs and they are supported and developed	O2 - Our customers find it easier to interact and do business with Council and have an improved customer experience	O3 - Our organisation is financially sustainable for both current and future generations	O4 - We actively represent our community	O5 - We are accountable, informed, and make decisions in the best interests of the whole community	O6 - Technology and innovation is utilised to better meet our community's expectations and deliver value for money
Priorities	<p>O1.1 - Progressively enhance our safe systems of work to maintain emotional and physical safety of our people</p>	<p>O2.1 - Develop our digital channels to better meet customers' current and future needs</p>	<p>O3.1 - Ensure the delivery of agreed strategic plan requirements whilst meeting endorsed long term targets for a sustainable operating surplus and level of debt</p>	<p>O4.1 - Optimise opportunities for the community to access and provide input into the decision-making processes</p>	<p>O5.1 - Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations</p>	<p>O6.1 - Progressively strengthen Council's systems security to minimise the impact of cyber attack</p>
<p>O1.2 - Continue to develop a positive culture through supporting an equitable, diverse and continuously improving work environment</p>	<p>O2.2 - Modernise our services and enhance the customer experience by making service delivery faster, more convenient and more proactive</p>	<p>O3.2 - Ensure that renewal of assets and the associated maintenance is based on current asset management plans which consider reviewed service levels and whole of life costing</p>	<p>O4.2 - Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community</p>	<p>O5.2 - Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.</p>	<p>O6.2 - Utilise technology to enable more evidence based and efficient delivery of services to the community</p>	
<p>O1.3 - Support our people leaders in further developing the skills necessary to lead engaged and productive teams</p>	<p>O2.3 - Build the capabilities of our people through a focus on two-way communication, cooperation and placing customers at the centre of everything we do</p>	<p>O3.3 - Actively pursue alternative funding opportunities to reduce reliance on rates income</p>	<p>O4.3 - Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region</p>	<p>O5.3 - Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community</p>	<p>O6.3 - Provide more resilient business systems by utilising cloud technologies where appropriate</p>	
<p>O1.4 - Continue to support all staff through training, mentoring, coaching and development to enable the achievement of organisational and community goals</p>	<p>O2.4 - Continuously strive to measure and improve performance and service delivery across all functions</p>	<p>O3.4 - Assess the range and level of services undertaken to ensure they fulfil Council's legislative and strategic intent</p>	<p>O4.4 - Explore council boundary reform options that best serve the community</p>		<p>O6.4 - Utilise our online engagement tools to reach a wider range of community members to obtain their views and input.</p>	
					<p>O6.5 - Support the delivery of services to the community through improved utilisation and connectivity of existing business systems</p>	
					<p>O6.6 - Ensure the way in which we provide our digital services delivers an enhanced experience for our community</p>	

Organisation - Strategic Initiatives

Strategic Initiatives are specially funded and priority activities, projects and programs of work that are planned over the next 3 years. “Capital” initiatives are generally related to new physical assets and infrastructure investment, while “Operating” initiatives are related to administrative projects, community programs and other activities and tasks.

Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
O1001	Resource to manage Skytrust (WHS system) implementation following WHS Improvement Plan	Corporate Services	O1	Operating	35	-	-
O1002	Update of Business Continuity Plan and implementation	CEOs Office	O1.1	Capital	20	5	5
O1003	Heathfield Resource Recovery Centre (HRRC) - Concreting of Bays (G)	Infrastructure & Operations	O1.1	Capital	140	-	-
O1004	Heathfield Resource Recovery Centre (HRRC) - Pedestrian movement safety upgrade (G)	Infrastructure & Operations	O1.1	Capital	15	-	-
O2001	New Council website and e-services	Community Capacity	O2.1	Capital	200	-	-
O2002	Annual Council website licence subscription	Community Capacity	O2	Operating	-	60	60
O2003	Customer experience improvement projects	Community Capacity	O2	Operating	20	-	-
O2004	Customer Experience training	Community Capacity	O2.3	Operating	10	10	10
O2006	Cemetery mapping and imaging	Corporate Services	O2	Capital	25	-	-
O3001	Service Review Framework development	CEOs Office	O3.4	Operating	26	26	27
O4001	Local Government Election support	CEOs Office	O4.2	Operating	-	183	-
O4002	Council Member induction training	CEOs Office	O4.2	Operating	-	10	-
O4003	Develop or respond to boundary reform proposals	CEOs Office	O4.4	Operating	CO	CO	CO

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year



Organisation - Strategic Initiatives *continued...*

Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2021-22 (\$'000)	Long term financial plan (\$'000)	
						2022-23	2023-24
O4004	Council Member Honour Boards	CEOs Office	O4.2	Capital	20	-	-
O5001	Local Government legislative reform implementation	CEOs Office	O5.1	Operating	CO	CO	CO
O5003	Corporate Plan Review	CEOs Office	O5	Operating	CO	-	-
O5004	Establishment of performance benchmarking program	CEOs Office	O5.3	Operating	-	10	10
O5005	Resource to manage building and swimming pool inspections to ensure legislative compliance	Development & Regulatory Services	O5	Operating	77	27	-
O6002	Cyber & Systems Security - Program Management	Corporate Services	O6.1	Operating	70	26	26
O6005	Records Management software (Record Point) subscription	Corporate Services	O6.3	Operating	-	70	72
O6007	Conduct of Community Perception Survey	Community Capacity	O6	Operating	-	10	-

Legend: **G** Grant funding **CO** resourced through the Core Operating expenditure - not resourced for this financial year

Financial Overview

Key financial information for 2021-22 is summarised below:



Budget Summary		\$'000
● General Rates Income (2.5% increase)		38,466
● All Other Operating Income (incl initiatives)		11,836
Total Operating Income		50,302
● Core Operating Expenses (excluding Initiatives)		46,891
● Operating Initiatives		2,067
Total Operating Expenditure		48,958
Operating Surplus		1,344
● Gross Capital Renewal Program Expenditure		11,451
● Gross capital expenditure on new /upgraded assets		11,823
Total Gross Capital Expenditure		23,274
Estimated New Borrowings		9,277
Repayment of Fixed Term Borrowings		1,000

Council's projected operating income is sufficient to meet projected operating expenses and means Council is financially sustainable.

The 2021-22 Operating Surplus of \$1.344m includes one off funding of \$1.572m relating to the Federal Government Local Roads and Community Infrastructure Project (LGCIP) Program to support jobs, businesses and the resilience of local economies.

Long Term Financial Plan

The *Local Government Act 1999* requires the Council to prepare a *Long Term Financial Plan* (LTFP) as part of its suite of strategic management plans.

Prior to the development of the *Annual Business Plan* a detailed review of the LTFP was undertaken in consultation with the community. The revised LTFP was adopted at Council's 27 April 2021 meeting and can be found at ahc.sa.gov.au.

The key objective of our LTFP is to demonstrate that the Council is financially sustainable over the 10 year term of the LTFP, while achieving the objectives outlined in the *Strategic Plan*. This includes:

- Implementation and funding of the appropriate level of maintenance and renewal of the portfolio of infrastructure assets
- Meeting the ongoing expectations of service delivery to our community
- Managing the impact of cost shifting from other levels of government
- Enabling the delivery of strategies identified within the Strategic Plan as well as other endorsed Functional Strategies
- The appropriate use of debt as a means of funding new capital expenditure
- Ensuring the financial sustainability of Council's operations.

The LTFP has been used to set the context and targets for the development of the 2021-22 Budget

Elements of the Budget: Income and Expenses

Income

Rate revenue accounts for approximately 80% of Council's operating income, while grants, fees and charges make up the majority of the other operating income. We continue to pursue grant income and partnerships with external funders where possible to minimise the requirement for revenue via rates.

Fees and Charges

Section 188 of the *Local Government Act 1999* sets out how fees and charge are managed in Council. Council reviews its fees and charges each year, in conjunction with the development of the annual budget to ensure that the fees proposed:

- reflect (or move progressively toward) the cost of the services given
- are comparable with market rates, where appropriate
- take into account benefit derived by users of community facilities
- are consistent with Council directions articulated through existing policy or plans
- are consistent with Council's LTFP assumptions

Generally, this has resulted in proposed fee increases that are in line with CPI, insofar as this is practicable.

Expenses

40% of the Council's operating expenditure is attributable to the payment of salaries and wages and around 39% is applied to materials, contracts and other expenses.

Key financial targets and financial sustainability

Financial sustainability is demonstrated through adherence to Council's agreed target ranges in all of the three key ratios:

Indicator	Adopted Target	2021-22 Budget
Operating Surplus Ratio	1 - 5%	2.7%
Adjusted Operating Surplus Ratio	1 - 5%	0.9%
Net Financial Liabilities Ratio	25 - 75%	55%
Asset Renewal Funding Ratio	95– 105%	106%

The table above also shows an adjusted Operating Surplus Ratio which removes the distortion of one off items including LRCIP funding of \$1.572m on Council's result. In conclusion, Council closely aligns with the targets for all ratios which provides a level of certainty to the community that financial sustainability will be maintained.

