



Annual Business Plan 2022-23



Adelaide Hills
COUNCIL

Welcome


This is our Annual Business Plan for 2022-23 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 11 May to 1 June 2022.

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 Kaurna 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 2022-23 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 sustainability.

Our focus in 2022-23 is to continue to support and strengthen the Adelaide Hills community, environment and economy.

Some key projects and activities we will be undertaking include:

- Upgrades of the Gumeracha library
- Continued development of the Fabrik Arts and Heritage Hub
- Participation in the federally funded Local Roads and Community Infrastructure program to further invest in our region's assets
- Implementation of three key frameworks which will support Council to manage and improve assets in the Sport, Recreation and Facilities areas.
- Supporting the 2022 Local Government Election

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 **73** strategic initiatives identified which contribute towards achieving our long term goals
- These include:
 - **36** capital initiatives (\$11.8m)
 - **37** operating initiatives (\$2.9m)

Capital Budget

- **\$11.8** million for capital expenditure on new or upgraded assets
- **\$10.5** million for capital renewal

Operating Budget

- Proposed Operating Surplus of **\$1.361m**
- The Operating Surplus includes one off net funding of **\$882k** relating to the Federal Government Local Roads and Community Infrastructure Project Program to support jobs, businesses and the resilience of local economies

Borrowing

- Net Borrowings of **\$7.3m**, resulting in forecast Borrowings at June 2023 of **\$23.3m**

Rates

- Average increase in general rates of **4.9%** which will allow for continued financial sustainability, maintain our much needed services, and fund new initiatives for community facilities and trails development.

For an average value residential property this equates to an annual increase of approximately \$106.

Financial Sustainability

- Adjusted Operating surplus ratio of **1.1%*** which is in line with Council's target of 1% to 5%
- Net financial liabilities ratio **51%** in line with Council's target of 25% to 75%
- Asset sustainability ratio **102%** in line with Council's target of 95% to 105%

We Are Unique

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



618km of Sealed Roads
403km of Unsealed Roads
(Costing approx. \$4.6m to renew and maintain)



115km of Footpath
(costing approx. \$395k to maintain)



3 Libraries
3 Community Centres
(cost approx. \$2.4m)



39 Playgrounds
100+ Pieces of equipment



Inspect approx.
7,500 properties
(bushfire prevention)



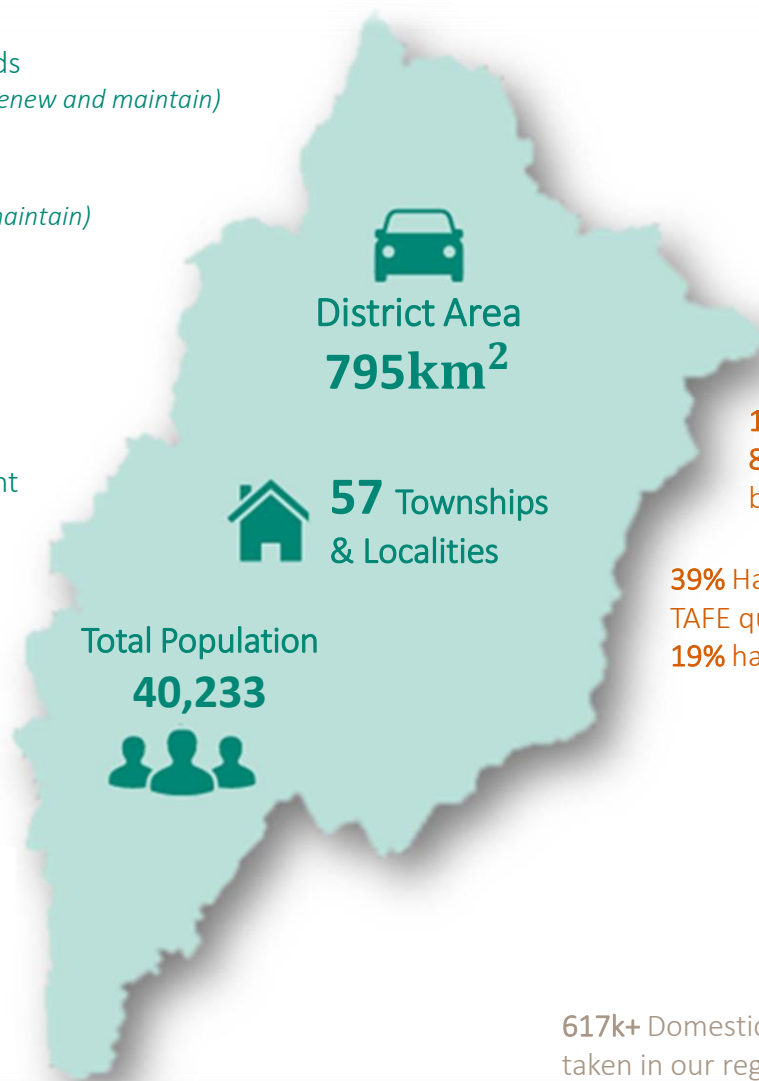
373 Council Owned Buildings



Waste and Recycling
cost approx. **\$5.2m**



8,715 Dog Registrations
1,269 Cat Registrations



Median Age
44



Volunteers
32%



3% Need Help
at Home



15,478 Households
83% Own or are
buying a home



39% Have a university or
TAFE qualification
19% have a trade qualification



4,092 Businesses



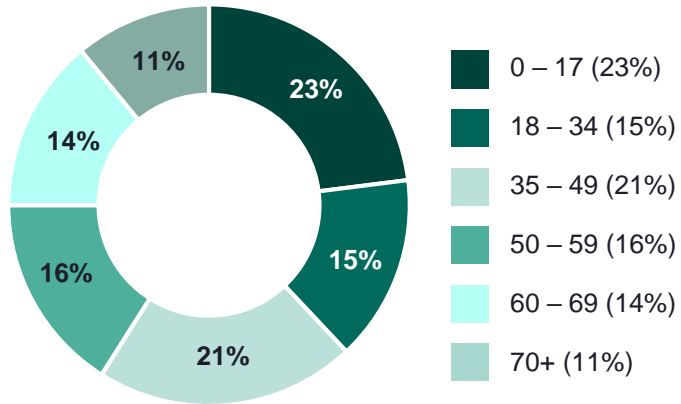
11,720 Local jobs



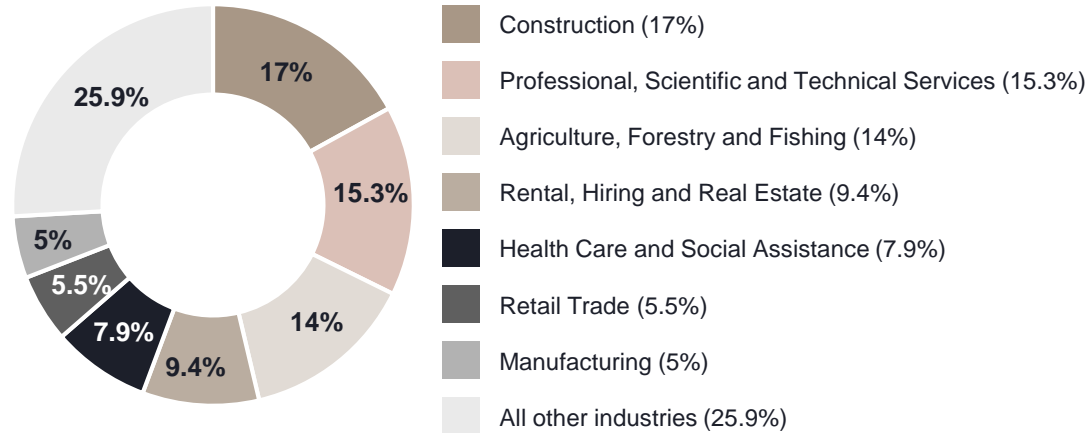
617k+ Domestic Day Trips were
taken in our region in 2020-21



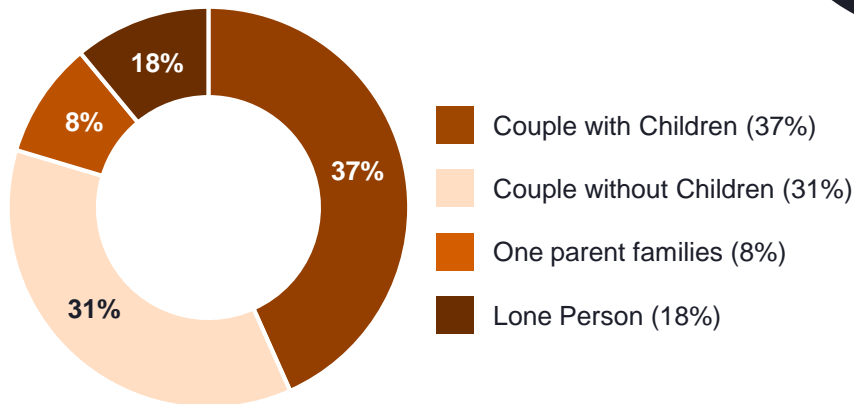
Age Profile of the Adelaide Hills



Number of registered businesses by industry



Household Types



Data Source: ABS Census of Population and Housing 2016, and ABS Count of Australian Business 2021

A message from our Mayor...

Council is always focused on supporting our community, our environment and our local economy to strengthen, grow, and remain resilient in the face of ongoing and future challenges.

This year's Annual Business Plan 2022-23 sets out how we will deliver the services and infrastructure needed to keep our community safe, healthy and prosperous over the next year. It links with both our Long Term Financial Plan and *Strategic Plan 2020 – 2024: A Brighter Future*, to set out goals and priorities around our Built Environment, Community Wellbeing, Economic Prosperity, the Natural Environment and Organisational Progress.

This year we're progressing many of the projects and frameworks that we've been working on with our community over the past few years. It includes key frameworks for providing sport and recreation facilities, more cycling and recreation routes and better play spaces for our children. These frameworks help Council better manage our community's important assets and improve them for everyone to use. The new Fabrik Arts and Heritage Centre in Lobethal is an exciting art and culture hub and we are now entering a key development phase with assistance from grant funding as one of our bushfire recovery initiatives.

