



Annual Business Plan 2025-26



Adelaide Hills
COUNCIL

Welcome

Welcome to the Adelaide Hills Council Annual Business Plan for 2025-26. This document outlines our strategic goals and the steps we will take over the next financial year to achieve them. These goals are closely aligned with our *2024 Your Place, Your Space Strategic Plan*, as well as other key plans and strategies.

This publication provides relevant information for all our stakeholders, including ratepayers, residents, business operators, visitors, government agencies, and other interested people.

This plan not only meets the requirements of the Local Government Act 1999 but also serves as a comprehensive guide for our community.

Contents

Overview	3	<i>Annexure A: Budgeted Financial Statements</i>
About us	4	<i>Annexure B: Statement of Expected Rate Revenue</i>
Our Goals	8	<i>Annexure C: Corporate Performance Indicators</i>
Our Services	9	<i>Annexure D: Rating Policy</i>
Our focus for 2025-26	12	<i>Annexure E: ESCOSA Report and Council Response</i>
Strategic Initiatives	13	<i>Annexure F: Strategic Plan and Goals and Objectives</i>
Financial Overview	18	
Capital Budget Overview	25	
Rates Overview	26	

Acknowledgement of Country

Council acknowledges that we undertake our business on the traditional Country of the Peramangk and Kurna people. We pay our respects to Ancestors and Elders past and present as the custodians of this ancient and beautiful land, for they hold the memories, traditions, spiritual relationships, culture and hopes of the First Nations of Australia.

We are committed to working together to ensure that Peramangk and Kurna culture and traditions are sustained, valued and continuing.