Impact on ratepayers

The overall amount existing ratepayers will pay in general rates will increase on average by 2.5%. For a residential property of average value, this equates to an increase of approximately \$50 for the 2021-22 year. Rate increases may vary from the average where there has been new development, capital improvements or other significant change to the value of the property.

To reduce the impact of significant valuation changes for 2021-22 Council is proposing:

- Applying a rate cap/rebate to all land use categories (expanding the cap from only principal place of residence)
- Setting the rate cap at 12.5%, being 10% on top of the proposed 2.5% increase – previously 15%
- Retaining the exclusion of the cap for changes in land use
- Adjusting the exclusion of change of ownership properties to those properties sold after 30 June 2020 (previously from 1 January 2020)
- Make automatic (previously by application) but also retain an application process subsequent to the issuance of a rate notice

Significant influences for the 2021-22 budget

A number of factors have influenced the preparation of Council's 2021-22 Annual Business Plan. These include:

- The ongoing impact of recent events including the COVID-19 pandemic and Cudlee Creek and Cherry Gardens fires on our community
- The inclusion of additional costs for tree management to mitigate the significant risks associated with the management of trees following a recent review
- Local Government Price Index increases on relevant goods and services, which in recent years has tracked above CPI
- Consideration of waste costs and volumes relating to recyclables, hard and green waste, including an increase in free green organic drop off days and anticipated movements in the solid waste levy imposed by the State Government
- Provision for Enterprise Development Agreements for staff which determines conditions of employment and provide for annual salary and wages increases, and a separate increase of 0.5% in the Superannuation Guarantee levy.
- Maintaining asset management (renewal) expenditure at a sufficient level to ensure long term maintenance of Council infrastructure, property and IT assets
- Increased maintenance requirements due to an increase in capital works and construction of new assets over recent years
- Ensuring key strategies from Council's Strategic Plan and Functional Strategies are costed appropriately
- The divestment of the southern side of Adelaide Hills Business and Tourism Centre at Lobethal resulting in reduced rental and reimbursement income but offset by reduced operating and capital costs
- The increased activation of an Arts and Heritage Hub resulting in a net cost of \$210k in 2021-22
- Insurance where the market has hardened resulting in increased premiums above CPI





Borrowings

Borrowing is an important funding source, especially for expenditure relating to new Capital and is undertaken in accordance with Council's *Treasury Policy*. The key objective of the Policy is to manage the finances of the Council holistically in accordance with the overall financial sustainability strategies and targets.

An independent local government report on financial sustainability encourages the increased use of borrowings to promote intergenerational equity. This involves spreading costs in relation to significant capital expenditure based on the pattern of benefits over time so that one generation is not excessively subsidising another.

Where there is a persuasive argument relating to intergenerational equity, Council will consider the appropriate use of borrowings. This will be managed within financial targets with the intention that future cash flows are sufficient to recoup borrowings with minimal impact on general operations over the medium term.

Estimated New Fixed Term Borrowing as shown in the following table for 2021-22 is \$9.3m and together with a small increase in Council's Cash Advance Debenture results in an estimated borrowings at 30 June 2022 of \$22.4m.

Borrowing	\$'000
Forecast Opening Balance of Borrowings July 2021	13,088
Estimated New Borrowing for 2021-22	10,277
Repayment of principal for 2021-22	(1,000)
Forecast Closing Balance of Borrowings June 2022	22,365
Split as follows:	
Cash Advance Debenture (Short Term Borrowings)	1,784
Fixed Term Borrowings	19,850
Lease Liabilities	731
Forecast Closing Balance of all Borrowings June 2022	22,365

Operating Budget by Directorate and Function

Directorate	Function	Revenue			Expenditure			Net Cost /	Staff FTE
		2021-22 LTFP Target \$'000	2021-22 Budget \$'000	Variance Fav/(Unfav) \$'000	2021-22 LTFP Target \$'000	2021-22 Budget \$'000	Variance Fav/(Unfav) \$'000	2021-22 Budget \$'000	
CEO	CEO Office	-	-	-	323	315	7	315	1.0
	Governance and Performance	39	39	-	1,738	1,796	(20)	1,758	4.0
	CEO Total	39	39	-	2,099	2,112	(13)	2,073	5.0
Community Capacity	Communications, Engagement & Events	3	0	(3)	672	672	0	672	3.6
	Community Development (M&P)	0	0	0	368	378	(10)	378	2.3
	Cultural Development	0	0	0	180	180	0	180	1.0
	Customer Experience	0	0	0	174	165	9	165	1.0
	Community Resilience	140	140	0	140	140	0	0	1.3
	Customer Service	0	0	0	1,155	1,155	0	1,155	8.8
	Director's Office Community Capacity	0	0	0	309	304	5	304	1.7
	Economic Development	95	95	0	538	550	(13)	455	2.0
	FABRIK Arts & Heritage Hub	295	295	0	505	505	0	210	2.0
	Grants & Partnerships	0	0	0	237	237	0	237	0.0
	Hills Connected Communities Projects	65	65	0	70	70	0	5	0.6
	Library Services	343	337	(6)	1,577	1,572	6	1,234	16.1
	Positive Ageing (Collaborative)	82	87	5	82	87	(4)	0	0.6
	Positive Ageing (Home Support)	1,029	1,051	22	1,067	1,096	(30)	46	5.8
	The Summit Community Centre	15	15	0	179	177	2	163	1.6
	Torrens Valley Community Centre	37	37	0	178	179	(2)	143	1.6
	Volunteering	0	0	0	86	86	0	86	0.7
Youth Development	2	2	0	161	161	0	159	1.0	
	Community Capacity Total	2,104	2,123	19	7,676	7,713	(37)	5,590	51.7
Corporate Services	Cemeteries	217	301	84	163	163	0	-138	1.0
	Director's Office Corporate Services	3	3	0	331	331	0	328	1.8
	Financial Services	40,848	40,812	-37	411	315	96	-40,496	8.5
	General Property	106	107	1	1,782	1,776	6	1,669	6.7
	Information Services	0	0	0	2,769	2,738	31	2,738	12.0
	Old Woollen Mills Precinct - Lobethal	371	338	-33	249	246	4	-92	1.0
	Organisational Development & WHS	0	0	0	611	697	-86	697	5.3
	Corporate Services Total	41,546	41,561	15	6,318	6,267	51	(35,294)	36.2

Operating Budget by Directorate and Function

Directorate	Function	Revenue			Expenditure			Net Cost / (Revenue) 2021-22 Budget \$'000	Staff FTE 2021-22 Budget
		2021-22 LTFP Target \$'000	2021-22 Budget \$'000	Variance Fav/(Unfav) \$'000	2021-22 LTFP Target \$'000	2021-22 Budget \$'000	Variance Fav/(Unfav) \$'000		
Development & Regulatory Services	Animal Management	416	436	20	392	395	(2)	(21)	3.1
	Director's Office DRS	0	0	0	337	332	5	332	2.0
	Fire Prevention	14	14	0	100	81	19	67	0.9
	Mt Lofty Project	51	0	(51)	53	0	53	0	0.0
	Parking and By-Laws	47	47	0	198	196	2	150	1.3
	Planning & Development	569	552	(17)	1,943	2,200	(257)	1,649	16.4
	Policy Planning	0	0	0	157	146	11	146	1.0
	Public Health	170	179	9	484	500	(16)	321	3.8
	Development & Regulatory Services Total	1,267	1,228	(39)	3,664	3,850	(186)	2,622	28.6
Infrastructure & Operations	Civil Services	3,372	3,372	0	5,543	5,580	(38)	2,209	44.2
	CWMS	1,822	1,822	0	1,093	1,079	14	(742)	1.2
	Director's Office Infrastructure & Operations	0	0	0	335	332	2	332	2.0
	Emergency Management	0	0	0	83	112	(29)	112	0.4
	Open Space - Operations	0	0	0	5,079	5,108	(28)	5,108	26.8
	Open Space - Biodiversity	0	0	0	569	572	(4)	572	3.4
	Open Space - Sport & Recreation Planning	10	10	0	561	1,049	(488)	1,039	1.8
	Strategic Assets	0	0	0	9,904	9,873	31	9,873	3.8
	Sustainability	0	0	0	264	222	42	222	1.2
	Waste	73	149	76	4,969	5,088	(119)	4,939	1.4
	Infrastructure & Operations Total	5,277	5,353	76	28,400	29,017	(541)	23,664	86.2
ORGANISATION TOTAL		50,232	50,302	71	48,156	48,958	(802)	1,344	207.15

Capital Budget Overview

The 2021-22 Capital Budget continues to focus on the renewal of infrastructure. The Council has in excess of \$600m (Current Replacement Values) of infrastructure assets that it manages, to ensure that our current and future communities have access to the ongoing services these assets provide.