We continually seek out grant funding opportunities in support of our community and environment for projects such as our Community Resilience and Readiness Program and Biodiversity activities in reserves and roadsides. The Local Roads and Community Infrastructure Program is another potential funding source for projects related to constructing or improving community buildings and assets like upgrades for the Gumeracha library and the Splash Park Facility at the Adelaide Hills War Memorial Swimming Centre.

There are 73 strategic initiatives in this Annual Business Plan 2022-23! They have been informed and refined by your feedback. It's an ambitious plan but we are confident that these initiatives, along with ongoing service delivery, will ensure our residents, business owners and visitors continue to feel 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.

So please explore the plan and see what's in it for you, your family and our whole community as we strive to pursue a brighter future for all.

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 stewardship 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.

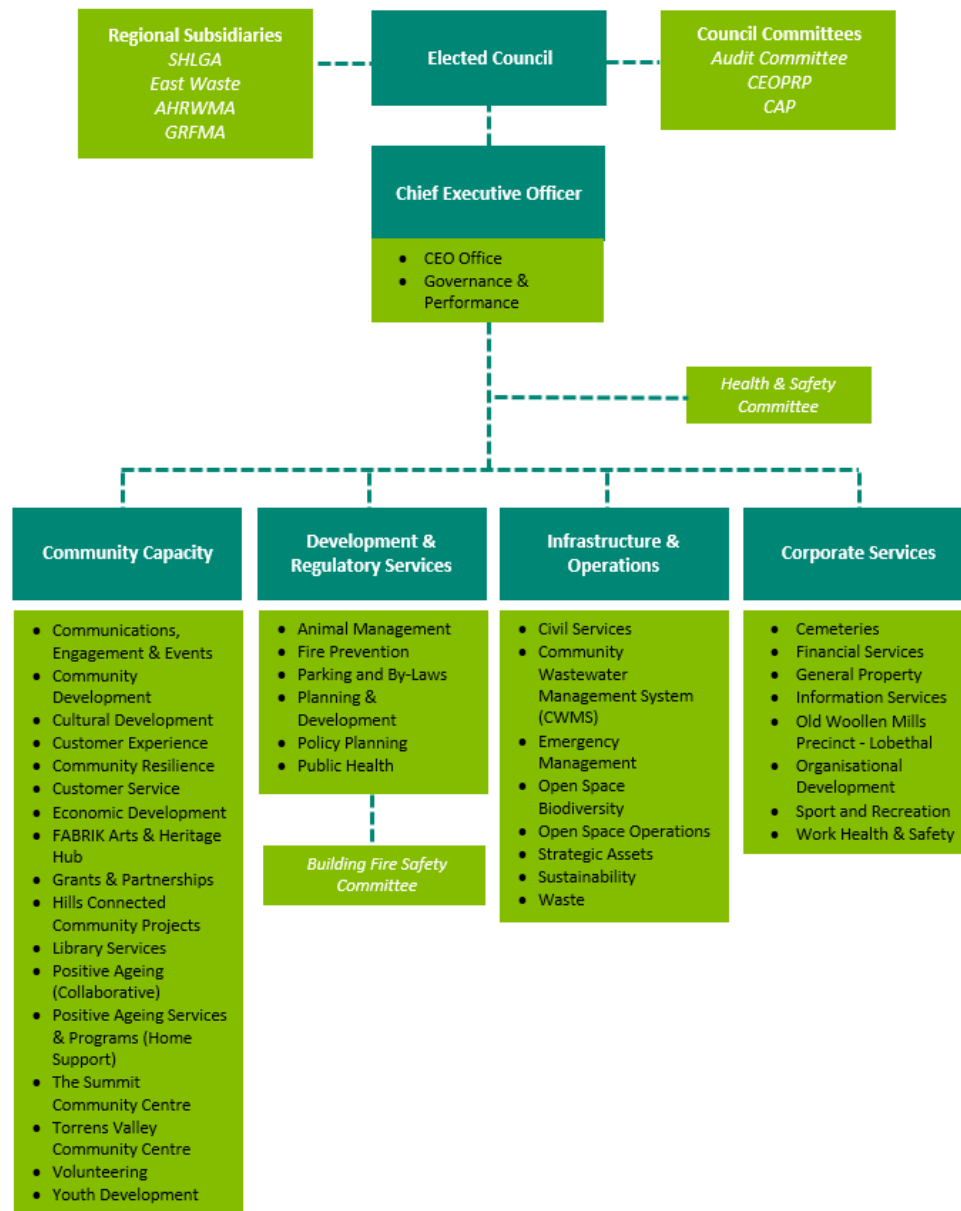
Regional Subsidiaries

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 2022-23 include:

- Delivery of three key road safety activities under the federally funded black spot program
- Implementation of the Community and Recreation Facilities Framework
- Implementation of the Trails and Cycling Routes Framework

Local Roads and Community Infrastructure Program (LRCIP) 2022-23

Council is applying for Federal funding for local road and community infrastructure projects that involve the construction, maintenance and/or improvements to council-owned assets (including natural assets) that are generally accessible to the public.

Council have identified preferred priority projects which will deliver benefits to the community and region, such as improved accessibility, visual amenity and safety benefits.

The projects are listed under each goal over the following pages with the code “LRCIP” next to it.

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.

Our suite of Corporate Performance Indicators (*Appendix 3*) will be used in our reporting to Council each quarter, and in our Annual report for 2022-23.

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 as 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 2022-23 (\$'000)	Long term financial plan (\$'000)	
						2023-24	2024-25
B1001	Recreation Trails & Cycling Route Upgrades	Corporate Services	B1.1	Capital	75	75	79
B1003	New Bus Shelter Installation Program	Infrastructure & Operations	B1.3	Capital	15	15	15
B1004	New and upgraded footpaths	Infrastructure & Operations	B1.5	Capital	250	250	263
B1007	Recreation Trails & Cycling Routes Framework Implementation	Corporate Services	B1.1	Operating	60	67	73
				Capital	67	69	71
B1008	Amy Gillett Bikeway Contribution	Infrastructure & Operations	B1.1	Operating	100	-	-
B1009	DDA Upgrades Minor access upgrades region wide (compliance)	Infrastructure & Operations	B1.5	Capital	20	21	21
B2001	Federation Park and Oval masterplan implementation	Infrastructure & Operations	B2	Capital	50	50	-
B2008	Local Heritage (Privately Owned) Planning and Design Code Amendment	Development & Regulatory Services	B2	Operating	-	30	-
B3002	Implement irrigation systems (renewal / upgrades) (G)	Infrastructure & Operations	B3.1	Capital	300	100	-
B3003	Investigate and Implement central irrigation control system (region wide) (G)	Infrastructure & Operations	B3	Capital	225	-	-
B3004	Prepare turf and irrigation design/management plans for key bore water use areas	Infrastructure & Operations	B3	Operating	20	20	-
B3005	CMP - Energy Upgrades, Battery & Efficiency Actions	Infrastructure & Operations	B3.2	Capital	50	50	50
B3008	Sustainable building guidelines and policy	Infrastructure & Operations	B3	Operating	10	-	-
B3011	Carbon Offsets Policy	Infrastructure & Operations	B3	Operating	-	8	-
B4006	Asset management - Confirm Web and Connect Licenses and Field Devices	Corporate Services	B4	Capital	59	40	-

Legend: **LRCIP** Potential Local Roads & Community Infrastructure Project **G** Grant funding



Built Environment - Strategic Initiatives *continued...*



Project ID	Strategic initiatives (Operating and Capital)	Area	Objective and/or Priority	Type	Budget 2022-23 (\$'000)	Long term financial plan (\$'000)	
						2023-24	2024-25
B4009	Building Upgrades - minor	Corporate Services	B4	Capital	100	133	158
B4010	Cemeteries Upgrades	Corporate Services	B4	Capital	39	40	41
B4011	CWMS Capacity Upgrades (Birdwood & Woodside gravity mains)	Infrastructure & Operations	B4	Capital	100	308	315
B4014	Road Safety Program including co-contribution to Road Blackspot (G)	Infrastructure & Operations	B4	Capital	1,884	200	158
B4015	Installation of further Electric Vehicle charging stations	Infrastructure & Operations	B4.5	Capital	62	TBC	TBC
B4016	Purchase of Electric Vehicles cars for fleet	Infrastructure & Operations	B4	Capital	40	100	140
B4020	Reporting on embodied energy of materials used in Council activities	Infrastructure & Operations	B4	Operating	-	30	-
B4029	Park Furniture Audit	Infrastructure & Operations	B4.1	Operating	-	20	-
B4041	Community and Recreation Facilities Framework Implementation	Corporate Services	B4.1	Operating Capital	-60 70	126 72	131 158
B4042	Operational worksite review including forward planning	Corporate Services	B4.3	Capital	1,030	800	-1,000
B4043	Hamilton Hill, Dunfield Estate & Crest Maintenance	Infrastructure & Operations	B4	Operating	131	131	131
B4044	Feasibility Studies for future projects	Corporate Services	B4	Capital	100	100	100
B4045	Stormwater projects (LRCIP)	Infrastructure & Operations	B4.1	Capital	300	300	420
B4046	Mt Torrens Coach House Reserve Toilet Facilities	Corporate Services	B4	Capital	TBC	-	-
B4047	Woodside School Crossing (LRCIP)	Infrastructure & Operations	B4	Capital	50	-	-
B4048	Heathfield School Courts – Canteen and Storage (LRCIP)	Infrastructure & Operations	B4	Operating	240	-	-
B4049	Adelaide Hills War Memorial Swimming Pool – Splash Park Contribution (LRCIP)	Infrastructure & Operations	B4	Capital	200	-	-

Legend: **LRCIP** Potential Local Roads & Community Infrastructure Project

G Grant funding **TBC** To be confirmed



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 2022-23 include:

- Upgrade the Gumeracha Library to make a more welcoming and functional space for the local community
- Explore the potential for a skate/BMX facility in Stirling
- Implement the Federal Government funded Community Ready Program to help communities develop resilience to natural disasters
- Take the initial steps in identifying opportunities to recognise traditional Aboriginal names for places
- Redevelop the old Lobethal Woollen Mills to establish a contemporary facility for Fabrik, the Council's arts and heritage hub, with the support of State and Federal Government funding
- Look for opportunities to sponsor and/or collaborate on, significant new event/s for the district
- Collaborate with community on the commissioning of public art
- Engage with the Commonwealth on reforms to aged services and review the Council's place in the provision of same
- Implementing our *Libraries Strategy*

How we will measure our success

We demonstrate our success by:

- The achievement of targets for our service standards
- Surveying participants in our community programs to ascertain whether they are better off as a result of participation
- Seeking feedback about our customers' experiences through online and mobile surveys
- Reporting on library visitation, usage and borrowings

Our suite of Corporate Performance Indicators (*Appendix 3*) will be used in our reporting to Council each quarter, and in our Annual report for 2022-23.