Overview

The *Annual Business Plan 2025-26* shows our services, programs and projects for this financial year. It also shows how we will allocate our resources to achieve the goals we set out in our *2024 Your Place, Your Space Strategic Plan*, while ensuring Council’s long term financial sustainability.

Our focus in 2025-26 is on supporting and strengthening our community, environment and region by developing a responsible budget which recognises our unique constraints and is geared towards delivering essential services, prudent resource management, and sustainability.

This financial planning exercise, including the Long-Term Financial Plan (LTFP), is the first to address the Council’s financial sustainability considering recent revelations regarding its assets and depreciation. The re-evaluation has identified that Council’s financial sustainability is not as robust as previously thought. Consequently, the Council must now plan for significantly higher costs associated with the renewal and replacement of assets.

Some key projects and activities we will be undertaking include:

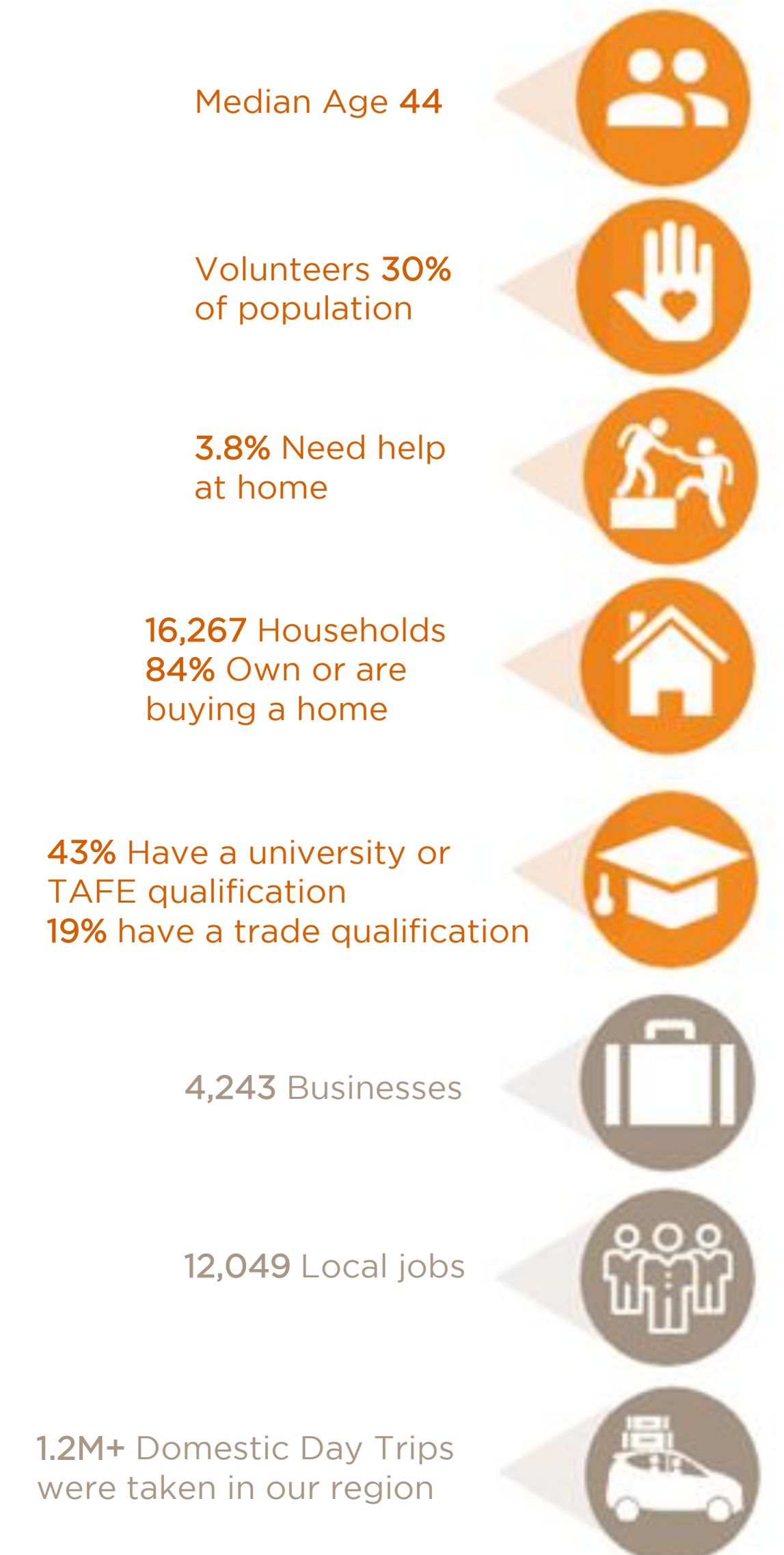
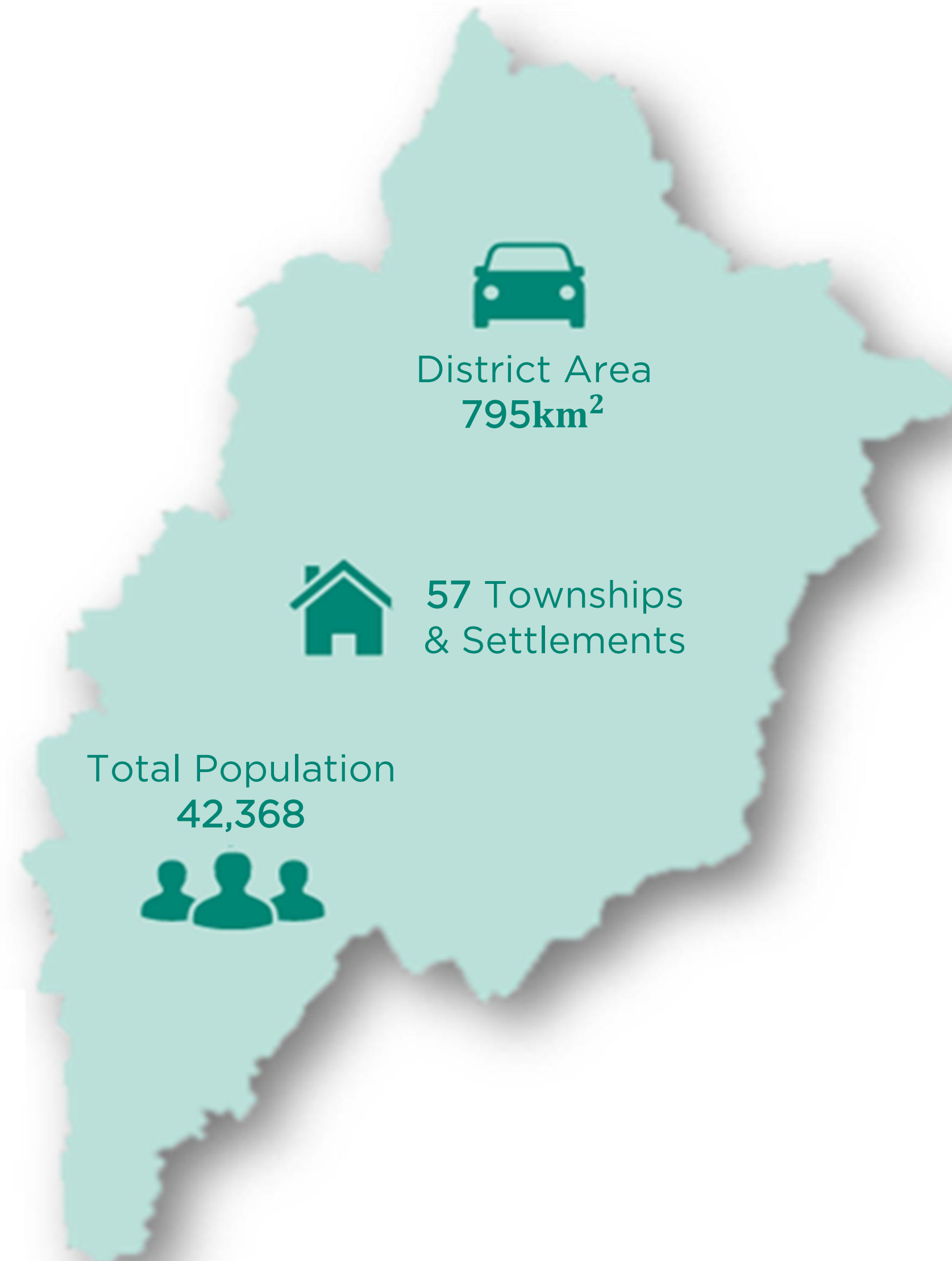
- Pursuing our adopted pathway to achieving net zero corporate carbon emissions
- Trialing alternative kerbside waste collection models to divert more waste from landfill
- Commencing a 12-month trial to provide ethically sourced period products across four of Council’s community centres
- Developing a housing strategy that meets the needs of the community
- Implementing technology upgrades to the Customer Relationship Management system (CRM) to enhance the customer experience in relation to online services