This year our capital works program will include:



- **\$11.451m** Capital renewal detailed in the Capital Expenditure Renewal Summary Table (to the right)
- **\$11.823m** in capital expenditure on new or upgraded assets, detailed in the strategic initiative pages (pg 6 -27)

The total of \$23.274m for the capital works program is more than the Long Term Financial Plan target of \$17.042m but is considered to be the appropriate level of sustainable investment to meet the Council strategic goal to have a proactive long term view regarding the renewal and maintenance of its infrastructure.

As in previous years, a significant portion of the program is applied to road works, with buildings, footpaths, stormwater and plant accounting for a large proportion of the remaining allocation.

To see a detailed listing of our Capital projects, refer to the *Capital Works Program 2021-22* published on our website.

Capital Expenditure Renewal Summary

Asset Category	2021-22 Allocation \$'000	LTFP Target Renewal \$'000	Variance to LTFP \$'000
Bridges	250	250	-
Buildings	1,220	1,100	(120)
CWMS	224	224	-
Footpaths	392	400	8
Kerb & Water	200	250	50
Other*	218	224	6
Road Pavement	953	954	1
Road Seal	1,861	1,864	3
Shoulders	250	250	-
Sport and Recreation (including Playgrounds)	780	740	(40)
Stormwater	60	60	-
Unsealed Roads	908	900	(8)
Plant and Fleet	1,913	1,632	(281)
Information, Communication & Technology	580	485	(95)
Minor Plant & Equipment (including Library)	280	80	(200)
Project Management Costs	1,362	1,362	-
NET RENEWALS	11,451	10,775	(676)

*Other includes Guardrail, Retaining Walls, Cemeteries, Street Furniture, and Traffic Control

Rates Overview

In setting the rates for 2021-22 Council proposes to continue with its current method of rating, which is two differential rates with a fixed charge, applied against the capital value of properties. Council considers this to be a fair and equitable method of rating for the Adelaide Hills Council.

Rates are used to deliver the services. Rates are a form of property taxation, and property values determine how much each property contributes. This system of taxation means that the rates paid may not directly relate to the services used by each ratepayer.

The 2021-22 budget was initially developed from Council's LTFP which had a rate revenue target that incorporated a general rates increase of 2.5% and estimated growth of 1.0%.

Growth represents new development (primarily related to the Woodforde, Mount Torrens and Inverbrackie developments), capital improvements to existing properties and changes to value as a result of land divisions and will be confirmed by the Valuer-General as part of completing the valuation of the Council area.

As a result of a Revaluation Initiative Project across the whole state undertaken by the Valuer-General, Council has noted increased variability in valuation increases within the Council area, particularly within the primary production land use. As such, Council is proposing to reduce the impact of significant valuation changes for 2021-22 by:

- Applying a rate cap/rebate to all land use categories (expanding the cap from only principal place of residence)
- Setting the rate cap at 12.5%, being 10% on top of the proposed 2.5% increase – previously 15%
- Make automatic (previously by application) but also retain an application process
- Adjusting the exclusion of change of ownership properties to those properties sold after 30 June 2020 (previously from 1 January 2020)

The table below provides a summary of the average rate increases that have been applied in recent years as well as the proposed increase for 2021-22 as discussed above.

Description	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
To meet inflation (CPI)	1.5%	1.25%	2.3%	1.8%	2.4%	1.5%
To fund increased capital renewal	1.0%	1.0%	1.0%	1.0%	0.55%	1.0%
Solid Waste Levy	-	-	-	\$10 (0.5%)	-	-
Sampson Flat Bushfire (one year only)	(1.0%)	-	-	-	-	-
TOTAL INCREASE	1.5%	2.25%	3.3%	3.3%	2.95%	2.5%



Summary Basis of Rating (*Rating Policy*)

Key elements of the Policy include:

Rating Structure

- A fixed charge rating structure that includes a fixed charge applying to all properties. This charge is to increase from \$682 to \$699 which represents a 2.5% increase in line with the average increase previously highlighted.
- The same rate in the dollar (see table below), based on capital value, being applied to all categories of ratepayer, except commercial and industrial ratepayers who pay a 15% premium.
- The ability of primary production ratepayers genuinely in the business of primary production but not benefitting from a notional capital value for their property to apply for a 10% rebate where they have previously applied.

Rate in the Dollar per Financial Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Commercial & Industrial	0.002806	0.002748	0.002784	0.002839	0.002821	0.002821
All Other Land Uses including Residential	0.002440	0.002390	0.002421	0.002469	0.002453	0.002453

Stirling Separate Rate

- A separate rate for businesses in Stirling that generates \$95k that is distributed to the Stirling Business Association (SBA) to promote Stirling as a destination, the "Gateway to the Hills" through a three year funding agreement to June 2023 . Council also sets a maximum amount ('top') and a minimum amount ('tail') per property each financial year for this separate rate.
- Council also proposes in accord with Council's taxation principles to increase the top and tail of the separate rate in line with CPI to better maintain an even distribution across all separate ratepayers.

Other Rates and Levies

A separate rate to provide for the sealing in 2014-15 of the northern end of Verrall Road, Upper Hermitage. This rate is levied on those properties that actually adjoin this section of road.

Help when you need it

An empathetic and individually tailored approach to ratepayers who are experiencing financial difficulties as a result of COVID-19 and bushfire events through the provision of a number of alternative arrangements made available to ratepayers including:

- smaller, more regular payment options
- acceptance of reduced payments toward Council Rates arrangement
- Deferment or postponement of payment of rates in whole or in part for an agreed period
- consideration of the waiving of fines & interest where appropriate

The *Rating Policy* includes a number of options to address financial hardship specifically targeted to those ratepayers that have been significantly and permanently impacted by recent events.



Impact of Office of Valuer-General Revaluation Initiative Project

Council’s valuations used for rating purposes are undertaken by the Office of the Valuer-General.

For 2021-22, the Valuer-General is completing a Revaluation Initiative Project across the majority of Councils within South Australia resulting in a reassessment of valuation assumptions. Data received recently from the Valuer-General indicates that this review has resulted in increased variability in valuation increases within the Council area, particularly within the primary production land use.

This is likely to result in many rate assessments experiencing a change in rates payable much higher or lower than the average rate increase proposed.

As a response to the impact of the Revaluation Initiative undertaken by the Valuer-General, Council’s rating policy position for the 2021-22 Annual Business Plan consultation is proposed as follows to apply a Revaluation Relief Rebate to reduce the impact of significant valuation changes for 2021-22. This will effectively cap the maximum rate increase at 12.5%.

The table below shows the difference between the rebate and the previous rate cap.

Revaluation Relief Rebate	Previous Rate Cap
Applied automatically	By application only
Maximum rate increase 12.5%	Maximum rate increase 15%
Applied to ALL land use categories	Applied to principal place of residence
Does not apply to properties sold from 30 June 2020	Does not apply to properties sold from 1 January 2020

Rate Statistics

Council has just over **18,800** assessments split by land use as follows:



13 400
Residential



710
Commercial
and Industrial
differential rate



3,000 +
Primary
production



600 +
Vacant



800 +
Non-rateable



200
Other

Rates Modelling

The valuation of the Council area by the Valuer-General has been completed and information provided reflects an increase of over 3.6% in valuation for existing properties.

Analysis indicates that:

- Residential properties, representing over 70% of the overall valuation, had an average valuation **increase** of just over **3.7%**
- Primary production properties, being 17% of total assessments, have an average valuation **increase** of **5.2%**
- Commercial and Industrial properties had had an average valuation **decrease** of over **1%**
- Vacant land valuations have **increased** on average by just under **3.0%**.

The Budget has been formulated on the basis of retaining differential rates for all categories of ratepayer, including commercial and industrial ratepayers at the appropriate rate in the dollar to provide an overall increase in general rate revenue of 2.5% excluding growth.

Allocation of Rates Burden

The Council uses the capital value method of valuing properties. This method values the land and all improvements on the land. It is the most widely-used method across South Australian councils.

Council considers this valuation method the most equitable method to spread the rates burden across the measure of wealth within the Adelaide Hills Council area. It equates to the taxation principle that people should contribute to community, social and physical infrastructure in accordance with their capacity to pay as measured by property wealth.

Further, in determining how rates are applied, and the rate in the dollar (table above), Council has also made specific policy choices in relation to uses the differential rating rate and the option of a fixed charge rather than a minimum rate to allocate the rates burden across the community.