Our Services

- **Fabrik Arts and Heritage Hub** – Providing community exhibitions, workshops and events. Supporting community with creative recovery after the Cudlee Creek Bushfire and COVID-19 pandemic. Continuing to promote and preserve our vibrant cultural and historical hub.
- **Libraries** - Providing access to information resources for learning or leisure. Providing opportunities for community to engage, learn and connect.
- **Customer Services** – Providing ready access to Council services and responding to customer enquiries through three physical service centres, a phone contact centre and an online request portal.
- **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 community facilities.
- **Public Health** – Inspections of food businesses, waste water and public swimming pools to provide safe public environments.
- **Parking and By-law Enforcement** – Monitoring and regulating parking and particular public activities to ensure safe and accessible environments.
- **Cultural Development** – Focusing on cultural diversity, Aboriginal respect and recognition, and the arts in all its forms.
- **Youth Development** – Providing a range of programs and activities to support and develop youth in our community.
- **Positive Ageing** – Providing home and social support, particularly under the Commonwealth funded Commonwealth Home Support Program. Developing and implementing targeted strategies and programs in our region.
- **Community Centres** – Providing opportunities to improve health and wellbeing, participate in lifelong learning and sharing skills with others.
- **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, including provision of funding to The Hut Community Centre and the Adelaide Hills Community Passenger Transport Network.
- **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.
- **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

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

C6.3 - 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

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

C6.4 - 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.

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						2023-24	2024-25
C1004	Gumeracha Library upgrades (LRCIP)	Community Capacity	C1.1	Capital	115	-	-
C1005	Stirling Region Skate Park	Corporate Services	C1	Capital	15	-	-
C2002	Develop the next age friendly community plan	Community Capacity	C2	Operating	-	20	-
C4006	Play Space Framework Implementation	Corporate Services	C4	Capital	260	267	273
C4012	Climate Change Adaption Plan Projects-All hazards emergency management	Infrastructure & Operations	C4.5	Capital	20	30	-
B3013	Community Carbon Management Plan	Infrastructure & Operations	C4	Operating	20	-	-
C4021	Sport and Recreation Upgrades	Corporate Services	C4	Capital	-	-	100
C4022	Community Resilience Program (G)	Community Capacity	C4.5	Operating	709	584	205
C4023	Adelaide 100 Walking Route (LRCIP)	Corporate Services	C4	Operating	60	-	-
C5002	Aboriginal Cultural Development	Community Capacity	C5	Operating	10	10	10
C5003	Actions from adoption of Aboriginal Place naming Action Plan	Community Capacity	C5	Capital	8	5	5
C6001	Fabrik Activation Capital (G)	Corporate Services	C6	Capital	3,275	500	-
C6003	Capital Divestment - Capital Cost	Corporate Services	C6	Capital	1,821	-	-
C6004	Activation Arts & Heritage Hub - Operating (Income)	Community Capacity	C6	Operating	-14	-345	-361
C6005	Activation Arts & Heritage Hub - Operating (Expenditure)	Community Capacity	C6	Operating	324	635	652
C6006	Tour Down Under	Community Capacity	C6.2	Operating	88	91	93
C6008	Support for high profile regional event	Community Capacity	C6	Operating	20	20	20
C6009	Public Art (including acquisition)	Community Capacity	C6.4	Operating	15	15	15

Legend: **LRCIP** Potential Local Roads & Community Infrastructure Project **G** Grant funding



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 2022-23 include:

- Partner in the return of the Tour Down Under in 2023 following a two year absence due to the COVID-19 pandemic
- Look for opportunities to sponsor and/or collaborate on significant new event/s for the district
- Supporting a international tourism 'restart' in the district with the reintroduction of overseas travel following the COVID-19 pandemic
- Supporting a focus on wellbeing tourism
- Continue to establish a Home Based Business Network and support the group to access support
- Establish free camping in the district in partnership with selected community and/or commercial entities

How we will measure our success

Council plays a limited but crucial role in the success of the local economy. We monitor broader indicators like local employment levels, indices of socio-economic advantage and disadvantage, gross regional product and visitor numbers.

Our particular initiatives seek to address areas where local government can support broader economic outcomes and we measure the effectiveness of these by the local business sector biennially, and surveying participants in our initiatives to find out if they are better off as a result.

Our suite of Corporate Performance Indicators (*Appendix 3*) will be used in our reporting to Council each quarter, and in our Annual report for 2022-23.

Our Services

- **Economic Development** - Undertaking activities in line with the Economic Development Plan including:
 - Promoting tourism and supporting operators, through funding the work of Adelaide Hills Tourism,
 - Identifying and promoting local regional development opportunities through providing core funding to the local Regional Development Australia board,
 - Responding to the needs of established or potential local business operators,
 - Identifying and promoting opportunities for government investment in key local infrastructure developments, and
 - Undertaking niche projects to address particular economic development needs.
- **Property Services** – Facilitating appropriate events, outdoor dining, roadside trading and mobile food vans on Council managed land and roads.
- **Fabrik Arts and Heritage** – Establishing a thriving arts and heritage hub to support creative industries and the broader local economy through increased tourism.
- **Public Health** – Monitoring and addressing food safety and public health to ensure a safe environment and food businesses. Providing clinics to enable the community to access vaccinations easily.
- **Communications, Engagement and Events** – Managing, promoting and supporting events which have social and economic benefits to the district.
- **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 2022-23 (\$'000)	Long term financial plan (\$'000)	
						2023-24	2024-25
E1003	Free Camping Initiative	Community Capacity	E2.4	Capital	30	-	-
E2001	Review and upgrade Council signage and branding	Community Capacity	E2	Capital	15	15	5
E4001	Additional Tree safety work required to support the Tour Down Under	Infrastructure & Operations	E4	Operating	30	30	30

Legend: **LRCIP** Potential Local Roads & Community Infrastructure Project **G** Grant funding





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 2022-23 include:

- Exploring options for a new dog and cat facility
- Undertaking high level studies of:
 - introducing a fee incentive for use of the kerbside bin service,
 - the benefits of providing a weekly green organic bin collection, and
 - voluntary fortnightly waste collection.

These studies will identify areas for Council to further focus on to provide the best environmental and financial outcomes for Council and the community.

- Investing in resilient community facilities and open spaces

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.

Our suite of Corporate Performance Indicators (*Appendix 3*) will be used in our reporting to Council each quarter, and in our Annual report for 2022-23.

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

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

Priorities

N1.1 - Enhance and manage horticultural amenity, including succession planning for street trees that contribute to and reinforce our distinctive streetscapes and villages

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

N3.1 - Increase knowledge and environmental awareness within the community through engagement and education

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

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

N1.2 - Manage reserves and open space to support the community, whilst balancing biodiversity conservation, resource use and environmental impacts

N2.2 - Explore opportunities and take appropriate actions to monitor current and emerging threats to biodiversity including feral cats and Phytophthora

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.

N4.2 - We will explore more Green Organics options to achieve improved environmental and financial outcomes.

N5.2 - Support and assist the community to prevent valuable resources going to landfill and reduce contamination in kerbside recycling bins

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

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

N4.3 - We will provide specific education to the community to increase their level of food scrap recycling

N4.4 - Implement new or improved waste service opportunities whilst continuing to provide ongoing resource recovery and waste service to our community

N2.4 - Work with supporting organisations and agencies to foster the restoration of native flora and fauna habitat following the 2019-20 bushfire

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 2022-23 (\$'000)	Long term financial plan (\$'000)	
						2023-24	2024-25
N1003	Long Term Strategic Tree Planting Program	Infrastructure & Operations	N1.1	Operating	20	20	20
N2003	Native Vegetation Marker Program to protect and manage roadside vegetation	Infrastructure & Operations	N2	Operating	47	49	50
N2004	Review Unformed Public Roads to ascertain connectivity potential & habitat value	Infrastructure & Operations	N2.1	Operating	64	-	-
N2005	Develop Council 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	Corporate Services	N2	Capital	10	10	5
N2010	Post prescribed burn weed management	Infrastructure & Operations	N2.3	Operating	60	20	20
N2011	New Dog and Cat facility	Development & Regulatory Services	N2	Capital	-	461	-
N2012	Fire scars proactive tree management (LRCIP)	Infrastructure & Operations	N2	Operating	380	-	-
N3001	Local Climate Adaptations for landscape conservation	Infrastructure & Operations	N3	Operating	10	10	10
N3002	Resilient community facilities and open space including water fountains	Infrastructure & Operations	N3	Capital	30	30	31
N4001	Explore feasibility and benefits of a user pays kerbside bin service	Infrastructure & Operations	N4.1	Operating	25	-	-
N5001	Undertake Kerbside Waste Audits	Infrastructure & Operations	N5	Operating	10	-	-

Legend: **LRCIP** Potential Local Roads & Community Infrastructure Project **G** Grant funding



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 2022-23 include:

- Assisting the Electoral Commission of SA in conducting the 2022 Local Government Election. Council's role will include conducting information sessions for potential candidates; promoting the election in conjunction with the LGA; providing advice and assistance for candidates and voters; and equipping & inducting the new Council Members.
- Further developing the Council's new website to provide more streamlined customer services and access to information commonly sought by the community.
- Undertaking a community perception survey to drive further improvement in the range and delivery of services provided to the community.
- Improving our IT systems in areas of HR, Payroll and Finance

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.

Our suite of Corporate Performance Indicators (*Appendix 3*) will be used in our reporting to Council each quarter, and in our Annual report for 2022-23.

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 to our people covering organisational development, human resource management, work health and safety and payroll.
- **Governance** – Supporting the Mayor, Councillors, CEO, 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.