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

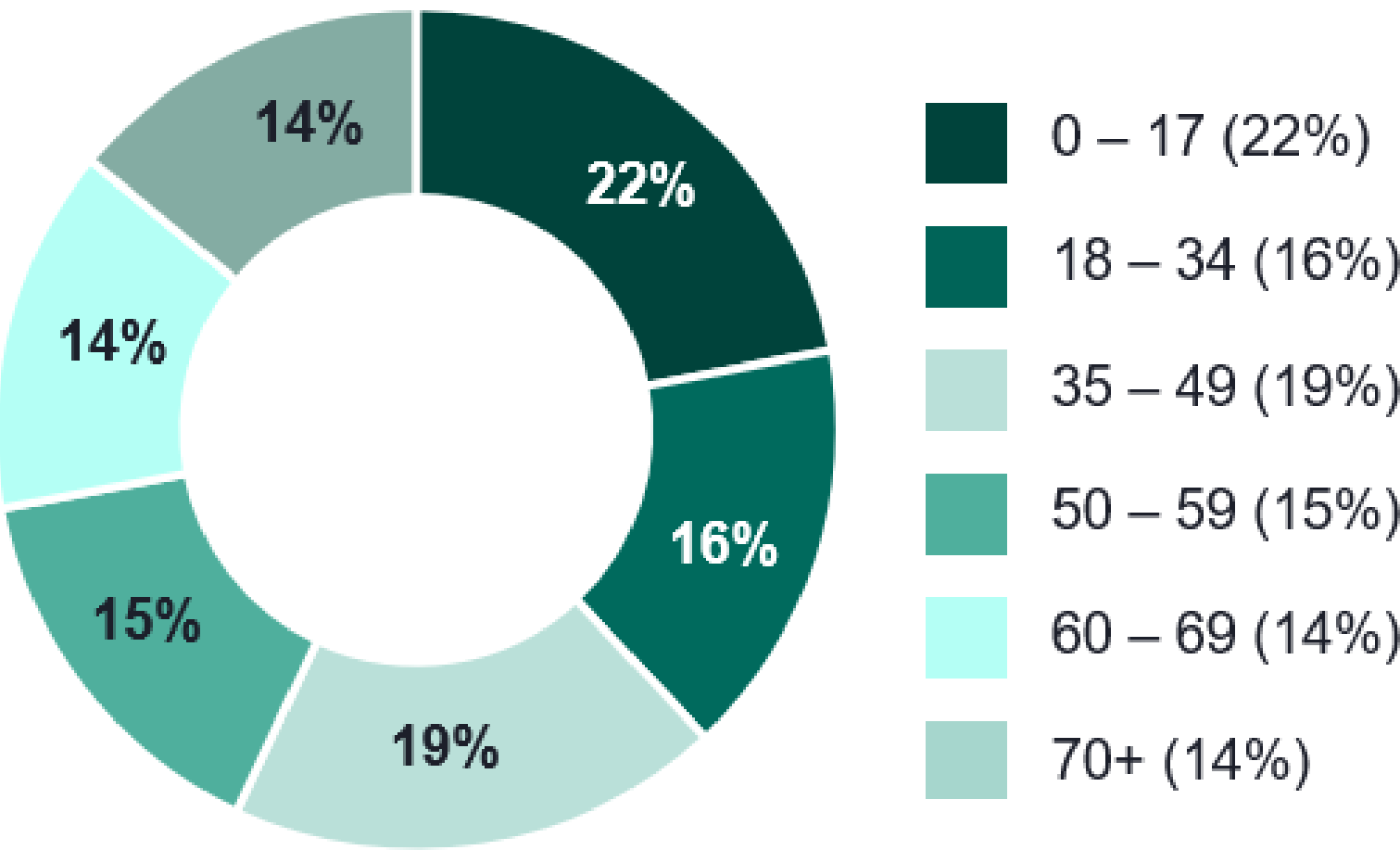
Planned Activities	<ul style="list-style-type: none">• In addition to our regular service delivery, our strategic initiatives contribute towards achieving our long-term goals. These include:<ul style="list-style-type: none">• 16 capital initiatives (\$1.548M)• 16 operating initiatives (\$1.509M)
Capital Budget	<ul style="list-style-type: none">• \$3.448M for capital expenditure on new or upgraded assets• \$14.292M for capital expenditure on renewal of existing assets
Operating Budget	<ul style="list-style-type: none">• Proposed deficit of \$2.4M. This is an improvement from 2024-25 deficit.
Borrowing	<ul style="list-style-type: none">• Net borrowings of \$6.395M, resulting in forecast total borrowings at 30 June 2026 of \$35.220M
Rates	<ul style="list-style-type: none">• Average increase in general residential rates of 6.2% which will allow for continued financial sustainability, maintain our much-needed services and fund new initiatives. For an average value residential property this equates to an annual increase of approximately \$161
Financial Sustainability	<ul style="list-style-type: none">• Operating deficit ratio of 3.8% which is below Council’s target of 0% to 10% surplus on average over 10 years.• Net financial liabilities ratio 63% in line with Council’s target of 0% to 100%• Asset sustainability ratio 116% which is above Council’s target of 90% to 110%

We Are Unique

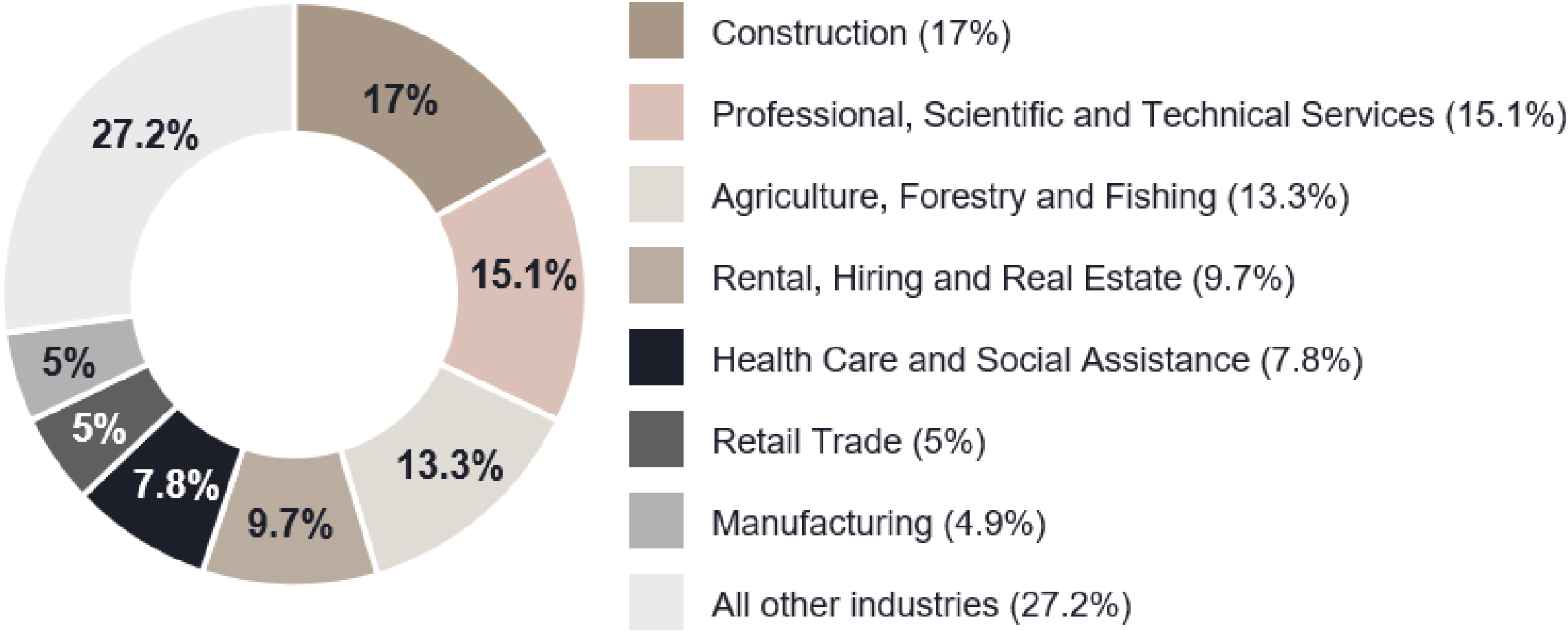
The size of a Regional Council with the expenses and population of a City Council