Differential Rates

Section 153 of *Local Government Act 1999* (the Act) allows councils to 'differentiate' rates based on the use of the land, the locality of the land, the use and locality of the land or on some other basis determined by the council. The application of a Differential General Rate is generally intended to alter the amount payable by particular land uses.

Council has determined to apply the same rate in the dollar, based on capital value, to all categories of ratepayer, except commercial and industrial ratepayers who pay a differential rate in the dollar that is 15% higher than the rate in the dollar charged for other categories of ratepayer.

Council has considered the higher amount payable by the Commercial & Industrial sector with reference to the Economic Development function as well as the services and activities that the sector does not regularly use.

Council has considered the principle of rate stability when assessing the rates burden across the above categories. Other considerations were given to the change in capital value across the land use categories and the rates income provided by each.

It is estimated that the Commercial & Industrial Differential General Rates will raise net rate revenue in the order of \$1.5m in 2021-22.

It is estimated that the Residential & Non Commercial and Industrial Differential General Rate will raise net general rate revenue in the order of \$37.0m in 2021-22.

Fixed Charge

Under the Act, Council has some mechanisms available to enable all ratepayers to contribute more equitably to the administration of Council's services and the development and maintenance of the community's infrastructure. Council considers a fixed charge (applying equally to all rateable properties) to be the most fair and equitable means of achieving this.

For the 2021-22 year, it is proposed to increase the fixed charge from \$682 to \$699, representing a 2.5% increase in line with the overall average increase in rates.

Community Wastewater Management System

The Council provides Community Wastewater Management System (CWMS) to some areas within the Council district. To fund the provision of this service Council imposes an annual service charge to recover the cost to the Council of establishing, operating, maintaining, improving and replacing infrastructure (taking into account depreciation of any assets and including future capital works).

Council undertakes a review of the annual service charge pricing in accordance with the guidelines set by the Essential Services Commission of South Australia (ESCOSA). For the 2021-22 financial year, CWMS revenue has currently been set with an increase in line with CPI to achieve the full cost recovery.



Appendix 1: Budgeted Uniform Presentation of Finances

Adelaide Hills Council
BUDGETED UNIFORM PRESENTATION OF FINANCES
2021-22 Proposed Budget

2020-21 Revised Budget \$'000		2021-22 Proposed Budget \$'000
	INCOME	
40,231	Rates	41,573
1,428	Statutory charges	1,197
704	User charges	869
8,104	Grants, subsidies and contributions	5,869
9	Investment income	17
231	Reimbursements	210
507	Other income	467
100	Net gain - equity accounted Council businesses	100
51,314	Total Income	50,302
	EXPENSES	
18,416	Employee costs	19,424
21,498	Materials, contracts & other expenses	19,295
9,237	Depreciation, amortisation & impairment	9,762
668	Finance costs	477
0	Net loss - equity accounted Council businesses	0
49,816	Total Expenses	48,958
1,498	NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	1,344
	Net Outlays on Existing Assets	
(9,749)	Capital Expenditure on Renewal and Replacement of Existing Assets	(11,451)
646	Proceeds from Sale of Replaced Assets	665
9,237	Depreciation	9,762
134	NET OUTLAYS ON EXISTING ASSETS	(1,024)
	Net Outlays on New and Upgraded Assets	
(5,563)	Capital Expenditure on New and Upgraded Assets & Remediation costs	(11,823)
3,104	Capital Grants and Monetary Contributions for New and Upgraded Assets	2,000
1,486	Proceeds from Sale of Surplus Assets	1,304
(972)	NET OUTLAYS ON NEW AND UPGRADED ASSETS	(8,519)
659	NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR	(8,199)
(19,822)	Net Financial Liabilities at Beginning of Year	(19,263)
-	- Decrease / (increase) in Other	-
(100)	Non Cash Equity Movement	(100)
(19,263)	Net Financial Liabilities at End of Year	(27,562)

In any one year, the financing transactions identified below are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

Financing Transactions

5,500	New Borrowings	10,350
(143)	Increase/(Decrease) in Short Term Draw Down	(73)
64	(Increase)/Decrease in Cash & Investments	-
-	(Increase)/Decrease in Working Capital	-
(5,000)	Principal Repayments on Borrowings	(1,000)
(200)	Reinstatement/Restoration Provision Payment	(978)
(780)	Debenture Payment	-
(100)	Non Cash Equity Movement	(100)
(659)		8,199

It should be noted that the figures in this appendix have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.

Adelaide Hills Council

STATEMENT OF COMPREHENSIVE INCOME 2021-22 Proposed Budget

2020-21 Revised Budget \$'000		2021-22 Proposed Budget \$'000
	INCOME	
40,231	Rates	41,573
1,428	Statutory charges	1,197
704	User charges	869
8,104	Grants, subsidies and contributions	5,869
9	Investment income	17
231	Reimbursements	210
507	Other income	467
100	Net gain - equity accounted Council businesses	100
51,314	Total Income	50,302
	EXPENSES	
18,416	Employee costs	19,424
21,498	Materials, contracts & other expenses	19,295
9,237	Depreciation, amortisation & impairment	9,762
668	Finance costs	477
-	- Net loss - equity accounted Council businesses	-
49,816	Total Expenses	48,958
1,498	OPERATING SURPLUS / (DEFICIT)	1,344
780	Asset disposal & fair value adjustments	(35)
3,104	Amounts received specifically for new or upgraded assets	2,000
-	- Physical Resources Received Free of Charge	-
5,383	NET SURPLUS / (DEFICIT)	3,309
5,130	Changes in revaluation surplus - infrastructure, property, plant & equipment	5,215
-	- Other Comprehensive Income	-
-	- Share of Other Comprehensive Income JV	-
5,130	Total Other Comprehensive Income	5,215
10,513	TOTAL COMPREHENSIVE INCOME	8,524

Adelaide Hills Council
STATEMENT OF FINANCIAL POSITION
2021-22 Proposed Budget

2020-21 Revised Budget \$'000	ASSETS	2021-22 Proposed Budget \$'000
	Current Assets	
454	Cash and cash equivalents	454
2,761	Trade & other receivables	2,761
18	Inventories	18
3,233		3,233
	- Non-current Assets held for Sale	-
3,233	Total Current Assets	3,233
	Non-current Assets	
	- Financial assets	-
1,591	Equity accounted investments in Council businesses	1,691
432,598	Infrastructure, property, plant & equipment	449,321
434,189	Total Non-current Assets	451,012
437,422	Total Assets	454,245
	LIABILITIES	
	Current Liabilities	
4,473	Trade & other payables	4,473
1,857	Borrowings - Short Term Draw Down	1,784
785	Borrowings - Other	1,000
3,388	Provisions	2,410
10,503	Total Current Liabilities	9,667
	Non-current Liabilities	
10,446	Borrowings	19,581
1,528	Provisions	1,528
11,974	Total Non-current Liabilities	21,109
22,477	Total Liabilities	30,776
414,945	NET ASSETS	423,469
	EQUITY	
144,028	Accumulated Surplus	147,337
270,336	Asset Revaluation Reserves	275,551
581	Other Reserves	581
414,945	TOTAL EQUITY	423,469
19,263	NET FINANCIAL LIABILITIES	27,562

Adelaide Hills Council

STATEMENT OF CHANGES IN EQUITY 2021-22 Proposed Budget

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2021-22	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	144,028	270,336	581	414,945
Net Surplus / (Deficit) for Year	3,309	-	-	3,309
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment	-	5,215	-	5,215
Transfers between reserves		-		-
Balance at end of period	147,337	275,551	581	423,469
2020-21				
Balance at end of previous reporting period	138,645	265,206	581	404,432
Restated opening balance				
Net Surplus / (Deficit) for Year	5,383	-	-	5,383
Other Comprehensive Income				
Changes in revaluation surplus - infrastructure, property, plant & equipment	-	5,130	-	5,130
Share of Other Comprehensive Income JV				-
Transfers between reserves				-
Balance at end of period	144,028	270,336	581	414,945

FINANCIAL RATIOS

	2021-22 Proposed Budget
Operating Surplus Ratio	
<u>Operating Surplus</u> Total Operating Revenue	2.7%
Net Financial Liabilities Ratio	
<u>Net Financial Liabilities</u> Total Operating Revenue	55%
Asset Sustainability Ratio	
<u>Asset Renewals</u> Infrastructure & Asset Management Plan required expenditure	106%