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

O1.1 - Progressively enhance our safe systems of work to maintain emotional and physical safety of our people

O1.2 - Continue to develop a positive culture through supporting an equitable, diverse and continuously improving work environment

O1.3 - Support our people leaders in further developing the skills necessary to lead engaged and productive teams

O1.4 - Continue to support all staff through training, mentoring, coaching and development to enable the achievement of organisational and community goals

O2.1 - Develop our digital channels to better meet customers' current and future needs

O2.2 - Modernise our services and enhance the customer experience by making service delivery faster, more convenient and more proactive

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

O2.4 - Continuously strive to measure and improve performance and service delivery across all functions

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

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

O3.3 - Actively pursue alternative funding opportunities to reduce reliance on rates income

O3.4 - Assess the range and level of services undertaken to ensure they fulfil Council's legislative and strategic intent

O4.1 - Optimise opportunities for the community to access and provide input into the decision-making processes

O4.2 - Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community

O4.3 - Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region

O4.4 - Explore council boundary reform options that best serve the community

O5.1 - Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations

O5.2 - Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.

O5.3 - Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community

O6.1 - Progressively strengthen Council's systems security to minimise the impact of cyber attack

O6.2 - Utilise technology to enable more evidence based and efficient delivery of services to the community

O6.3 - Provide more resilient business systems by utilising cloud technologies where appropriate

O6.4 - Utilise our online engagement tools to reach a wider range of community members to obtain their views and input.

O6.5 - Support the delivery of services to the community through improved utilisation and connectivity of existing business systems

O6.6 - Ensure the way in which we provide our digital services delivers an enhanced experience for our community

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 2022-23 (\$'000)	Long term financial plan (\$'000)	
						2023-24	2024-25
O1001	Resource to manage ongoing Skytrust (WHS system) implementation	Corporate Services	O1.1	Operating	36	37	38
O1002	Update of Business Continuity Plan and implementation	CEOs Office	O1	Capital	5	5	5
O2001	New council website and e-services	Corporate Services	O2	Capital	110	-	-
O2002	Annual Council website license subscription	Corporate Services	O2	Operating	45	CO	CO
O5002	Equipment to broadcast Council Meetings	CEOs Office	O2	Capital	29	-	-
O4001	Local Government Election Support	CEOs Office	O4.2	Operating	241	-	-
O4002	Council Member Induction Training	CEOs Office	O4.2	Operating	10	-	-
O5004	Maintenance of LG performance benchmarking program (Councils in Focus)	CEOs Office	O5.3	Operating	10	10	10
O5005	Resource to manage building & swimming pool compliance inspections	Development & Regulatory Services	O5	Operating	81	84	88
O6002	Cyber & Systems Security - Program Management	Corporate Services	O6	Operating	26	CO	CO
O6005	Records Management software	Corporate Services	O6.3	Operating	70	CO	CO
O6007	Community perception survey	Community Capacity	O6	Operating	10	-	11
O6008	Information Systems - ERP Systems (Payroll, HR, Finance)	Corporate Services	O6.3	Capital	100	-	-

Legend: **LRCIP** Potential Local Roads & Community Infrastructure Project **G** Grant funding



Financial Overview

Key financial information for 2022-23 is summarised below:



Budget Summary		\$'000
● General Rates Income		40,995
● All Other Operating Income (including initiatives)		12,300
Total Operating Income		53,295
● Core Operating Expenses (excluding Initiatives)		49,012
● Operating Initiatives		2,922
Total Operating Expenditure		51,934
Operating Surplus		1,361
● Gross Capital Renewal Program Expenditure		10,538
● Gross capital expenditure on new /upgraded assets		11,801
Total Gross Capital Expenditure		22,339
Estimated New Borrowings		7,800

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

The 2022-23 Operating Surplus of \$1.361m includes net one off operating funding of \$882k 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 and maintain 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 26 April 2022 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 2022-23 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 charges 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' provision
- 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 38% is applied to materials, contracts and other expenses.

Key financial targets and financial sustainability

Financial sustainability is considered with reference to Council's agreed target ranges in three key ratios:

Indicator	Adopted Target	2022-23 Budget
Operating Surplus Ratio	1 - 5%	2.6%
Adjusted Operating Surplus Ratio	1 -5%	1.1%
Net Financial Liabilities Ratio	25 - 75%	51%
Asset Renewal Funding Ratio	95- 105%	102%

The table above also shows an adjusted Operating Surplus Ratio which removes the distortion of one-off items including net LRCIP operating funding of \$882k on Council's result. In conclusion, Council aligns with the targets for all ratios which provides a level of certainty to the community that financial sustainability will be maintained.

Council's Operating Surplus is important to financial sustainability as it improves Council's ability to absorb the expenditure impacts from unexpected events such as bushfires, floods, or pandemics. It also provides capacity to reduce our liabilities (borrowings) by funding a proportion of new capital / upgrade expenditure.

Impact on ratepayers

The overall amount existing ratepayers will pay in general rates will increase on average by 4.9%. For a residential property of average value, this equates to an increase of approximately \$106 for the 2022-23 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 2022-23 Council proposes:

- Applying a rate rebate to limit the maximum general rate increase to 15% across all land use categories excluding vacant land
- Make the rebate automatic (similar to the 2021-22 financial year) but also retaining an application process
- Retaining the exclusion of the cap for valuation increases due to improvements, changes in land use and rateability
- Adjusting the exclusion of change of ownership properties to those properties sold after 30 June 2021

Significant influences for the 2022-23 budget

Further, a number of factors have influenced the preparation of Council's 2022-23 *Annual Business Plan*. These include:

- Current financial climate resulting in ongoing cost pressures on interest rates, fuel, electricity, and other Council expenditure which traditionally tracks above the Consumer Price Index (CPI). Currently CPI increases are at historic high levels.
- The ongoing impact of recent events including the COVID-19 pandemic and Cudlee Creek and Cherry Gardens fires on our community
- 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, largely based on CPI 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 cessation of some of the Arts and Heritage Hub activities as a result of a significant upgrade of the site impacting on both revenue and expenditure
- A hardening insurance market resulting in premiums increasing significantly in excess of CPI

In addition, the Campbelltown City Council's Woodforde/Rostrevor boundary reform proposal, if successful, has the potential to materially impact Council's financial sustainability. The proposal is currently being assessed by the Boundaries Commission of SA and therefore no financial or resource implications have been built into the 2022-23 budget at this stage.





Additional costs included in the 2022-23 budget

A number of additional costs have impacted on Council's Operating Surplus including:

- Bridge maintenance as per draft *Asset Management Plan* adopted by Council in February 2022
- Cloud transition / cyber security / licencing changes
- Insurance premium increases & distribution reductions
- Cost recovery by State Government agencies associated with the Local Government Reform Program initiatives and Elections.

These costs have been included in the 2022-23 *Annual Business Plan* together with the financial impact of the following strategies that have now been costed and considered appropriate to include at this time:

- Community & Recreation Facilities Framework
- Implementation of the Trails Strategy (Operating)
- New development maintenance costs including Hamilton Hill and Dunfield
- Dog/cat temporary accommodation requirements as a result of implementing the new cat registration bylaws

Other Service changes undertaken in recent years impacting on costs

Over the years Council has increased its services and related service levels in many areas including:

- Tree Management / Horticultural program
- Playground/park furniture/cemeteries resourcing
- Sport & Recreation Planning
- Waste including impact of recyclables due to China Sword
- FABRIK development
- Economic Development resources to support the business community
- Disability and Community Well Being support
- Community Centre resourcing
- Digital Literacy
- CWMS oversight and operational support
- Emergency Management – COVID & Fires
- Other support area resourcing including Procurement, Governance and Event Management

These have resulted in offsetting savings implemented over a number of years to ensure that Council has maintained an Operating Surplus in line with the adopted LTFP and financial sustainability indicators.

For the 2022-23 financial year Council has implemented specific saving strategies in the order of \$650k to assist in keeping rate increases to the minimum possible whilst also implementing agreed new strategies.

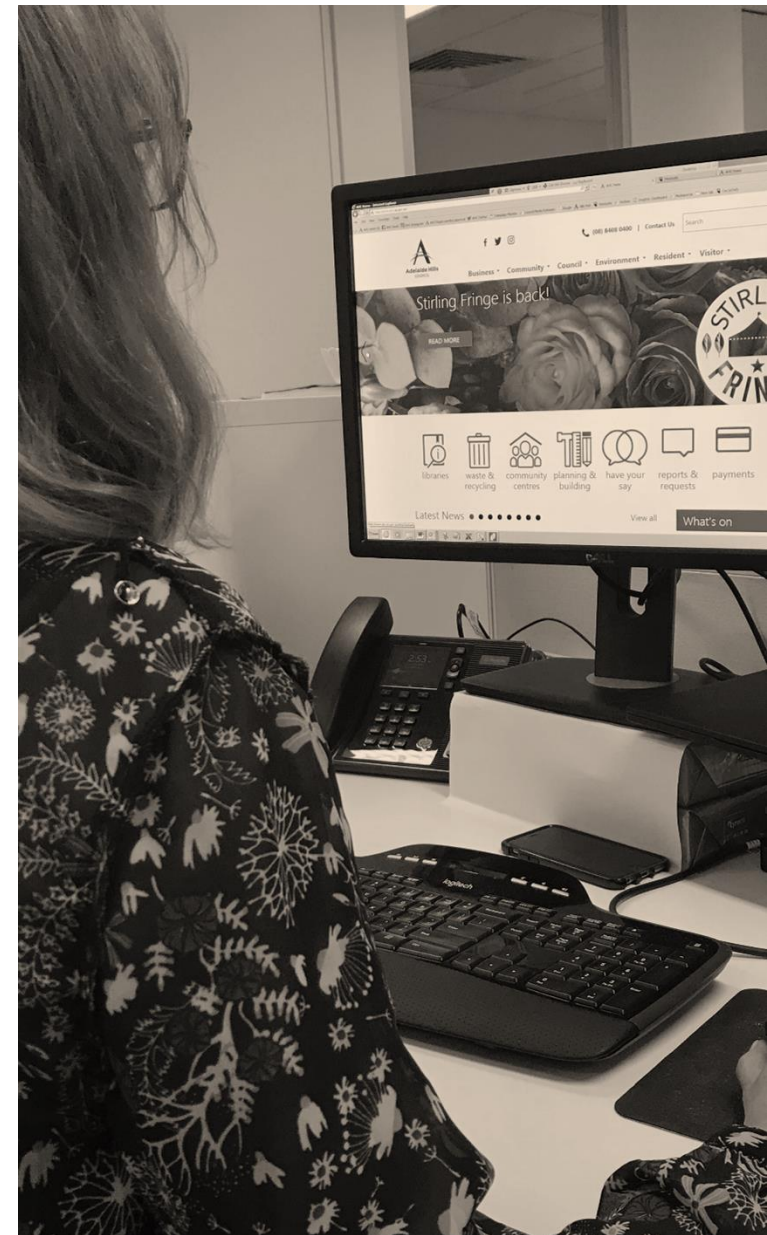
Savings Strategies included in the 2022-23 budget

To help address these emerging cost pressures and new strategies, the Administration has proposed the adoption of a detailed savings & efficiency strategy to improve Council's Operating Surplus over the period of the LTFP.