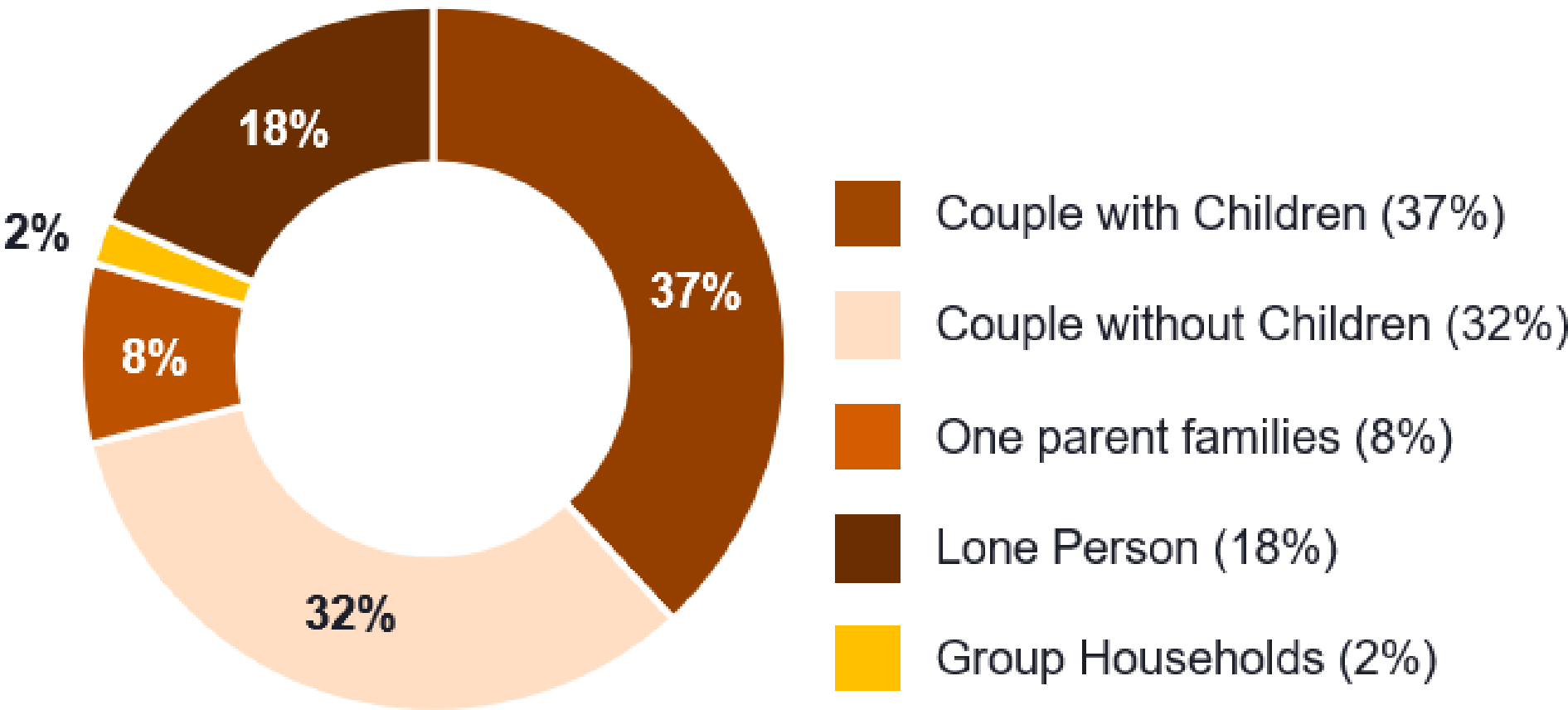
Age Profile of the Adelaide Hills



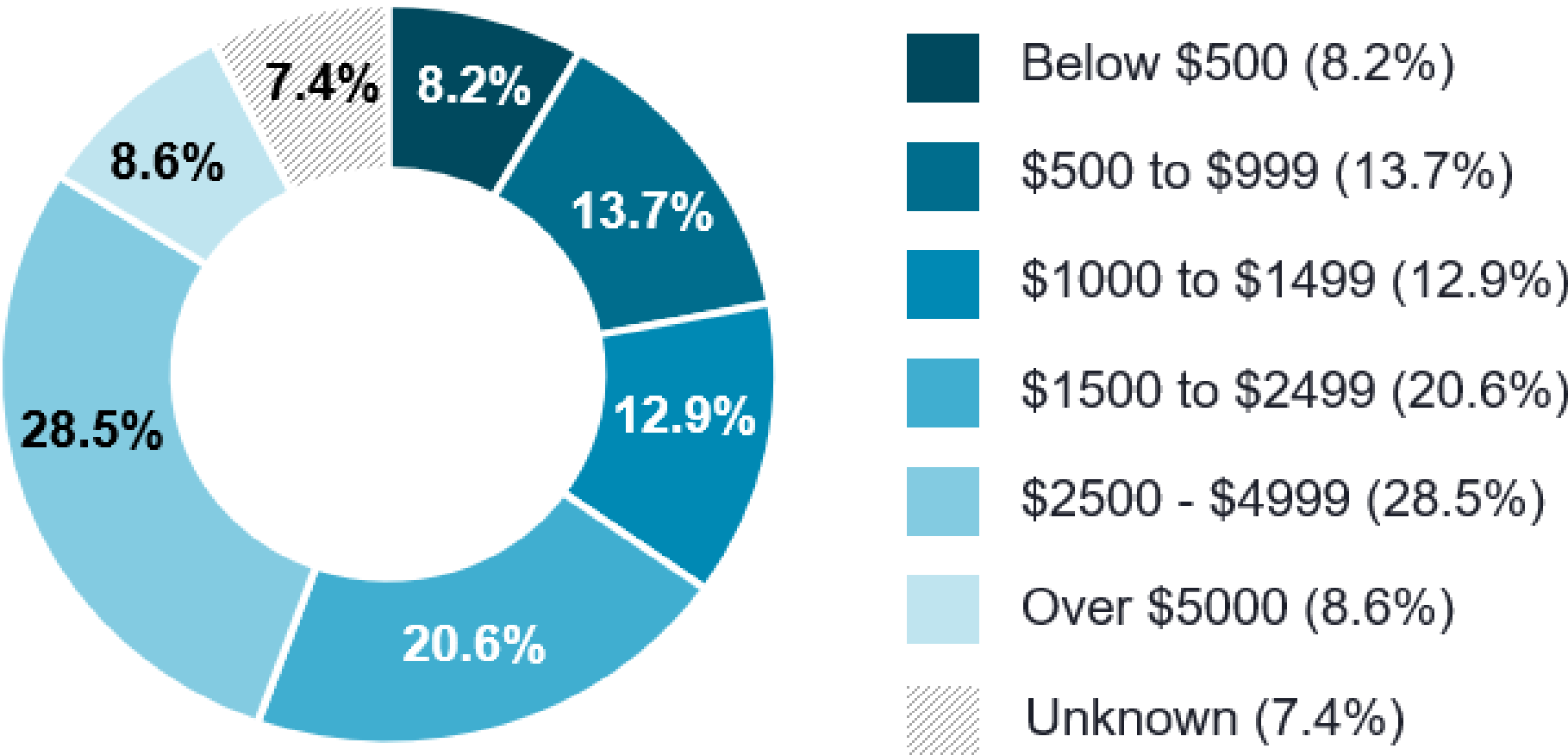
Number of registered businesses by industry



Household Types



Weekly Household Income



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

A message from our Acting Mayor...