Adelaide Hills Council

CASH FLOW STATEMENT 2021-22 Proposed Budget

2020-21 Revised Budget \$'000	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	2021-22 Proposed Budget \$'000
	<u>Receipts</u>	
40,231	Rates - general & other	41,573
1,428	Fees & other charges	1,197
704	User charges	869
8,104	Grants	5,869
9	Investments	17
231	Reimbursements	210
507	Other revenues	467
	<u>Payments</u>	
(18,416)	Employee costs	(19,424)
(21,698)	Materials, contracts & other expenses	(20,273)
(668)	Finance payments	(477)
10,433	NET CASH USED IN OPERATING ACTIVITIES	10,028
	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
	<u>Receipts</u>	
5,500	Proceeds from Borrowings	10,350
	<u>Payments</u>	
(5,000)	Repayment from Borrowings	(1,000)
	Repayment of Lease Liabilities	
(780)	Repayments of Aged Care facility deposits	-
(280)	NET CASH USED IN FINANCING ACTIVITIES	9,350
	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
	<u>Receipts</u>	
3,104	Grants for new or upgraded assets	2,000
646	Sale of replaced assets	665
1,486	Sale of surplus assets	1,304
	<u>Payments</u>	
(5,563)	Expenditure on new/ upgraded assets	(11,823)
(9,749)	Expenditure on renewal/ replacement of assets	(11,451)
(10,075)	NET CASH USED IN INVESTING ACTIVITIES	(19,305)
79	NET INCREASE / (DECREASE) IN CASH HELD	73
(1,482)	CASH AT BEGINNING OF YEAR	(1,403)
(1,403)	CASH AT END OF YEAR	(1,330)
454	Cash & Investments	454
(1,857)	Short Term Drawdown	(1,784)
(1,403)		(1,330)



Appendix 2: Corporate Performance Indicators

ID	Corporate Performance Indicator	Target	Strategic Objective	Reporting Frequency
Goal 1: A functional Built Environment				
CPI-B01	Inspections of footpaths in high priority zones	100%	B1	Quarterly
CPI-B02	Delivery of capital works program	90%	B1	Annually
CPI-B03	Compliance inspections completed within 5 business days of development completion notification	80%	B2	Quarterly
CPI-B04	Compliance inspections completed within 5 business days of notification of alleged unlawful development	80%	B2	Quarterly
CPI-B05	Comparison of Council's Energy Usage (Kwh) against previous financial year	Less than previous financial year	B3	Annually
CPI-B06	Tonnes of recycled plastic content in products purchased by Council	25	B3	Annually
CPI-B07	Operational tasks completed within the Civil Zone Maintenance Program	80%	B4	Quarterly
Goal 2: Community Wellbeing				
CPI-C01	Positive ageing wellbeing score	7 Average	C2	Quarterly
CPI-C02	Community Centre participants who feel better connected to others or community	85%	C2	Bi-annual
CPI-C03	Community centre participants who would use the knowledge/skills gained in the future	80%	C3	Bi-annual
CPI-C04	Number of volunteer hours contributed to AHC programs each year	4800	C3	Quarterly
CPI-C05	Library visits per capita compared with the state average	25% above state average	C3	Annually
CPI-C06	Library loans per capita compared with the state average	35% above state average	C3	Annually
CPI-C07	Attendance at programs, events and workshops at Fabrik Arts and Heritage Hub	8,000	C6	Annually
CPI-C08	Percent of available studio spaces occupied	50	C6	Annually
CPI-C09	Number of events and programs celebrating cultural diversity	8	C6	Annually

ID	Corporate Performance Indicator	Target	Strategic Objective	Reporting Frequency
Goal 3: A prosperous Economy				
CPI-E01	Net Easy Score of respondents who rated ease of getting assistance from Council as Easy or Very Easy v Difficult or Very Difficult	>0	E1	Every 2 Years
CPI-E02	Visitor numbers (visitor domestic day trips)	1.2mil	E1	Annually
CPI-E03	Average number of days for Building Rules Consents	20 or 60 business days*	E2	Quarterly
CPI-E04	Percentage of new development application decisions upheld in Council/CAPs favour under appeal	85%	E2	Quarterly
CPI-E05	Percentage of Planning Consents completed within statutory timeframes	85%	E2	Quarterly
CPI-E06	Number of local jobs in AHC area compared to previous financial year	Maintain 2019-20 Financial Year = 11200	E3	Annually
Goal 4: A valued Natural Environment				
CPI-N01	Number of Native Vegetation Marker System BushRAT Assessment sites complete (actual versus planned)	60 NVMS sites per annum	N2	Annually
CPI-N02	Woody Weed Control Program - no. of sites complete (actual versus planned)	17 sites per annum	N2	Quarterly
CPI-N03	Percent of nuisance and litter queries resolved	90%	N2	Quarterly
CPI-N04	Percent of private properties inspected prior to bushfire season that comply with fuel load management requirements	At least 90%	N2	Annually
CPI-N05	Tonnes of green organics collected on Green organic days	150	N4	Quarterly
CPI-N06	Percentage change in tonnes of waste disposed to landfill compared to previous financial year	Reduction in waste percentage	N5	Annual
CPI-N07	Number of community education actions delivered (Waste Management Strategy 2016-2021) – Actioned vs Planned	6	N5	Quarterly


*20 Business Days for dwellings, pools and outbuildings and 60 business days for other buildings

ID	Corporate Performance Indicator	Target	Strategic Objective	Reporting Frequency
Goal 5: A progressive Organisation				
CPI-001	Number of Lost time injuries	0	O1	Quarterly
CPI-002	Customer Net Ease Score (NES)	50	O2	Bi-annual
CPI-003	Overall customer satisfaction	75%	O2	Bi-annual
CPI-004	Operating Surplus Ratio	1-5%	O3	Annually
CPI-005	Net Financial Liabilities Ratio	25-75%	O3	Annually
CPI-006	Asset Sustainability Ratio	95-105%	O3	Annually
CPI-007	Decisions (Council resolutions) considered in open Ordinary & Special Council meetings during the reporting period	90%	O4	Quarterly
CPI-008	Council member attendance at Ordinary & Special meetings	90%	O4	Quarterly
CPI-009	FOI requests completed within the legislated timeframe	100%	O6	Quarterly
CPI-010	Ombudsman investigations upholding Council's decisions (general investigations and FOI external reviews)	100%	O6	Quarterly
CPI-011	Employee Turnover	7-15%	O1	Quarterly

A photograph of a forest floor with a colorful geometric overlay. The background shows a dense forest with dark tree trunks and green grasses. The foreground is dominated by a large, colorful geometric pattern consisting of overlapping triangles in shades of orange, red, green, and grey. The text "Appendix 3: Rating Policy" is overlaid on the bottom right of the image.

Appendix 3: Rating Policy

COUNCIL POLICY

 <p>Adelaide Hills COUNCIL</p>	<h3>RATING</h3>
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Policy Number:	FIN-02
Responsible Department(s):	Financial Services
Other Relevant Policies:	None
Relevant Procedure(s):	None
Relevant Legislation:	<i>Local Government Act 1999</i> <i>Valuation of Land Act 1971</i> <i>Landscape South Australia Act 2019</i> <i>Aged Care Act 1987 (Commonwealth)</i> <i>Community Housing Providers National Law</i> <i>Community Titles Act 1996</i> <i>Education Act 1972</i> <i>Health Commission Act 1976</i>
Policies and Procedures Superseded by this policy on its Adoption:	Rating, 28 June 2016, Item 14.9, 1.11, 122 Rating, 27 June 2017, Item 14.3, 1.11, 130/17 Rating, 26 June 2018, Item 12.3, 1.11, 138/18 Rating, 25 June 2019, Item 12.2, 1.11, 156/19 Rating, 30 June 2020, Item 7.1, 1.11, 124/20
Adoption Authority:	Council
Date of Adoption:	22 June 2021
Effective From:	1 July 2021
Minute Reference for Adoption:	Item 12.6, 1.11, 123/21
Next Review:	June 2022

RATING POLICY

1. INTRODUCTION

- 1.1 In South Australia, council rates are a form of property tax levied by Local Government, as our primary source of funding for the many mandatory and discretionary services that are provided by councils. Rates are administered by each council in line with the *Local Government Act 1999* (the Act) which allows some flexibility for each council to make decisions that suit its local community. This document sets out the policy of the Adelaide Hills Council for setting and collecting rates from its community.

2. PURPOSE

- 2.1 The purpose of this policy is to outline Council's approach towards rating its communities and to meet the requirements of the Act with particular reference to Section 123 which requires Council to have a rating policy that must be prepared and adopted (as part of the Annual Business Plan) each financial year in conjunction with the declaration of rates.

3. DEFINITIONS

- 3.1 '**Act**' refers to the *Local Government Act 1999* (SA).
- 3.2 '**Capital value**' refers to the valuation methodology used in determining the value of land, as defined in the *Valuation of Land Act 1971*.
- 3.3 '**Council**' refers to the elected Council body.
- 3.4 '**CWMS**' refers to the Community Wastewater Management System within the Council area.
- 3.5 '**Differential rate**' refers to a rate that may be applied to a category of land that is different to the rate applied to other land categories (termed differential rates under the Act).
- 3.6 '**Fixed charge**' refers to a charge that must apply equally to each separate piece of rateable land in the area under Section 152(1) of the Act.