Items included under the saving & efficiency strategy include:

- Examination of all materials, contract & other expenses to determine if Council can maintain existing budgets where contracts and costs are not linked to CPI or regular increases
- Consideration of strategies to increase the use of electronic rate notices by residents including opt out options
- Changes to the payment options available to residents and the implementation of surcharges for credit card use
- Fleet management opportunities
- Insourcing opportunities including tree management
- Vacancy management budget adjustments
- Leave management budget adjustments
- Other savings opportunities including cleaning and electricity

These estimated savings of approximately \$650k have been factored into the draft *2022-23 Annual Business Plan*.





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 2022-23 is \$7.8m and together with a minor decrease in Council’s Cash Advance Debenture results in an estimated borrowings at 30 June 2023 of \$23.3m.

Borrowing	\$'000
Forecast Opening Balance of Borrowings July 2022	16,025
Estimated New Borrowing for 2022-23	7,800
Repayment of principal for 2022-23	(515)
Estimated movement in Cash Advance Debenture for 2022-23	(33)
Forecast Closing Balance of Borrowings June 2023	23,277
Split as follows:	
Cash Advance Debenture (Short Term Borrowings)	5,144
Fixed Term Borrowings	17,385
Lease Liabilities	748
Forecast Closing Balance of all Borrowings June 2023	23,277

Operating Budget by Directorate and Function

Directorate	Function	Revenue			Expenditure			Net Cost /	Staff FTE
		2022-23 LTFP Target \$'000	2022-23 Budget \$'000	Variance Fav/(Unfav) \$'000	2022-23 LTFP Target \$'000	2022-23 Budget \$'000	Variance Fav/(Unfav) \$'000	(Revenue) 2022-23 Budget \$'000	
CEO	CEO Office	0	0	0	222	246	(24)	246	1.0
	Governance and Performance	40	34	(6)	2,151	2,239	(88)	2204	4.0
	CEO Total	40	34	(6)	2,373	2,484	(112)	2450	5.0
Community Capacity	Communications, Engagement & Events	0	0	0	706	777	(71)	777	4.2
	Community Development (M&P)	0	10	10	390	409	(19)	399	2.3
	Cultural Development	0	0	0	185	188	(3)	188	1.0
	Customer Experience	0	0	0	159	152	7	152	1.0
	Community Resilience	0	664	664	0	664	(664)	0	3.2
	Customer Service	0	0	0	853	892	(38)	892	8.8
	Director's Office Community Capacity	0	0	0	316	324	(8)	324	1.7
	Economic Development	95	95	0	560	573	(13)	478	2.0
	FABRIK Arts & Heritage Hub	25	59	34	323	369	(46)	310	2.0
	Grants & Partnerships	0	0	0	237	222	15	222	0.0
	Hills Connected Communities Projects	67	67	0	72	71	1	4	0.6
	Library Services	338	338	0	1970	1980	(10)	1,642	15.5
	Positive Ageing (Collaborative)	90	86	(4)	90	88	2	2	0.6
	Positive Ageing (Home Support)	1,085	1,068	(17)	1119	1120	(1)	52	5.8
	The Summit Community Centre	15	15	0	184	192	(8)	177	1.6
	Torrens Valley Community Centre	38	38	0	186	194	(8)	156	1.6
	Volunteering	0	0	0	89	86	3	86	0.7
	Youth Development	2	2	0	166	169	(3)	167	1.0
	Community Capacity Total	1,754	2,441	687	7,604	8,468	(864)	6,026	53.7
Corporate Services	Cemeteries	311	311	0	155	161	(6)	(150)	1.0
	Director's Office Corporate Services	3	3	0	344	347	(3)	343	1.8
	Financial Services	43,066	43,521	455	136	1,459	(1,322)	(42,062)	8.6
	General Property	111	111	0	1,657	1,681	(24)	1,570	6.7
	Information Services	0	0	0	2,625	2,648	(23)	2,648	12.0
	Old Woollen Mills Precinct - Lobethal	349	318	(31)	253	230	23	(88)	1.0
	Organisational Development & WHS	1	1	0	746	785	(39)	785	6.3
	Sport and Recreation	11	11	0	777	994	(217)	984	2.4
	Corporate Services Total	43,851	44,275	424	6,693	8,305	(1,612)	(35,970)	39.8

Operating Budget by Directorate and Function

Directorate	Function	Revenue			Expenditure			Net Cost / (Revenue)	Staff FTE
		2022-23 LTFP Target \$'000	2022-23 Budget \$'000	Variance Fav/(Unfav) \$'000	2022-23 LTFP Target \$'000	2022-23 Budget \$'000	Variance Fav/(Unfav) \$'000	2022-23 Budget \$'000	2022-23 Budget
Development & Regulatory Services	Animal Management	452	486	34	426	440	(14)	(47)	3.1
	Director's Office DRS	0	0	0	345	353	(8)	353	2.0
	Fire Prevention	15	14	(1)	85	87	(2)	72	0.9
	Parking and By-Laws	48	43	(5)	208	213	(5)	170	1.3
	Planning & Development	609	613	4	2,052	2,115	(64)	1,503	15.8
	Policy Planning	0	0	0	131	134	(3)	134	1.0
	Public Health	185	161	(24)	517	537	(20)	376	3.8
Development & Regulatory Services Total		1,309	1,317	8	3,762	3,878	(116)	2,561	27.9
Infrastructure & Operations	Civil Services	1,836	3,399	1,563	5,764	5,132	632	1,733	44.2
	CWMS	1,679	1,704	25	1,063	1,052	11	(652)	1.2
	Director's Office Infrastructure & Operations	0	0	0	346	409	(64)	409	2.0
	Emergency Management	0	0	0	115	84	30	84	0.2
	Open Space - Operations	0	0	0	5,072	5,579	(506)	5,579	26.8
	Open Space - Biodiversity	5	5	0	785	736	49	731	3.6
	Strategic Assets	0	0	0	10,883	10,427	456	10,427	3.8
	Sustainability	0	0	0	260	292	(33)	292	1.4
	Waste	164	120	(44)	5,273	5,088	185	4,968	1.4
Infrastructure & Operations Total		3,684	5,228	1,544	29,560	28,800	760	23,572	84.6
ORGANISATION TOTAL		50,638	53,295	2,657	49,992	51,935	(1,944)	(1,361)	211

Capital Budget Overview

The 2022-23 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:



- **\$10.538m** Capital renewal detailed in the Capital Expenditure Renewal Summary Table (to the right)
- **\$11.801m** in capital expenditure on new or upgraded assets, detailed in the strategic initiative pages

The total of \$22.339m for the capital works program is less than the Long Term Financial Plan target of \$22.737m and 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 2022-23* published on our website.

Capital Expenditure Renewal Summary

Asset Category	2022-23 Allocation \$'000	LTFP Target Renewal \$'000	Variance to LTFP \$'000
Bridges	70	90	-20
Buildings	1,100	900	200
CWMS	290	160	130
Footpaths	393	395	-2
Kerb & Water	78	259	-181
Local Roads and Community Infrastructure Program	218	-	218
Other*	219	181	38
Road Pavement	1,913	1,804	109
Road Seal	1,787	1,902	-115
Shoulders	259	259	0
Sport and Recreation (including Playgrounds)	555	555	0
Stormwater	140	100	40
Unsealed Roads	864	1,035	-171
Plant and Fleet	1,719	1,719	0
Information, Communication & Technology	227	525	-298
Minor Plant & Equipment (including Library)	60	60	0
Project Delivery Costs	646	1,403	-757
NET RENEWALS	10,538	11,347	-809

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

Rates Overview

In setting the rates for 2022-23 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 2022-23 budget was initially developed from Council's LTFP which had a rate revenue target that incorporated a general rates increase of CPI plus 1% and estimated new development of 0.8%. Based on the latest CPI (March 2022) and review of updated expenditure requirements and increased savings initiatives, a 0.2% increase above the March CPI figure of 4.7% is considered appropriate to maintain an Operating Surplus in line with financial sustainability indicator targets whilst keeping the impact on Council ratepayers to an acceptable level.

New development (primarily related to the Woodforde, Mount Torrens and Inverbrackie developments) is defined as capital improvements to existing properties and changes to value as a result of land divisions. As a result of revisits undertaken by the Valuer-General as part of completing the valuation of the Council area, development is now estimated at 1.2%.

As a result of a significant increase in valuations due to market conditions across the whole state undertaken by the Valuer-General, Council has seen increased variability in valuation increases within the Council area across all land uses. As such, Council is proposing to reduce the impact of significant valuation changes for 2022-23 by:

- Setting the maximum rate increase at 15%
- Applying this rate rebate to all land use categories except vacant land
- Make the rebate automatic (similar to the 2021-22 financial year) but also retaining an application process
- Still excluding any change of rateability, land use, improvements or change in ownership of properties from the previous year

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 2022-23 as discussed above.

Description	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
To meet inflation (CPI)	1.25%	2.3%	1.8%	2.4%	1.5%	4.7%
To fund increased capital renewal	1.0%	1.0%	1.0%	0.55%	1.0%	0.2%
Solid Waste Levy	-	-	\$10 (0.5%)	-	-	-
TOTAL INCREASE	2.25%	3.3%	3.3%	2.95%	2.5%	4.9%



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 \$699 to \$733 which represents a 4.9% increase in line with the average increase previously highlighted.
- The same rate in the dollar, based on capital value, being applied to all categories of ratepayer, except commercial and industrial ratepayers who pay a 15% premium.

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 is provided to ratepayers who are experiencing financial difficulties 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* also includes a number of options to address financial hardship specifically targeted to those ratepayers that have been significantly and permanently impacted by events such as COVID and bushfires.