As Acting Mayor of the Adelaide Hills Council, I am pleased to present the 2025-26 Annual Business Plan — our roadmap for delivering essential services, advancing strategic priorities, and supporting the wellbeing of our community in the year ahead.

This plan is grounded in the vision and values of our 2024 Strategic Plan, *Your Place, Your Space*, and reflects our ongoing commitment to sustainability, resilience, and responsible governance. It outlines how we will invest in our people, places, and environment while navigating the financial challenges that come with managing a large and diverse region.

In 2025-26, we will take important and considered steps to strengthen our long-term financial sustainability. Recent asset revaluations have highlighted the need for increased investment in infrastructure renewal. In response, this year's budget includes a significant capital works program, with \$13.85 million allocated to renewing existing assets and \$3.45 million for new and upgraded infrastructure. These investments are essential to maintaining the services and facilities our community relies on.

We will continue to demonstrate environmental leadership by progressing our pathway to net zero

corporate carbon emissions along with expanding our trial of alternative waste collection models to divert more waste from landfill. We will implement a range of initiatives to protect and enhance our natural environment, including a major \$2 million restoration project for Cox Creek, Bridgewater which is supported by funding from the Federal Government.

Our community remains at the heart of everything we do. From expanding the Fabrik Arts + Heritage Hub to developing a housing strategy that carefully balances growth with character and affordability, we are dedicated to initiatives that enhance liveability, inclusion, and connection throughout our region.

This plan also reflects our commitment to transparency and accountability. We will measure our success against a comprehensive suite of corporate performance indicators to track our progress and ensure we are delivering value for our community.

On behalf of Council, I thank our residents, businesses, volunteers, and partners for your continued engagement and support. Together, we are building a vibrant, sustainable, and inclusive future for the Adelaide Hills.

Nathan Daniell
Acting Mayor



From the desk of the Chief Executive Officer...

At Adelaide Hills Council, our focus remains firmly on delivering high-quality services, fostering community wellbeing, and ensuring financial sustainability in a time of evolving challenges and opportunities.

The 2025–26 Annual Business Plan reflects this commitment, outlining the strategic initiatives and investments we will undertake to support our natural environment, strengthen community resilience, enhance infrastructure, and evolve our organisation to meet future needs. It builds on the strong foundations laid in our Your Place, Your Space Strategic Plan 2024, and responds to the changing needs of our region with a clear focus on responsible budgeting, sustainability, and service excellence.

Our priorities this year include meaningful action on environmental sustainability, and investment in infrastructure upgrades, digital transformation, and community development initiatives that reflect the values and aspirations of our residents. This plan also marks a turning point in our financial planning, as we respond to new insights into the true cost of asset renewal and maintenance—ensuring that our resource allocation is both realistic and sustainable.

We are also placing strong emphasis on organisational development and innovation. Our digital transformation program will enhance internal systems and improve service delivery, while upgrades to our customer relationship management platform will make it easier for residents to interact with Council. These improvements are designed to create a more agile, responsive, and connected organisation — one that is equipped to meet the evolving expectations of our community.

I am proud of the dedication shown by our staff and elected members, and I look forward to working together to deliver the outcomes outlined in this plan. Thank you for your continued support and engagement. Together, we will ensure the Adelaide Hills remains a vibrant, inclusive, and sustainable region for generations to come.

Greg Georgopoulos
Chief Executive Officer



About us

Our Elected Council



Mayor
Jan-Claire Wisdom



Deputy Mayor
Cr Nathan Daniell
Ranges Ward



Cr Kirrilee Boyd
Ranges Ward



Cr Adrian Cheater
Ranges Ward



Cr Chris Grant
Valleys Ward



Cr Malcolm Herrmann
Valleys Ward



Cr Lucy Huxter
Valleys Ward



Cr Leith Mudge
Ranges Ward



Cr Mark Osterstock
Ranges Ward



Cr Kirsty Parkin
Ranges Ward

Council and Committees

The Elected Council's role is to provide for the governance and stewardship of the Council. 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 its functions under legislation and its strategic management plans.

A number of committees have been established in accordance with legislation to assist the Council and the Administration to discharge their responsibilities in specific areas. These are the Audit and Risk Committee, the Chief Executive Officer Performance Review Panel, the Council Assessment Panel, the Boundary Change Committee, the Building Fire Safety Committee and the Health & Safety Committee.