4. POLICY STATEMENT

Council's powers to raise rates are found in Chapter 10 of the Act which provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices. This document includes reference to compulsory features of the rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates.

All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council occupied land and a few other limited categories under Section 150(a) of the Act, is rateable.

Rates are not fees for services. They constitute a system of taxation for Local Government purposes. Council considers the fairest and most equitable method of charging rates to our community is through the combined use of a fixed charge component and a variable rate per rateable property.

4.1 PRINCIPLES OF TAXATION

This Policy represents the Council's commitment to balancing the five main principles of taxation.

- i) **Benefits received** (i.e. services provided, or resources consumed). Reliance on this principle suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax.
- ii) **Capacity to pay.** This principle suggests that a person who has less capacity to pay should pay less; and that persons of similar means should pay similar amounts.
- iii) **Administrative simplicity.** This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.
- iv) **Economic efficiency.** This refers to whether or not the tax distorts economic behaviour.
- v) **Policy consistency.** The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

Further, in achieving equity across the community, this policy has an overriding principle that all ratepayers should contribute an amount to basic service provision.

4.2 VALUATION OF LAND

Council is permitted to adopt one of three valuation methodologies to value the properties in its area (Section 151 of the Act):

- **Capital Value** – the value of the land and all of the improvements on the land.
- **Site Value** – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- **Annual Value** – a valuation of the rental potential of the property.

The Council has adopted the use of capital value as the basis for valuing land. Council considers that this method provides the fairest way to distribute the rate burden across all ratepayers on the following basis:

- the 'capacity to pay' principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- the 'property value' is a relatively good indicator of wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital

value approximates the market value of a property, provides the best indicator of overall property value

Council does not determine property valuations but chooses to exercise the right under Section 151 of the Act to adopt the capital valuations as assessed by the Valuer-General through the State Valuation Office. If you are dissatisfied with the valuation made by the State Valuation Office your rates notice will include information about how to object to the valuation. The Council has no role in this process. The lodgement of an objection does not change the due date for the payment of rates.

4.3 **COMPONENTS OF RATES**

Fixed Charge or Minimum Rate

Council has discretion to apply either:

- a fixed charge (applying equally to all rateable properties); or
- a minimum rate (to lower-value properties)

but cannot use both of these mechanisms.

The Adelaide Hills Council will apply a fixed charge this financial year as in previous years. Council considers a fixed charge to be the most fair and equitable means of ensuring that all ratepayers contribute equally to the administration of Council's services and the development and maintenance of the community's infrastructure. In addition, the fixed charge provides a mechanism to adjust the rates contributions across high and low valued properties. This redresses the balance and equity of the rate system.

The Council is unable to raise more than 50% of total rate revenue by the imposition of a fixed charge component of general rates as per Section 151(10) of the Act.

A rate in the dollar

The largest component of rates levied is the component that is calculated by reference to the value of the property. Property values reflect, among other things, the relative availability of and access to Council services. This applies to all types of land use, and to land in all locations.

The Act allows councils to 'differentiate' rates based on the use of the land, the locality of the land, the use and locality of the land or on some other basis determined by the council. The Council applies different rates on the basis of land use.

Definitions of the use of the land are prescribed by regulation and are categorised as follows for rating purposes:

- Residential
- Commercial
- Industrial
- Primary Production
- Vacant Land
- Other

In accordance with Section 148 of the Act, Council assesses any piece or Section of land subject to separate ownership or separate occupation.

Commercial and Industrial Differential Rate:

Those properties categorised as commercial or industrial will pay a differential rate in the dollar that is 15% higher than the rate in the dollar charged for other categories of ratepayer.

Council has considered the higher amount payable by the Commercial & Industrial sector with reference to the commercial differential rates of other Councils, costs of the Economic Development function as well as the services and activities that the sector does not regularly use.

If a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection may be made with the Council.

Separate Rate*Stirling Business Separate Rate:*

A separate rate for businesses in Stirling (Stirling Business Separate Rate) will be applied to carry out the activity of promoting and enhancing business viability, profitability, trade and commerce within the zone.

This rate is levied on all properties within the precinct known as the District Centre (Stirling) Zone and businesses fronting both sides of Mt Barker Road east of the District Centre (Stirling) Zone to Pine Street, excluding land attributed a land use category 1 (residential) and government owned land. Council also sets a maximum amount ('top') and a minimum amount ('tail') per property each financial year for this separate rate with the top and tail adjusted each year with reference to the Consumer Price Index. The amount raised is distributed to the Stirling Business Association to promote Stirling as a destination, the 'Gateway to the Hills'.

Verrall Road Separate Rate:

A separate rate for Verrall Road, Upper Hermitage at a value of \$858 will be applied for a period of 10 years to 2023-24. This rate which provided for the sealing of the northern end of the road in 2014-15 is levied on the properties that use that Section of road.

Regional Landscape Levy

The Regional Landscape (RL) Levy is a State tax.

Councils are required under the Landscape South Australia Act 2019 to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards that 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.

Adelaide Hills Council falls within the Hills & Fleurieu Regional Landscape board region. The effect of the new regions and boundary changes on landscape levies is being managed through a levy transition scheme. For 2021-22, Adelaide Hills Council has been advised that Council will have a single landscape levy.

Community Wastewater Management System

The Council provides Community Wastewater Management System (CWMS) to some areas within the Council district. To fund the provision of this service Council imposes a service charge to recover the cost to the council of establishing, operating, maintaining, improving and replacing infrastructure (taking into account depreciation of any assets and including future capital works).

Annually, an independent consultant is engaged to provide a review of:

- Council's compliance with ESCOSA's Minor to Intermediate Retailers Price Determination and the National Water Initiative (NWI) Pricing Principles;
- The pricing model for future CWMS price setting.

This review included the annual service charge for both occupied and vacant properties. For the 2021-22 financial year, CWMS revenue has currently been set with an increase in line with CPI for occupied properties with vacant property remaining unchanged.

4.4 RATES CAPPING

Council's valuations used for rating purposes are undertaken by the Office of the Valuer-General.

In terms of legislation, the Act (Section 153 (3)) requires a council to decide each year whether to apply a maximum rate increase (or a rates cap) to a ratepayers principal place of residence. A cap is applied to provide relief against a substantial change in rates payable incurred due to rapid changes in valuations.

For 2021-22, the Valuer-General has undertaken a Revaluation Initiative Project across the majority of Councils within South Australia including the Adelaide Hills Council resulting in a reassessment of valuation assumptions. Data received from the Valuer-General indicates that this review has resulted in significant variability in valuation changes across the Council area, particularly within the primary production land use.

As such, many rate assessments have experienced a change in rates payable much higher or lower than the average rate increase proposed.

As Council considers that rate relief is required across all land uses and therefore more than a ratepayers principal place of residence, Council will not apply a rates cap under Section 153(3) but rather implement a discretionary rate rebate under Section 166 (1) (l) as referenced below.

4.5 REBATE OF RATES

Mandatory rebates

Councils are required to rebate (discount) the rates payable on some land.

The Adelaide Hills Council will act in accordance with the Local Government Act in providing mandatory rebates as referenced in Section 160 – 165 of the Act.

A 100% rebate must be applied to land used for:

- Health services,
- Religious purposes,
- Public cemeteries,
- The Royal Zoological Society.

A compulsory rebate of at least 75% must be applied to land used by:

- Community service organisations, and
- Schools and universities.

Where a “community services organisation” is eligible for a mandatory rebate, the residential rate must be applied to the land to which the rebate relates in accordance with Section 161 (2) of the Act. This is as a result of Council declaring differential rates according to land use and providing for a distinct residential rate.

Where the Council is satisfied from its own records, or from other sources, that a person or body meets the necessary criteria for a mandatory rate rebate, the Council will grant the rebate accordingly.

Where the Council is not satisfied based upon the information in its possession or otherwise does not hold relevant information it will require the person or body to lodge an application form with such information as stipulated and any other information that the Council may reasonably require.

Applicants who satisfy the criteria for a mandatory rebate will be granted the rebate at any time provided the application is lodged prior to the 30 June of the rating year and provided the entitlement to the rebate existed at 1 July of the rating year.

Council will confirm the continuation of a person or body’s eligibility for a mandatory rebate on a regular basis (at least biennially) to ensure that rebates are only granted where they are warranted. This will require the relevant person or body to lodge an application form with such information as stipulated and any other information that the Council may reasonably require to confirm the continuation of eligibility.