Impact of Office of Valuer-General Valuation Changes

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

As highlighted for 2022-23, the Valuer-General has advised that there have been unprecedented changes in valuation due to a significant strengthening of the property market across the majority of Councils within South Australia. Data received recently from the Valuer-General indicates that this has also resulted in increased variability in valuation increases within the Council area across all land uses.

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 these market adjusted valuation changes from the Valuer-General, Council's proposed rating policy position for the 2022-23 Annual Business Plan consultation is to apply a rebate to reduce the impact of significant valuation changes for 2022-23.

It is proposed to effectively cap the maximum rate increase at 15%.

The table below summarises key details of the rebate.

Rebate to limit the maximum general rate increase to 15%
Applied automatically but also retaining an application process
Maximum rate increase 15%
Applied to all land use categories <u>except vacant land</u>
Does not apply to properties sold after 30 June 2021
Does not apply to properties with a change in land use or rateability from 2021-22
Does not apply to properties with new development / improvements since the 2021-22 valuation

Rate Statistics

Council has just over **19,000** assessments split by land use as follows:



13 650 +
Residential



710 +
Commercial
and Industrial
differential rate



3,000 +
Primary
production



640 +
Vacant



840 +
Non-rateable



180
Other

Rates Modelling

The valuation of the Council area by the Valuer-General has been completed and information provided reflects an increase of over 20% in valuation for existing properties.

Analysis indicates that:

- Residential properties, representing over 70% of the overall valuation, has an average valuation **increase** of just over **22%**
- Primary production properties, being 17% of total assessments, have an average valuation **increase** of just under **17%**
- Commercial and Industrial properties have had an average valuation **increase** of just over **14%**
- Vacant land valuations have **increased** on average by **20%**.

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 4.9% excluding new development.

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, Council has also made specific policy choices in relation to the use of two differential rating categories and 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 2022-23.

It is estimated that the Residential & Non Commercial and Industrial Differential General Rate will raise net general rate revenue in the order of \$39.5m in 2022-23.

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 2022-23 year, it is proposed to increase the fixed charge from \$699 to \$733, representing a 4.9% 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 2022-23 financial year, the CWMS service charges have been retained at the same level as the previous year to achieve the full cost recovery.



Appendix 1: Budgeted Financial Statements

Adelaide Hills Council
BUDGETED UNIFORM PRESENTATION OF FINANCES
2022-23 Proposed Budget

2021-22 Budget \$'000	2022-23 Proposed Budget \$'000
INCOME	
41,495 Rates	44,143
1,305 Statutory charges	1,318
814 User charges	837
7,359 Grants, subsidies and contributions	6,496
5 Investment income	5
210 Reimbursements	184
452 Other income	212
100 Net gain - equity accounted Council businesses	100
<u>51,740</u> Total Income	<u>53,295</u>
EXPENSES	
19,458 Employee costs	20,800
20,228 Materials, contracts & other expenses	20,038
10,122 Depreciation, amortisation & impairment	10,502
325 Finance costs	594
0 Net loss - equity accounted Council businesses	0
<u>50,133</u> Total Expenses	<u>51,934</u>
<u>1,607</u> NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	<u>1,361</u>
Net Outlays on Existing Assets	
(11,480) Capital Expenditure on Renewal and Replacement of Existing Assets	(10,538)
842 Proceeds from Sale of Replaced Assets	636
10,122 Depreciation	10,502
<u>(516)</u> NET OUTLAYS ON EXISTING ASSETS	<u>600</u>
Net Outlays on New and Upgraded Assets	
(7,356) Capital Expenditure on New and Upgraded Assets & Remediation costs	(11,801)
2,576 Capital Grants and Monetary Contributions for New and Upgraded Assets	4,709
74 Proceeds from Sale of Surplus Assets	2,730
<u>(4,706)</u> NET OUTLAYS ON NEW AND UPGRADED ASSETS	<u>(4,363)</u>
<u>(3,615)</u> NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR	<u>(2,401)</u>
(20,311) Net Financial Liabilities at Beginning of Year	(24,426)
(400) Decrease / (increase) in Other	(429)
(100) Non Cash Equity Movement	(100)
<u>(24,426)</u> Net Financial Liabilities at End of Year	<u>(27,356)</u>

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

5,100 New Borrowings	7,800
(23) Increase/(Decrease) in Short Term Draw Down	(33)
- (Increase)/Decrease in Cash & Investments	-
(648) (Increase)/Decrease in Working Capital	(2,700)
- Principal Repayments on Borrowings	(515)
(400) Repayment of Lease Liabilities	(429)
(314) Reinstatement/Restoration Provision Payment	(1,032)
- Debenture Payment	(590)
(100) Non Cash Equity Movement	(100)
<u>3,615</u>	<u>2,401</u>

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
2022-23 Proposed Budget**

2021-22 Budget \$'000		2022-23 Proposed Budget \$'000
	INCOME	
41,495	Rates	44,143
1,305	Statutory charges	1,318
814	User charges	837
7,359	Grants, subsidies and contributions	6,496
5	Investment income	5
210	Reimbursements	184
452	Other income	212
100	Net gain - equity accounted Council businesses	100
51,740	Total Income	53,295
	EXPENSES	
19,458	Employee costs	20,800
20,228	Materials, contracts & other expenses	20,038
10,122	Depreciation, amortisation & impairment	10,502
325	Finance costs	594
-	Net loss - equity accounted Council businesses	-
50,133	Total Expenses	51,934
1,607	OPERATING SURPLUS / (DEFICIT)	1,361
(35)	Asset disposal & fair value adjustments	769
2,576	Amounts received specifically for new or upgraded assets	4,709
	Physical Resources Received Free of Charge	
4,148	NET SURPLUS / (DEFICIT)	6,838
5,215	Changes in revaluation surplus - infrastructure, property, plant & equipment	5,300
	- Other Comprehensive Income	-
	- Share of Other Comprehensive Income JV	-
5,215	Total Other Comprehensive Income	5,300
9,363	TOTAL COMPREHENSIVE INCOME	12,138

Adelaide Hills Council
STATEMENT OF FINANCIAL POSITION
2022-23 Proposed Budget

2021-22 Budget		2022-23 Proposed Budget
\$'000	ASSETS	\$'000
	Current Assets	
637	Cash and cash equivalents	637
3,225	Trade & other receivables	3,225
23	Inventories	23
3,885		3,885
	- Non-current Assets held for Sale	-
3,885	Total Current Assets	3,885
	Non-current Assets	
	- Financial assets	-
2,442	Equity accounted investments in Council businesses	2,542
446,970	Infrastructure, property, plant & equipment	461,939
449,412	Total Non-current Assets	464,481
453,297	Total Assets	468,366
	LIABILITIES	
	Current Liabilities	
7,086	Trade & other payables	3,796
5,177	Borrowings - Short Term Draw Down	5,144
1,423	Borrowings - Other	1,423
3,649	Provisions	2,617
17,335	Total Current Liabilities	12,980
	Non-current Liabilities	
9,425	Borrowings	16,710
1,527	Provisions	1,527
10,952	Total Non-current Liabilities	18,237
28,287	Total Liabilities	31,217
425,010	NET ASSETS	437,149
	EQUITY	
146,330	Accumulated Surplus	153,169
278,232	Asset Revaluation Reserves	283,532
448	Other Reserves	448
425,010	TOTAL EQUITY	437,149
24,426	NET FINANCIAL LIABILITIES	27,356

Adelaide Hills Council

STATEMENT OF CHANGES IN EQUITY 2022-23 Proposed Budget

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Available for sale Financial Assets	Minority Interest Equity	TOTAL EQUITY
2022-23	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	146,330	278,232	448	-		425,010
Net Surplus / (Deficit) for Year	6,838	-	-		-	6,838
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment	-	5,300	-			5,300
Transfers between reserves		-		-	-	-
Balance at end of period	153,169	283,532	448	-	-	437,149
2021-22						
Balance at end of previous reporting period	142,182	273,017	448	-		415,647
Restated opening balance				-	-	
Net Surplus / (Deficit) for Year	4,148	-	-		-	4,148
Other Comprehensive Income						
Changes in revaluation surplus - infrastructure, property, plant & equipment	-	5,215	-			5,215
Share of Other Comprehensive Income JV						-
Transfers between reserves				-	-	-
Balance at end of period	146,330	278,232	448	-	-	425,010

FINANCIAL RATIOS

	2022-23 Proposed Budget
Operating Surplus Ratio	
<u>Operating Surplus</u>	2.6%
Total Operating Revenue	
Net Financial Liabilities Ratio	
<u>Net Financial Liabilities</u>	51%
Total Operating Revenue	
Asset Sustainability Ratio	
<u>Asset Renewals</u>	102%
Infrastructure & Asset Management Plan required expenditure	

Adelaide Hills Council

CASH FLOW STATEMENT 2022-23 Proposed Budget

2021-22 Budget		2022-23 Proposed Budget
\$'000	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	\$'000
	<u>Receipts</u>	
41,495	Rates - general & other	44,143
1,305	Fees & other charges	1,318
814	User charges	837
7,163	Grants	6,496
5	Investments	5
210	Reimbursements	184
452	Other revenues	212
	<u>Payments</u>	
(19,458)	Employee costs	(20,800)
(20,542)	Materials, contracts & other expenses	(21,070)
(325)	Finance payments	(594)
11,120	NET CASH USED IN OPERATING ACTIVITIES	10,731
	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
	<u>Receipts</u>	
5,100	Proceeds from Borrowings	7,800
	<u>Payments</u>	
-	Repayment from Borrowings	(515)
(400)	Repayment of Lease Liabilities	(429)
-	Repayments of Aged Care facility deposits	(590)
4,700	NET CASH USED IN FINANCING ACTIVITIES	6,266
	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
	<u>Receipts</u>	
2,123	Grants for new or upgraded assets	2,009
842	Sale of replaced assets	636
74	Sale of surplus assets	2,730
	<u>Payments</u>	
(7,356)	Expenditure on new/ upgraded assets	(11,801)
(11,480)	Expenditure on renewal/ replacement of assets	(10,538)
(15,797)	NET CASH USED IN INVESTING ACTIVITIES	(16,964)
23	NET INCREASE / (DECREASE) IN CASH HELD	33
(4,563)	CASH AT BEGINNING OF YEAR	(4,540)
(4,540)	CASH AT END OF YEAR	(4,507)
637	Cash & Investments	637
(5,177)	Short Term Drawdown	(5,144)
(4,540)		(4,507)