Council Administration

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

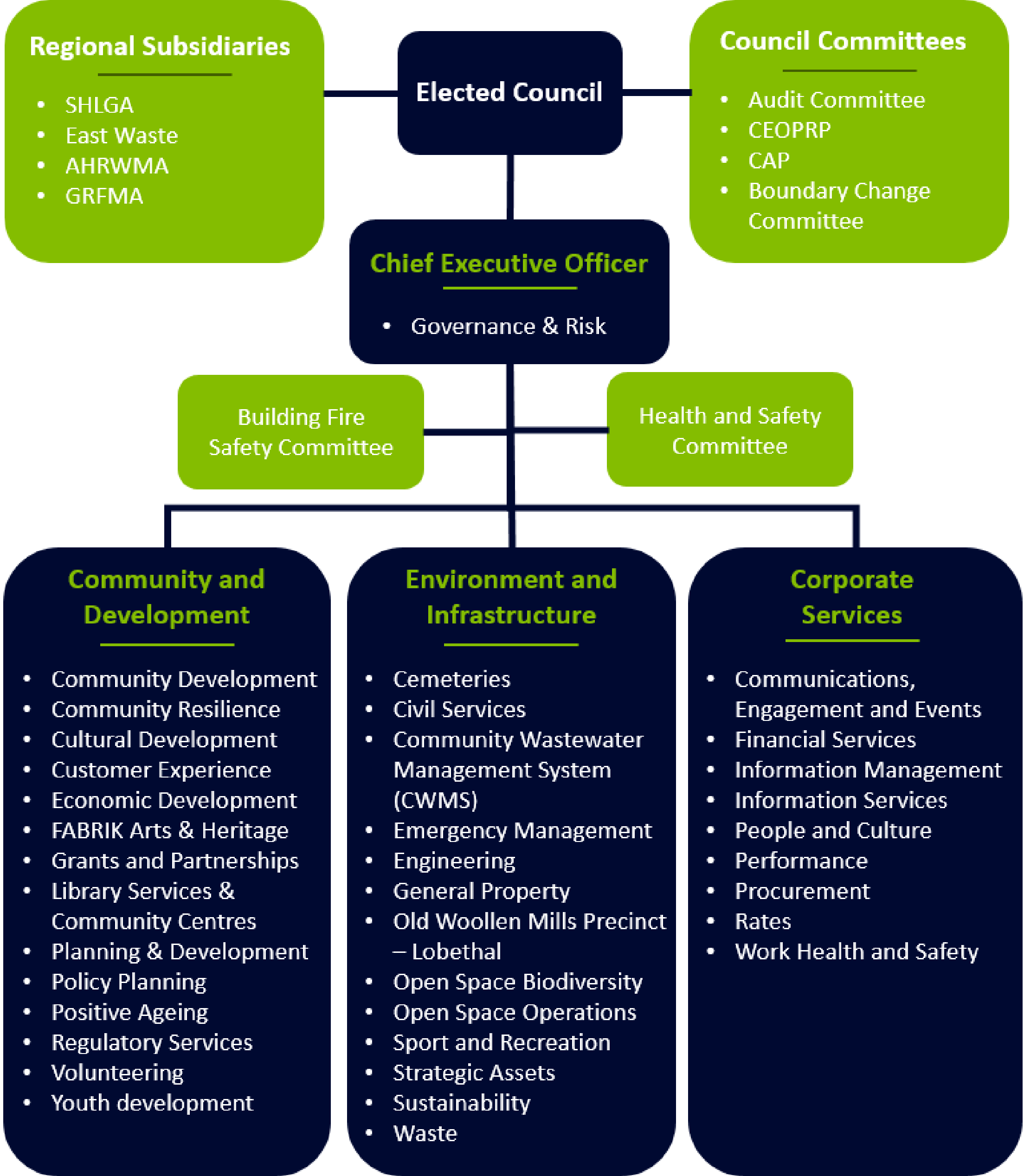
The Chief Executive Officer appoints staff and engages other resources to carry out the functions and duties delegated to them and to implement Council decisions.

The Administration is organised into directorates, each with a specific area of focus and functional responsibilities. The arrangement of the directorates provides for the separation of the regulatory activities, as far as practicable, from the other activities of the Council.

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, the Eastern Waste Management Authority (East Waste), the Adelaide Hills Region Waste Management Authority, and the Gawler River Floodplain Management Authority.



Our Goals

The Annual Business Plan has been developed to align with the *2024 Your Place, Your Space Strategic Plan*, which was adopted by Council on 12 November 2024. The goals and objectives of the Strategic Plan are listed in the table below. Over the following pages the day-to-day activities, recovery efforts, and strategic initiatives will be outlined to demonstrate how each of these long-term goals will be achieved.

 Natural Environment	 Community Wellbeing	 Built Form and Economy	 Organisation
NE 1 Pursue our adopted pathway to achieve net zero carbon emissions.	CW 1 Promote and support reconciliation.	BFE 1 Guide development that fosters vibrant and resilient communities, promotes appropriate design and enhances livability.	O1 Embrace technology solutions and digital transformation to enhance our organisation and the community experience.
NE 2 Support the community and businesses to decarbonise and transition to sustainable lifestyle practices (green communities).	CW 2 Enrich, empower and support connected communities.	BFE 2 Nurture a distinctive sense of place, support activation activities and recognise and celebrate our rich heritage.	O2 Operate with integrity using best practice governance processes.
NE 3 Protect, improve, expand and connect habitat.	CW 3 Embrace diversity in our community and build on community strengths.	BFE 3 Develop and maintain infrastructure to support livability and sustainable economic activity.	O3 Support and develop a skilled organisation that is aligned to Council's priorities.
NE 4 Build resilience in the natural environment to adapt to climate and other environmental changes.	CW 4 Build community resilience for the future.	BFE 4 Improve the utilisation of Council and community facilities.	O4 Engage and advocate for our communities.
NE 5 Improve landscape character and amenity value on Council managed land.	CW 5 Foster cultural identity and connection to place.	BFE 5 Promote sustainable prosperity by supporting tourism, creative industries, primary production and vibrant townships.	O5 Evolve Council's functions and services to meet the current and future needs and aspirations of our community.

CW 6 Promote physical, mental and social wellbeing.

Our Services

The services and day to day activities we provide are our main method of delivering on our long-term goals and objectives. Over 2025-26, our skilled and agile workforce will continue in our commitment to deliver cost effective and efficient services in support of our community.

Animal Management - Promoting responsible dog and cat ownership, responding to nuisance and hazards caused by other animals including livestock, and conducting Feral Cat Studies.

Cemeteries - Maintenance and management of 16 Council owned cemeteries within the region.

Civil Services - Maintenance, management and replacement planning of public infrastructure including roads, bridges, signage, stormwater, kerbs and footpaths.

Community Centres - Providing opportunities to improve health and wellbeing, participate in lifelong learning and sharing skills with others.

Communications, Engagements and Events - Ensuring communication between the Council and community is accurate, relevant, valuable and engaging. Promoting and supporting community events which have social and economic benefits to the district.

Community Development - Overseeing community wellbeing, disability access and inclusion programs, as well as a range of regional support programs including provision of funding to The Hut Community Centre and the Adelaide Hills Community Passenger Transport Network.

Community Wastewater Management Systems (CWMS) - Management of CWMS and associated infrastructure e.g. septic tanks, treatment ponds.

Customer Experience - Driving organisational improvement and innovation to improve the customer experience.

Customer Services - Providing ready access to Council services and responding to customer enquiries through three physical service centres, a phone contact centre and online request portal.

Cultural Development - Focusing on cultural diversity, Aboriginal respect and recognition, and the arts in all its forms.

Economic Development - Supporting and promoting businesses, community, and regional development through funding Adelaide Hills Tourism and Regional Development Australia and responding to the needs of established or potential local businesses.

Emergency Management - Working collaboratively to prevent, prepare, respond and recover from natural disasters and other hazards.

Fabrik Arts and Heritage Hub - Providing community exhibitions, workshops and events. A thriving arts and heritage hub to support creative industries and the broader local economy through increased tourism and continuing to promote and preserve our vibrant cultural and historical hub.



Our Services

Financial services – Providing accounting and financial activities including procurement support, payments, collection of rates and debt recovery, treasury management, corporate planning and reporting activities, and support to Council in financial decision making.