Discretionary rebates

General

As identified in Section 166 of the Act Council may grant a discretionary rebate of rates up to and including 100% of the relevant rates under a number of criteria and for a period not exceeding the timeframe.

As required by legislation, Council should give reasonable consideration to the granting of rebates and does not adopt a policy that excludes the consideration of applications for rebates based on their merits.

Have considered this, Council is of the view that except in very specific circumstances outlined below, the maximum discretionary rebate should be 75% to ensure ratepayers contribute an amount towards basic service provision.

Section 166 covers a large number of different rebate categories, referred to as cases in the Act. Council in determining its rates structure has considered the following relevant in setting the policy position for Adelaide Hills Council

Discretionary Rate Rebates where it is Desirable for a Particular Purpose in an area of Council

Section 166 (1) provides Council with the discretion to implement rebates where the rebate is desirable for a particular purpose.

Council has determined pursuant to Section 166(1) (b) that those primary production properties genuinely in the business of primary production but not benefitting from a notional capital value for their property can apply for a 10% rebate on the differential rate.

Council considers this primary production rebate as part of its Annual Business Plan and Budget process. As this rebate was implemented in 2008-09 to address the removal of a primary production differential rate, it is considered that this rebate should continue to be made to those ratepayers in the business of primary production who do not have a notional capital value assessment of their property and who have applied for and been granted this rebate in any of the last three (3) rating years, namely 2018-19, 2019-20 and 2020-21 rating years.

These applications will be actioned by Administration in line with the eligibility criteria outlined above.

Discretionary Rate Rebates linked to Community Service or Need or Disadvantaged Persons

Section 166 (1a) identifies a number of discretionary rebates of rates made under Section 166(1)(d) to (j) covering activities linked to community services or community need or assistance or relief to disadvantaged persons.

Council has determined that applications in relation to those rebates identified under Section 166 (1a) should be brought to Council for decision and also that Council would receive a listing of these discretionary rate rebates for the next rating period annually.

Council in accordance with Section 166 (1a) will take the following matters into account in deciding whether to grant a discretionary rebate for land uses covered by Section 166 (1) (d to j):

- (a) the nature and extent of Council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in the Council's area;
- (b) the community need that is being met by activities carried out on the land for which the rebate is sought; and
- (c) the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons and
- (d) specific policy positions considered relevant by Council

Council's specific policy positions to meet discretionary rate rebates eligibility are as follows:

- An organisation needs to meet one of the criteria listed under Section 166 d) to i);
- An organisation needs to be not-for-profit;
- A rebate of 100% will only be granted where community organisations seeking a rebate provides a service that would be required to be provided by Council if not undertaken by the organisation;
- A rebate of 75% will be granted if the organisation provides a community service that support the disadvantaged or sections of the community that require assistance, as defined;
- Where an organisation does not meet the above criteria, it is still eligible for a 75% rebate where it meets all of the following criteria:
 - limited capacity to raise funds;
 - meets a “community need”, as defined; and
 - undertake services and activities that are not primarily the responsibility of Federal or State Government

Council has determined the following definitions to assist in the determination of eligibility for a discretionary rate rebate under these sections.

“Disadvantaged persons” refers to persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability. To meet this criteria the organisation would need to establish that the predominant extent of the activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons.

“community need” is defined as those services and activities that are aligned to achievement of one or more of Council's strategies resulting in:

- a direct benefit to the residents of Adelaide Hills Council; and
- a significant proportion of users are Adelaide Hills residents.

Discretionary Rate Rebates under Section 166 (1)(l) to (o)

Due to the complexities involved in the application of discretionary rate rebates under Section 166 (l) to (o), any application relating to these elements is subject to a separate report to Council to consider the appropriateness of such a rebate or dealt with as part of the Annual Business Plan and Budget process.

Discretionary Rate Rebates under Section 166 (l) relating to a substantial change in Rates Payable

Council can also use a discretionary rate rebate to address properties with substantial valuation increases under Sect 166 (l) of the Act where the rebate is considered by the council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to—

- (i) a redistribution of the rates burden within the community arising from a change to the basis or structure of the council's rates; or

- (ii) a change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations

For 2021-22, Council will implement a Revaluation Relief discretionary rate rebate under Section 166 (1)(i) of the Act to reduce the impact of significant valuation changes for 2021-22 by:

- Applying to all land use categories (expanding the cap/rebate from only principal place of residence)
- Setting the rate cap at 12.5% (previously 15%)
- Make automatic (previously by application) but also retaining an application process
- Adjusting the exclusion of change of ownership properties (excluding family transfers) to those properties sold after 30 June 2020 (previously from 1 January 2020)

This agreed policy position and the application of the rebate will be actioned accordingly by the Administration under delegation as part of the rates generation process where Council considers that the ratepayer meets the eligibility criteria or by application from the ratepayer.

All Discretionary Rate Rebates

Persons who, or bodies which, seek a discretionary rebate will be required, where relevant to submit an application form to the Council and provide to the Council such information as stipulated on the application form and any other information that the Council may reasonably require.

All persons who or bodies which wish to apply to the Council for a discretionary rebate of rates must do so on or before 30 April prior to the rating year unless the application is a result of a change in eligibility for a mandatory rebate or rate exemption. In those circumstances where an application relates to a change in rebate/rate exemption in a relevant rating year, then the application will be applied for the full rating year if received within 2 months of the change in rebate/exemption being advised. The Council reserves the right to refuse to consider applications received after the specified date.

Persons or bodies who previously received a discretionary rebate greater than 75% may apply for a phasing in period (up to 2 years) in circumstances where the above change impacts significantly on the persons or bodies' financial capacity. In these circumstances, an application will be considered if received within 2 months of the change in rebate being advised. The Council reserves the right to refuse to consider applications received after the specified date.

Where there is no maximum timeframe specified for a rebate provided under Section 166, Council will grant a discretionary rebate to the last rating period commencing within a Council term to allow for a regular review of discretionary rate rebates.

A summary of all discretionary rebates applied for under Section 166 (1) (d) to (j), including whether they have been successful or not and the associated reasons will be reported to Council on an annual basis.

Each rebate that is granted either reduces the Council's revenue and hence its capacity to provide services, or else it effectively increases the amount that must be collected from other ratepayers. The principles of equity dictate that Council remains diligent in only awarding rebates and exemptions where they are warranted.

If a ratepayer wishes to apply for a discretionary rate rebate, they may apply by contacting the Council's Rate Administrator.

All rebates

As Council's CWMS service charges are set to recover the cost to the council of establishing, operating, maintaining, improving and replacing infrastructure (taking into account depreciation of any assets and including future capital works) no rebates are provided by Council.

If an entitlement to a rebate ceases or no longer applies during the course of a financial year, council will recover rates proportionate to the remaining part of the financial year.

If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

The Council will, in writing, advise an applicant for the rebate of its determination of that application. The advice will state:

- if the application has been granted, the amount of the rebate; or
- if the application has not been granted, the reasons why.

Any person or body who is aggrieved by a determination of the delegated officer in respect of an application for a rebate may seek a review of that decision in accordance with Council's Internal Review of Council Decisions Policy.

Single Farming Enterprise

The Local Government Act 1999 provides that "if two or more pieces of rateable land within the area of the Council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land".

A Single Farm Enterprise is defined in the Local Government Act -

"A reference to a single farm enterprise is a reference to two or more pieces of rateable land

(a) which –

(i) are farm land; and

(ii) are farmed as a single enterprise; and

(iii) are occupied by the same person or persons,

whether or not the pieces of land are contiguous; or

(b) which –

- (i) as to all the pieces except one, are farm land farmed as a single enterprise occupied by the same person or persons; and
- (ii) as to one piece contiguous with at least one of the other pieces, is the principal place of residence of that person or one of those persons."

In effect, this means that land can be recognised as a "single farming enterprise" and not attract a fixed charge to each of the assessments, provided:

- that if the occupier of all the land concerned is the same person, (this means that if there is a house being occupied that is not the principal place of residence, it cannot be part of the single farm enterprise)
- all of the land is used to carry on the business of primary production, and
- managed as a single unit for that purpose,

Primary producers can apply to the Council for the 'single farming enterprise' provisions of the Local Government Act.

Ratepayers should also be aware that if the grounds on which they have applied for a single farm enterprise cease to exist, the person or body who have the benefit of the provisions must immediately inform the Council of the fact.

4.6 **RATE RELIEF**

Council applies rate remissions and postponement in accordance with the Act.

Financial Hardship

If you are suffering financial hardship, you should contact the Council's Rates Administrator to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on its merits. Options to address financial hardship can include:

Regular payments other than Quarterly

If you are experiencing financial hardship and anticipate difficulty paying the next rate instalment notice, we will work with you to make alternative arrangements. These arrangements will be treated in the strictest confidence.