Appendix 2: Statement of Expected Rate Revenue

Statement of Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	2021/22 (BR3)	2022/23 (estimated)	Change	
General Rates Revenue				
General Rates (existing properties)		\$41,038,396 (a)		The proposed rates increase for 2022/23 is 4.9% on average.
General Rates (new properties)		\$439,604 (b)		
General Rates (GROSS)	\$39,121,445	\$41,478,000 (c)		
Less: Mandatory Rebates	(\$299,579)	(\$314,700) (d)		
General Rates (NET)	\$38,821,866	\$41,163,300 (e)	6.0%	
	(e)=(c)+(d)			
Other Rates (inc. service charges)				
Regional Landscape Levy	\$968,260	\$1,117,410 (f)		The Regional Landscape Levy is a state tax collected on behalf of the Hills & Fleurieu Regional Landscape Board by the Dept of Environment, Water & Natural Resources. It is not retained by council.
CWMS	\$1,819,764	\$1,677,900 (g)		(\$415) for each vacant land property and (\$826) for each occupied property.
Stirling Business Separate Rate	\$95,000	\$95,000 (h)		A separate rate for businesses in Stirling will be applied to carry out the activity of promoting and enhancing business viability, profitability, trade & commerce within the zone.
Verrall Road Separate Rate	\$5,148	\$5,148 (i)		\$858 per property.
	<u>\$41,710,038</u>	<u>\$44,058,758</u>		
Less: Discretionary Rebates	(\$215,892)	(\$168,300) (j)		
Total Council Rate Revenue	\$40,525,886	\$42,773,048 (k)	5.5%	Excluding the Regional Landscape Levy
	(k)=(e)+(g)+(h)+(i)+(j)			

Estimated growth in number of rateable properties

Number of rateable properties	18,061 <i>Actual</i>	18,196 <i>Estimate</i>	(l)	0.7%
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'Growth' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.

Estimated average General Rates per rateable property

Average per rateable property	\$2,166	\$2,280	(m)	5.2%
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(o)=(c)/(n)

Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area).

The total General Rates paid by all rateable properties will equal the amount adopted in the budget.

These 'averages' are based on the total of all rateable properties and are therefore not necessarily indicative of either the rate or change in rates that all ratepayers will experience.

Notes

(d) Councils are **required** under the Local Government Act to provide a rebate to qualifying properties under a number of categories:

Health Services - 100 per cent	Religious purposes - 100 per cent	Royal Zoological Society of SA - 100 per cent
Community Services - 75 per cent	Public Cemeteries - 100 per cent	Educational purposes - 75 per cent

The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(e) Presented as required by the *Local Government (Financial Management) Regulations 2011* reg 6(1)(ea)

Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from all rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).

(f) 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 who have responsibility for the management of the State's natural resources.

(g) Community Wastewater Management Systems are provided by council to some areas within the council district. To fund the provision of this service, Council imposes an annual service charge to recover the cost of establishing, maintaining, improving and replacing infrastructure.

(j) A council **may** grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).

(k) Expected Total Council Rate Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.

(l) 'Growth' as defined in the *Local Government (Financial Management) Regulations 2011* reg 6(2)

Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property		
	2021/22	2022/23	Change	2021/22	2022/23	2021/22	2022/23	Change
Land Use (General Rates - GROSS)								
Residential	\$29,256,840	\$31,332,333	7%	13,530	13,653	\$2,162	\$2,295	(p) \$133
Commercial - Shop	\$535,274	\$568,376	6%	257	272	\$2,083	\$2,090	(p) \$7
Commercial - Office	\$95,766	\$93,091	-3%	61	58	\$1,570	\$1,605	(p) \$35
Commercial - Other	\$659,108	\$689,249	5%	300	303	\$2,197	\$2,275	(p) \$78
Industry - Light	\$49,831	\$49,958	0%	33	33	\$1,510	\$1,514	(p) \$4
Industry - Other	\$143,568	\$145,257	1%	45	46	\$3,190	\$3,158	(p) -\$33
Primary Production	\$7,113,465	\$7,273,563	2%	3,030	3,009	\$2,348	\$2,417	(p) \$70
Vacant Land	\$865,374	\$917,027	6%	627	640	\$1,380	\$1,433	(p) \$53
Other	\$402,219	\$409,146	2%	178	182	\$2,260	\$2,248	(p) -\$12
Total Land Use	\$39,121,445	\$41,478,000	6.0%	18,061	18,196	\$2,166	\$2,280	(p) \$113
GRAND TOTAL (GROSS)	\$39,121,445	\$41,478,000	6.0%	18,061	18,196	\$2,166	\$2,280	(p) \$113
Variance Check (adopted = final rates generated)	\$0	\$0		0	0			

Council uses a differential rating system, using Land Use Codes as the factor to apply such differential rates.

In applying differential general rates, council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all council areas, particularly as it relates to the various sectors of the business and wider community.

Fixed Charge

	Total expected revenue			Charge		
	2021/22	2022/23	Change	2021/22	2022/23	Change
Fixed Charge	\$12,363,912	\$13,084,046	5.8%	\$699	\$733	(q) \$34

A fixed charge ensures all rateable properties pay a base amount towards the cost of administering council activities and maintaining the services and infrastructure that supports each property.

Rates based on capital values are then applied in addition to the fixed charge.

Council cannot raise more than 50% of its general rate revenue from the fixed charge component.

In 2022/23 council proposes to raise 32% of its general rate revenue by way of the fixed charge.

This revenue amount is **included** in the General Rates GROSS figure at (c).

Adopted valuation method

Capital Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land;

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

Annual Value – a valuation of the rental potential of the property.

Council continues to use Capital Value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth.


- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge but excluding any separate rates, *divided* by number of rateable properties within that category in the relevant financial year.

(q) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier.

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.



Appendix 3: 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	Annually
CPI-B02	Delivery of capital works program	90%	B1	Quarterly
CPI-B03	Compliance inspections after development completion notification, completed within 10 business days.	100%	B2	Quarterly
CPI-B04	Compliance inspections completed within 5 business days of notification of alleged unlawful development	80%	B2	Biannually
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 Australian Library and Information Association (ALIA) Standards	exceed the enhanced ALIA target	C3	Annually
CPI-C06	Library loans per capita compared with Australian Library and Information Association (ALIA) Standards	exceed the enhanced ALIA target	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 Consents	20 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 biodiversity sites monitored using the BushRAT methodology (actual versus planned)	60 NVMS sites (14% of total) per annum and 5 reserves	N2	Annually
CPI-N02	Weed Control in biodiversity sites - no. of sites complete (actual versus planned)	31 sites per annum	N2	Annually
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

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	Freedom of Information (FOI) requests received, in progress and completed within the legislated timeframe	100%	O6	Quarterly
CPI-010	FOI External reviews upholding Council's decisions	100%	O6	Quarterly
CPI-011	Employee Turnover	7-15%	O1	Quarterly



Appendix 4: Rating Policy

Adelaide Hills Council
BUDGETED UNIFORM PRESENTATION OF FINANCES
2022-23 Proposed Budget

2021-22 Budget \$'000	2022-23 Proposed Budget \$'000
INCOME	
41,495 Rates	44,143
1,305 Statutory charges	1,318
814 User charges	837
7,359 Grants, subsidies and contributions	6,496
5 Investment income	5
210 Reimbursements	184
452 Other income	212
100 Net gain - equity accounted Council businesses	100
<u>51,740</u> Total Income	<u>53,295</u>
EXPENSES	
19,458 Employee costs	20,800
20,228 Materials, contracts & other expenses	20,038
10,122 Depreciation, amortisation & impairment	10,502
325 Finance costs	594
0 Net loss - equity accounted Council businesses	0
<u>50,133</u> Total Expenses	<u>51,934</u>
<u>1,607</u> NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	<u>1,361</u>
Net Outlays on Existing Assets	
(11,480) Capital Expenditure on Renewal and Replacement of Existing Assets	(10,538)
842 Proceeds from Sale of Replaced Assets	636
10,122 Depreciation	10,502
<u>(516)</u> NET OUTLAYS ON EXISTING ASSETS	<u>600</u>
Net Outlays on New and Upgraded Assets	
(7,356) Capital Expenditure on New and Upgraded Assets & Remediation costs	(11,801)
2,576 Capital Grants and Monetary Contributions for New and Upgraded Assets	4,709
74 Proceeds from Sale of Surplus Assets	2,730
<u>(4,706)</u> NET OUTLAYS ON NEW AND UPGRADED ASSETS	<u>(4,363)</u>
<u>(3,615)</u> NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR	<u>(2,401)</u>
(20,311) Net Financial Liabilities at Beginning of Year	(24,426)
(400) Decrease / (increase) in Other	(429)
(100) Non Cash Equity Movement	(100)
<u>(24,426)</u> Net Financial Liabilities at End of Year	<u>(27,356)</u>

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

5,100 New Borrowings	7,800
(23) Increase/(Decrease) in Short Term Draw Down	(33)
- (Increase)/Decrease in Cash & Investments	-
(648) (Increase)/Decrease in Working Capital	(2,700)
- Principal Repayments on Borrowings	(515)
(400) Repayment of Lease Liabilities	(429)
(314) Reinstatement/Restoration Provision Payment	(1,032)
- Debenture Payment	(590)
(100) Non Cash Equity Movement	(100)
<u>3,615</u>	<u>2,401</u>

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 2022-23 Proposed Budget

2021-22 Budget		2022-23 Proposed Budget
\$'000		\$'000
	INCOME	
41,495	Rates	44,143
1,305	Statutory charges	1,318
814	User charges	837
7,359	Grants, subsidies and contributions	6,496
5	Investment income	5
210	Reimbursements	184
452	Other income	212
100	Net gain - equity accounted Council businesses	100
51,740	Total Income	53,295
	EXPENSES	
19,458	Employee costs	20,800
20,228	Materials, contracts & other expenses	20,038
10,122	Depreciation, amortisation & impairment	10,502
325	Finance costs	594
-	Net loss - equity accounted Council businesses	-
50,133	Total Expenses	51,934
1,607	OPERATING SURPLUS / (DEFICIT)	1,361
(35)	Asset disposal & fair value adjustments	769
2,576	Amounts received specifically for new or upgraded assets	4,709
	Physical Resources Received Free of Charge	
4,148	NET SURPLUS / (DEFICIT)	6,838
5,215	Changes in revaluation surplus - infrastructure, property, plant & equipment	5,300
-	- Other Comprehensive Income	-
-	- Share of Other Comprehensive Income JV	-
5,215	Total Other Comprehensive Income	5,300
9,363	TOTAL COMPREHENSIVE INCOME	12,138