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 landowners in respect of bushfire prevention and management.

Governance – Supporting the Mayor, Councillors, CEO, the Administration and community with their legislated roles and responsibilities including coordination of Council & Committee meetings, elections, policy development and review, and risk, audit and insurance activities

Grants & Partnerships – Grant giving programs supporting community-based initiatives. Partnerships with stakeholders to deliver local and regional outcomes.

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.

Information Systems – Systems for the capture, dissemination, storage, security, accessibility and management of information received and generated by Council.

Libraries – Providing access to information resources for learning or leisure. Providing opportunities for community to engage, learn and connect.

Open Space Operations – Maintaining parks and reserves, biodiversity activities, and fire breaks/tracks.

Open Space Biodiversity – Undertaking activities such as weed management, habitat conservation and expansion, research and knowledge development, and supporting community in their related activities.

Organisational Development and Work Health & Safety – Providing support to our people covering organisational development, human resource management, work health and safety and payroll.

Parking and By-law Enforcement – Monitoring and regulating parking and particular public activities to ensure safe and accessible environments.



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.

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.

Property Services – Facilitating appropriate events, outdoor dining, roadside trading and mobile food vans on Council managed land and roads. Ongoing maintenance and management of Council's service centres, community facilities and Council's real estate assets including some 380+ parcels of land and 180+ buildings.

Public Health – Inspections of food businesses, waste water and public swimming pools to provide safe public environments. Providing clinics to enable the community to access vaccinations easily.

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 in the region.

Strategic Assets – Develops and refines the Asset Management Plans and the future renewal Capital Works Programs. Manages Council's Geographic Information Systems, Community Wastewater Management System, and associated corporate data.

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.

Volunteering – Encouraging voluntary participation across the Adelaide Hills through provision of opportunities, training and support for volunteer involving groups.

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.

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.

Youth Development – Providing a range of programs and activities to support and develop youth in our community.



Our focus for 2025-26

Council's focus for the financial year is on supporting and strengthening our community, environment and region by developing a responsible budget which recognises our unique constraints and is geared towards delivering essential services, prudent resource management, and sustainability.

Some of the highlights include:

- Pursuing our adopted pathway to achieving net zero corporate carbon emissions
- Trialing alternate kerbside waste collection models to divert more waste from landfill
- Progressing towards financial sustainability through considered planning
- Revising the Biodiversity Strategy to conserve native vegetation and habitat on Council land, and protect ecological values along natural waterways
- Developing a Stormwater Management Plan
- Continuing to implement actions from the Our Watch's "Prevention Toolkit for Local Government"
- Expanding the Fabrik Arts + Heritage Hub operations following its redevelopment
- Undertaking a strategic review of all Council owned properties including Council administration accommodation
- Increasing community connections through forums
- Collaborating with Adelaide Hills Tourism to promote and support tourism across our region
- Advocating for key economic development issues in the region with other levels of government
- Commencing the development of a housing strategy that meets community needs and balances character, growth, affordability, and the natural environment
- Increasing resilience and reliability of the Community Wastewater Management System service
- Implementing technology upgrades to the Customer Relationship Management system to enhance the customer experience through easier online services and improved communication and response times

How we measure success

We will measure our success by how well we deliver services and meet the needs of our community, based on performance results and feedback from the people we serve.

Inside our organisation, we track success by looking at how well our services perform, whether we meet our financial goals, how strong our leadership and decision-making are, how we use new ideas and technology, and how we grow and improve as an organisation.

The details of these measures are included in the suite of Corporate Performance Indicators (*Annexure C*) which will be used in our performance reporting to Council each quarter, and in our Annual report for 2025-26.

Strategic Initiatives

Strategic initiatives are specially funded and priority activities, projects and programs of work that are planned for and approved by the Elected Members, for 2025-26. “Operating” initiatives are related to administrative projects, community programs and other activities and tasks.

Operating Initiatives	Area	Objective	Budget 2025-26
Housing strategy	Community & Development	BFE 1	\$25,000
Adelaide Hills subzone code amendment	Community & Development	BFE 1	\$15,000
Town and precinct planning strategic framework	Community & Development	BFE 2	\$30,000
Bike track maintenance	Environment & Infrastructure	BFE 3	\$30,000
Sustainable site planning – Johnston Memorial Park, Balhannah	Environment & Infrastructure	BFE 4	\$25,000
Community resilience operating costs	Community & Development	CW 4	\$30,000
Tour Down Under	Corporate Services	BFE 5	\$80,000
Bore infrastructure investigations	Environment & Infrastructure	CW 4	\$100,000
Mylor bore compliance works	Environment & Infrastructure	CW 4	\$25,000

**Strategic goals, objectives and priorities are listed in Annexure F*

Strategic Initiatives

Strategic initiatives are specially funded and priority activities, projects and programs of work that are planned for 2025-26. “Operating” initiatives are related to administrative projects, community programs and other activities and tasks.

Operating Initiatives	Area	Objective and/or Priority*	Budget 2025-26
Electric vehicle charging scheduled auditing and maintenance	Environment & Infrastructure	NE 1	\$25,000
Existing solar PV, emission and cost reduction monitoring and performance enhancement	Environment & Infrastructure	NE 1	\$5,000
Trialling alternative kerbside waste collection models (\$190,000 grant funded)	Environment & Infrastructure	NE 2	\$380,000
Grants and incentives to support the community in reducing emissions	Environment & Infrastructure	NE 2	\$10,000
Development and implementation of a community energy reduction program incorporating energy and transport	Environment & Infrastructure	NE 2	\$120,000
Local climate adaptations for landscape conservation	Environment & Infrastructure	NE 4	\$10,000
New staff recruitment – Senior Strategic Asset, Development and Project Arborist	Environment & Infrastructure	NE 4	\$124,000
Digital Transformation Program (inc Enterprise Resource Planning Review)	Corporate Services	O1	\$475,000

**Strategic goals, objectives and priorities are listed in Annexure F*

Changes to ‘Business-as-Usual’ budgets

In addition to the strategic initiatives, which are specially funded, and priority activities, projects and programs of work, additional funding has been allocated to specific on-going activities.

Business as Usual Projects	Area	Objective and/or Priority*
Reconciliation Action Plan	Community & Development	CW 1
Implement actions from Our Watch’s ‘Prevention Toolkit for Local Government’	Community & Development	CW 3

Business as Usual Increases	Area	Objective and/or Priority*	Budget 2025-26
Additional weed control following fire control activities	Environment & Infrastructure	NE 1	\$25,000
Amy Gillett Bikeway maintenance	Environment & Infrastructure	NE 1	\$45,000

Strategic Initiatives

Strategic initiatives are specially funded and priority activities, projects and programs of work that are planned for 2025-26. “Capital” initiatives are generally related to new physical assets and infrastructure investment.