In addition to quarterly instalments, ratepayers can arrange with Council to pay their rates weekly, fortnightly or monthly to provide for a smaller, more regular payment option via BPAY, phone or internet.

Waiving of Fines and Interest

Council can consider the waiving of fines and interest as part of addressing financial hardship. When a ratepayer has committed to a payment plan and adheres to a regular payment, Council will consider the waiving of fines and interest to assist the ratepayer.

Postponement of Rates

A ratepayer may apply to Council to postpone payment of rates in whole or in part for a period of due to hardship. Any such application must be made in writing and outline the reasons why postponement is requested.

If postponement is granted then Council will consider the waiving of fines and interest for the same period to assist the ratepayer.

In accordance with legislation, a postponement may, if Council thinks fit, be granted on condition that the ratepayer pays interest on the amount affected by the postponement at a rate fixed by the council (but not exceeding the cash advance debenture rate as defined in the Local Government Act).

As postponement may only delay financial hardship for a period of time, options involving a regular payment plan are more likely to be beneficial for ratepayers to assist in reducing rates balances outstanding over time.

Remission of rates

The Council has a discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship.

Council has a charge over the land under Section 177 of the Act and therefore is likely to be able to recover rates outstanding upon sale. The granting of a remission forgoes this right and therefore is only considered as an option in circumstances where the ratepayer has demonstrated serious and long term hardship and where there is no chance of improvement in the ratepayers' financial circumstances.

Consideration must also be given to the tax burden redistribution effect on other rate payers of any remission.

For these reasons, and given the importance of ensuring fairness to other ratepayers, remission will only be considered as a last resort and only where there is no chance of improvement in the ratepayer's financial circumstances. As such, it is likely that postponement of payment of rates due to hardship has been occurred for some period to confirm the permanency of the ratepayer's situation.

Seniors Postponement

If you hold a State Seniors Card then (unless you have a mortgage entered before 2007 that is greater than 50% of your home's value) you are eligible to postpone, on a long-term basis, a large component of the rates on your principal place of residence. The postponed amount is subject to a monthly interest charge, with the accrued debt falling due for payment only when the property is sold or transferred to someone else, or no longer becomes the principal place of residence. However, some or all of the debt may be paid at any earlier time, at your discretion.

4.7 PAYMENT OF RATES

Rates are declared annually, and may be paid, at your discretion, either in one lump sum, or in quarterly instalments that fall due in September, December, March and June. The exact dates that rates fall due, and the various options for paying rates, are clearly indicated on your rates notice.

If you have (or are likely to have) difficulty meeting these payments, you should contact the Council's Rates Administrator to discuss alternative payment arrangements. Such inquiries are treated confidentially.

4.8 LATE PAYMENT OF RATES

The Act provides that councils must impose a penalty of 2% on any payment for rates by instalment, which is not paid on or before the due date. A payment that continues to be late is then charged a prescribed interest rate for each month it continues to be late.

When Council receives a payment in respect of overdue rates Council applies the money received in accordance with the Act as follows:

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed;
- Fourth – in payment of rates, in chronological order (starting with the oldest account first).

4.9 NON- PAYMENT OF RATES

A separate Debt Recovery Policy has been adopted by Council and is available for review on the Adelaide Hills Council website.

The purpose of this policy is to set out Council's principles in regard to the management of debt and to ensure that money owed to Council is collected as soon as possible through efficient and effective debt recovery practices. This policy assists to ensure a strategic, equitable, accountable, consistent and transparent approach to Council's debt management, collection decisions and practices. Key principles under this Debt Recovery Policy for rates are as follows:

- Council undertakes recovery action for overdue rates debtors to ensure the **fair, equitable and consistent** collection of rates in an effective and timely manner.
- Council will **attempt to recover all costs, interest and expenses incurred by Council** while recognising the need to identify and consider individual cases of **genuine hardship**.
- Cases of financial hardship will be considered by application on an individual basis and always with a view to the ratepayer **re-establishing financial capability and, wherever possible, meeting their financial obligations**

It should be noted that Council may sell any property where the rates have been in arrears for three years or more. Council is required to notify the owner of the land of its intention to sell the land, 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.

5. CONTACTING THE COUNCIL'S RATES ADMINISTRATOR

- 5.1 If you believe that Council has failed to properly apply this policy you should contact the Council's Rates Administrator to discuss the matter. (See contact details below). If after this, you are still dissatisfied then you should write to the Council's Chief Executive Officer at PO Box 44, Woodside SA 5244.

For further information, queries, or to lodge an application for rate postponement or remissions please contact the Council's Rates Administrator on:

Phone: 8408 0400
E-mail: mail@ahc.sa.gov.au
Post: PO Box 44, Woodside SA 5244

6. DELEGATIONS

- 6.1 As highlighted in this policy, Council has determined a policy position in relation to discretionary rates pursuant to Section 166(1) (b) relating to a primary production rebate and a revaluation relief discretionary rate rebate under Section 166 (1)(i) of the Act to reduce the impact of significant valuation changes for 2021-22. These policy positions and the application of the relevant rebates will be actioned accordingly by the Administration under delegation as part of the rates generation process where Council considers that the ratepayer meets the eligibility criteria or upon receipt of an application from the ratepayer.
- 6.2 The delegation for discretionary rate rebates as identified in Section 166 (1a) covering a number of discretionary rebates of rates made under Section 166(1)(d) to (j) relating to activities linked to community services or community need or assistance or relief to disadvantaged persons has not been delegated by Council and as such these applications will be brought to Council for decision.
- 6.3 The Chief Executive Officer has the delegation to:
- Approve, amend and review any procedures that shall be consistent with this Policy; and
 - Make any formatting, nomenclature or other minor changes to the Policy during the period of its currency.

7. AVAILABILITY OF THE POLICY

- 7.1 This Policy will be available for inspection at the Council's Offices during ordinary business hours and via the Council's website www.ahc.sa.gov.au. Copies will also be provided to the public upon request, and upon payment of a fee in accordance with the Council's Schedule of Fees and Charges.

Supplementary Information to Rating Policy

Differential Rates

Section 153 of the Act allows councils to 'differentiate' rates based on the use of the land, the locality of the land, the use and locality of the land or on some other basis determined by the council. The application of a Differential General Rate is generally intended to alter the amount payable by particular land uses.

Council has determined to apply the same rate in the dollar, based on capital value, to all categories of ratepayer, except commercial and industrial ratepayers who pay a differential rate in the dollar that is 15% higher than the rate in the dollar charged for other categories of ratepayer.

Council has considered the higher amount payable by the Commercial & Industrial sector with reference to the Economic Development function as well as the services and activities that the sector does not regularly use.

Council has considered the principle of rate stability when assessing the rates burden across the above categories. Other considerations were given to the change in capital value across the land use categories and the rates income provided by each.

It is estimated that the Commercial & Industrial Differential General Rates will raise net rate revenue in the order of \$1.5m in 2021-22.

It is estimated that the Residential & Non Commercial and Industrial Differential General Rate will raise net general rate revenue in the order of \$37m in 2021-22.

Council has applied the following rates in the dollar across recent years to determine the total rate levied against an assessment:

Financial Year	Commercial & Industrial	All Other Land Uses including Residential
2021-22	0.002821	0.002453
2020-21	0.002821	0.002453
2019-20	0.002839	0.002469
2018-19	0.002784	0.002421
2017-18	0.002748	0.002390
2016-17	0.002806	0.002440

Fixed Charge

Under the *Local Government Act 1999* (the Act), Council has some mechanisms available to enable all ratepayers to contribute more equitably to the administration of Council's services and the development and maintenance of the community's infrastructure. Council considers a fixed charge (applying equally to all rateable properties) to be the most fair and equitable means of achieving this.

The Council is unable to raise more than 50% of total rate revenue by the imposition of a fixed charge component of general rates as per Section 151(10) of the Act.

Council has applied the following fixed charges across recent years as part of the total rate levied against an assessment:

	Fixed Charge	Increase from Previous Year	% of Rate Revenue
2021-22	\$699	2.50%	31.5%
2020-21	\$682	2.95%	31.9%
2019-20	\$662	2.8% + \$10	32.0%
2018-19	\$634	3.3%	31.8%
2017-18	\$613.50	2.25%	31.8%
2016-17	\$600		31.8%

It should be noted that although a Joint Committee of Parliament considered potential changes to valuation policy that would remove the ability to levy individual fixed charges based on occupancy for retirement village, the final report tabled in November 2019 did not include any specific recommendations to remove this ability. However, Council is aware that an independent Member Bill has been tabled in Parliament which would prevent councils from levying a fixed charge on properties in a retirement village. Should this policy change be implemented this would reduce Fixed Charge revenue by approximately \$200k for Adelaide Hills Council.