Adelaide Hills Council
STATEMENT OF FINANCIAL POSITION
2022-23 Proposed Budget

2021-22 Budget		2022-23 Proposed Budget
\$'000	ASSETS	\$'000
	Current Assets	
637	Cash and cash equivalents	637
3,225	Trade & other receivables	3,225
23	Inventories	23
3,885		3,885
	- Non-current Assets held for Sale	-
3,885	Total Current Assets	3,885
	Non-current Assets	
	- Financial assets	-
2,442	Equity accounted investments in Council businesses	2,542
446,970	Infrastructure, property, plant & equipment	461,939
449,412	Total Non-current Assets	464,481
453,297	Total Assets	468,366
	LIABILITIES	
	Current Liabilities	
7,086	Trade & other payables	3,796
5,177	Borrowings - Short Term Draw Down	5,144
1,423	Borrowings - Other	1,423
3,649	Provisions	2,617
17,335	Total Current Liabilities	12,980
	Non-current Liabilities	
9,425	Borrowings	16,710
1,527	Provisions	1,527
10,952	Total Non-current Liabilities	18,237
28,287	Total Liabilities	31,217
425,010	NET ASSETS	437,149
	EQUITY	
146,330	Accumulated Surplus	153,169
278,232	Asset Revaluation Reserves	283,532
448	Other Reserves	448
425,010	TOTAL EQUITY	437,149
24,426	NET FINANCIAL LIABILITIES	27,356

Adelaide Hills Council

STATEMENT OF CHANGES IN EQUITY 2022-23 Proposed Budget

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Available for sale Financial Assets	Minority Interest Equity	TOTAL EQUITY
2022-23	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period	146,330	278,232	448	-		425,010
Net Surplus / (Deficit) for Year	6,838	-	-		-	6,838
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment	-	5,300	-			5,300
Transfers between reserves		-		-	-	-
Balance at end of period	153,169	283,532	448	-	-	437,149
2021-22						
Balance at end of previous reporting period	142,182	273,017	448	-		415,647
Restated opening balance				-	-	
Net Surplus / (Deficit) for Year	4,148	-	-		-	4,148
Other Comprehensive Income						
Changes in revaluation surplus - infrastructure, property, plant & equipment	-	5,215	-			5,215
Share of Other Comprehensive Income JV						-
Transfers between reserves				-	-	-
Balance at end of period	146,330	278,232	448	-	-	425,010

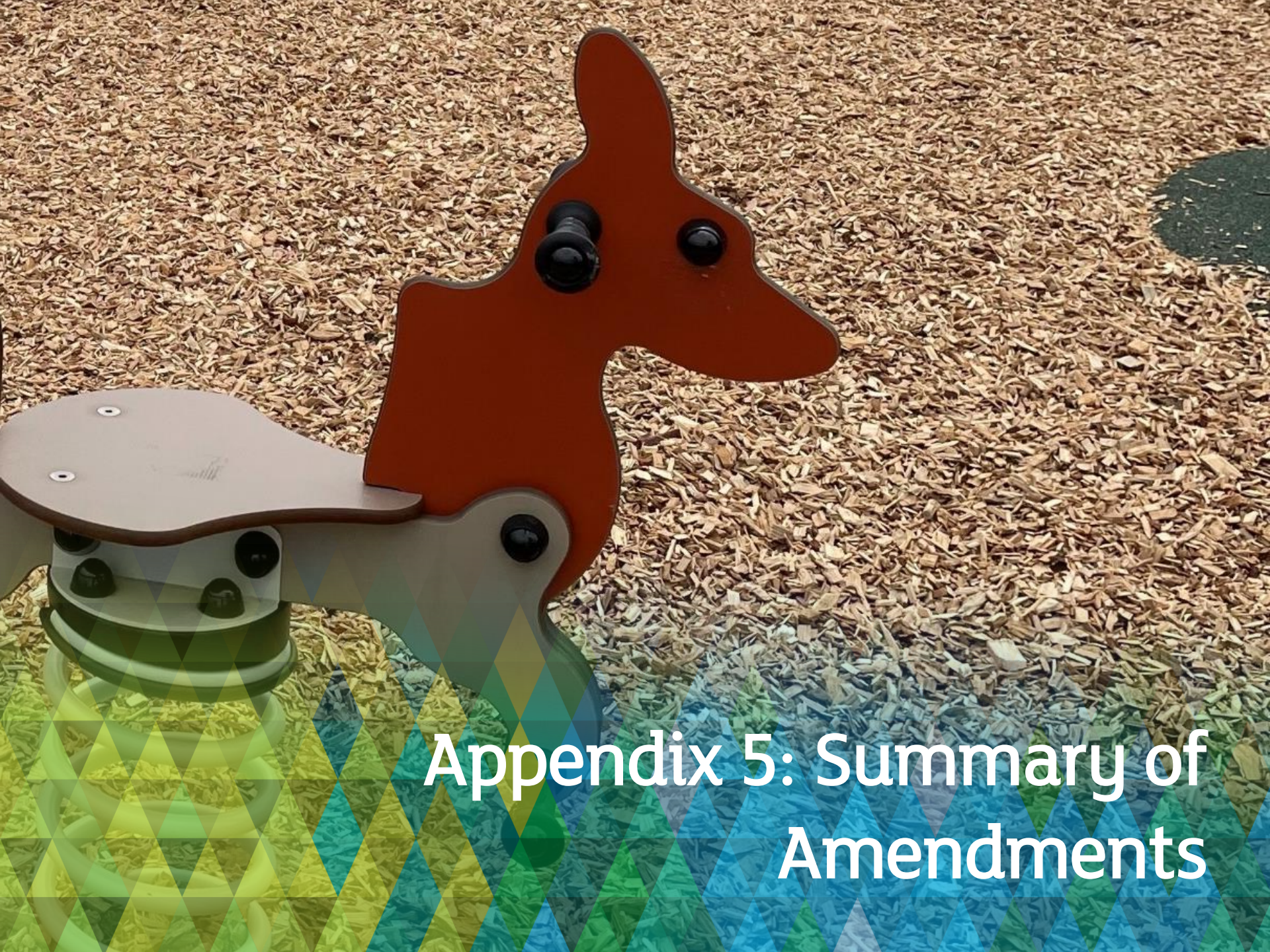
FINANCIAL RATIOS

	2022-23 Proposed Budget
Operating Surplus Ratio	
$\frac{\text{Operating Surplus}}{\text{Total Operating Revenue}}$	2.6%
Net Financial Liabilities Ratio	
$\frac{\text{Net Financial Liabilities}}{\text{Total Operating Revenue}}$	51%
Asset Sustainability Ratio	
$\frac{\text{Asset Renewals}}{\text{Infrastructure \& Asset Management Plan required expenditure}}$	102%

Adelaide Hills Council

CASH FLOW STATEMENT 2022-23 Proposed Budget

2021-22 Budget		2022-23 Proposed Budget
\$'000	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	\$'000
	<u>Receipts</u>	
41,495	Rates - general & other	44,143
1,305	Fees & other charges	1,318
814	User charges	837
7,163	Grants	6,496
5	Investments	5
210	Reimbursements	184
452	Other revenues	212
	<u>Payments</u>	
(19,458)	Employee costs	(20,800)
(20,542)	Materials, contracts & other expenses	(21,070)
(325)	Finance payments	(594)
<u>11,120</u>	NET CASH USED IN OPERATING ACTIVITIES	<u>10,731</u>
	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
	<u>Receipts</u>	
5,100	Proceeds from Borrowings	7,800
	<u>Payments</u>	
-	Repayment from Borrowings	(515)
(400)	Repayment of Lease Liabilities	(429)
-	Repayments of Aged Care facility deposits	(590)
<u>4,700</u>	NET CASH USED IN FINANCING ACTIVITIES	<u>6,266</u>
	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
	<u>Receipts</u>	
2,123	Grants for new or upgraded assets	2,009
842	Sale of replaced assets	636
74	Sale of surplus assets	2,730
	<u>Payments</u>	
(7,356)	Expenditure on new/ upgraded assets	(11,801)
(11,480)	Expenditure on renewal/ replacement of assets	(10,538)
<u>(15,797)</u>	NET CASH USED IN INVESTING ACTIVITIES	<u>(16,964)</u>
23	NET INCREASE / (DECREASE) IN CASH HELD	33
<u>(4,563)</u>	CASH AT BEGINNING OF YEAR	<u>(4,540)</u>
<u>(4,540)</u>	CASH AT END OF YEAR	<u>(4,507)</u>
	<u>637 Cash & Investments</u>	<u>637</u>
(5,177)	Short Term Drawdown	(5,144)
<u>(4,540)</u>		<u>(4,507)</u>



Appendix 5: Summary of Amendments

Summary of Amendments

Significant changes made to the Annual Business Plan following public consultation, which closed on 1 June 2022, include the following:

- Addition of the demographic infographic pages (pg 4 and 5)
- Addition of the Mayor's message and Council Photos on page 6
- Addition of the capital projects approved under the "Local Roads and Community Infrastructure Program" (marked with the code LRCIP)
- Correction and/or adjustment to financials based on updated information provided, adjustment to estimated rate growth (but not the average rate increase), Council approved adjustments resulting for the 3rd Quarter 2021-22 Budget Review process, and/or where grants have been recently approved. The net result of these adjustments is:
 - An increase in the operating surplus from \$424k to \$1.36m
 - Capital renewal increase from \$10.3m to \$10.5m
 - Capital new and upgrades increase from \$11.2m to \$11.8m
 - Net borrowings decrease from \$8.1m to \$7.3m
 - Operating surplus ratio increase from 0.8% to 2.6% (with an adjusted operating surplus of 1.1% to exclude the one off amounts that don't form part of the ongoing budget and therefore more accurately reflects the financial sustainability)