Capital Initiatives	Area	Objective and/or Priority*	Budget 2025-26
Public toilet septic system upgrade – Norton Summit	Environment & Infrastructure	BFE 3	\$80,000
Replacement of non-compliant external cladding – Stirling Coventry Library	Environment & Infrastructure	BFE 3	\$80,000
Road Safety Program (including co-contribution to road Black Spot Program)	Environment & Infrastructure	BFE 3	\$35,000
Stormwater projects - Balhannah	Environment & Infrastructure	BFE 3	\$544,000
Disability Discrimination Act access upgrades – region wide	Environment & Infrastructure	BFE 3	\$30,000
Sports court upgrades	Environment & Infrastructure	CW 6	\$35,000
Amenity lighting – Woodside Recreation Ground	Environment & Infrastructure	CW 6	\$35,000
Uraidla Play Space	Environment & Infrastructure	CW 6	\$220,000

**Strategic goals, objectives and priorities are listed in Annexure F*

Appropriate funds have been allocated to a limited number of priority initiatives that remain commercial in confidence at the time of publishing this document. Figures do not include project managements costs

Strategic Initiatives

Strategic initiatives are specially funded and priority activities, projects and programs of work that are planned for 2025-26. “Capital” initiatives are generally related to new physical assets and infrastructure investment.

Capital Initiatives	Area	Objective and/or Priority*	Budget 2025-26
Energy efficiency improvement program – Council facilities	Environment & Infrastructure	NE 1	\$60,000
Central irrigation control system – Houghton Square, Lobethal Main Street, Kersbrook Cemetery	Environment & Infrastructure	NE 4	\$130,000
Barbeque and shelter – Hamilton Hill, Woodforde	Environment & Infrastructure	BFE 3	\$40,000
Safety improvements, Branch Road stair access to Woorabinda Bushland Reserve - Stirling	Environment & Infrastructure	NE 5	\$70,000
Work, Health & Safety and security upgrades at Council depot - Heathfield	Environment & Infrastructure	BFE 4	\$75,000
Lighting improvements, Lewis Walk Hamilton Hill - Woodforde	Environment & Infrastructure	BFE 3	\$15,000
Road safety: Traffic control and calming - Lobethal	Environment & Infrastructure	BFE 3	\$57,000
Road safety: Emu crossing - Lobethal	Environment & Infrastructure	BFE 3	\$42,000

* Strategic goals, objectives and priorities are listed in Annexure F.

Appropriate funds have been allocated to a limited number of priority initiatives that remain commercial in confidence at the time of publishing this document. Figures do not include project managements costs.

Financial Overview

Key financial information for 2025-26 is summarised below:

Budget Summary	\$'000
Rates income	54,953
All Other Operating income (including initiatives)	9,505
Total Operating Income	64,458
Core operating Expenses (excluding Initiatives)	65,381
Operating initiatives	1,509
Total operating Expenditure	66,890
Operating deficit	2,432
Gross Capital Renewal Program expenditure	14,292
Gross Capital expenditure on new / upgraded assets	3,448
Total Gross Capital Expenditure	17,740
Estimated new borrowings	6,395



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	2025-26 Budget
Operating Surplus Ratio	0 - 10% (on avg. over 10 years)	(3.8%)
Net Financial Liabilities Ratio	0 – 100%	63%
Asset Renewal Funding Ratio	90 – 110%	116%

Council's alignment to the targets provides a level of certainty to the community that financial sustainability will be maintained over the long term.

Council’s targeted Operating Surplus on average over a ten-year timeframe acknowledges that there are likely to be one off occurrences in particular years which require Council to respond differently. This 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 6.2%. For a residential property of average value, this equates to an increase of approximately \$161 for the 2025-26 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 2025-26 Council proposes:

- Applying a rate rebate to limit the maximum general rate increase to 15% across residential and primary production land use categories
- Make the rebate automatic (similar to the 2024-25 financial year)
- 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 2024.

Elements of the Budget: Income and Expenses

Income

Rate revenue accounts for approximately 85% 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

39% 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.

Significant influences for the 2025-26 budget

The key focus in the preparation of this budget has been to create a financially sustainable Council now and into the future.

A number of factors have influenced the preparation of Council's 2025-26 Annual Business Plan.

These include:

- Major projects being undertaken by Council (*as listed on pages 13-17*).
- Inflationary pressures continue to push up costs. Whilst there may be some slowing of these pressures, they will remain influential on Council's expense base in the immediate future.
- Increasing construction costs over recent years have led to higher replacement cost valuations of Council's existing asset base which in turn increases the depreciation cost. Accurately capturing these is important to ensure Council's sustainability.
- Provision for Enterprise 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.
- A hardening insurance market resulting in premiums increasing significantly more than CPI.

The Boundary Commission's Inquiry into Campbelltown City Council's Woodforde/Rostrevor boundary reform proposal is currently underway. If this reform proposal is successful, it has the potential to materially impact Council's financial sustainability. No financial or resource implications have been built into the 2025-26 budget at this stage.



Additional costs included in the 2025-26 budget

In addition to the major projects being funded in 2025-26, there are other ongoing cost pressures that continue to impact on Council's Operating Surplus including:

- Higher interest costs arising from increased borrowings which were used to fund capital initiatives
- Increase in depreciation due to revaluations largely relating to cost escalation in infrastructure and building costs
- Insurance premium increases & distribution reductions
- Waste collection costs continue to increase due to higher transportation costs
- Higher costs for building maintenance
- Allowance for more condition assessments of assets



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.

Forecasted levels of borrowing are dependent on the accuracy of the budget. In particular, changes to the delivery of the Capital Works Program have the capacity to change the level of borrowings required. The forecast below assumes that all capital projects will be delivered by the end of 2025-26.

Estimated increase in Total Borrowings as shown in the following table for 2025-26 is \$5,873m.

Borrowing	\$'000
Forecast Opening Balance of Borrowings July 2025	28,825
Estimated New Borrowing for 2025-26	6,395
Repayment of principal for 2025-26	-
Forecast Closing Balance of Borrowings June 2026	35,220
Split as follows:	
Cash Advance Debenture (Short Term Borrowings)	22,720
Fixed Term Borrowings	12,500
Forecast Closing Balance of all Borrowings June 2026	35,220





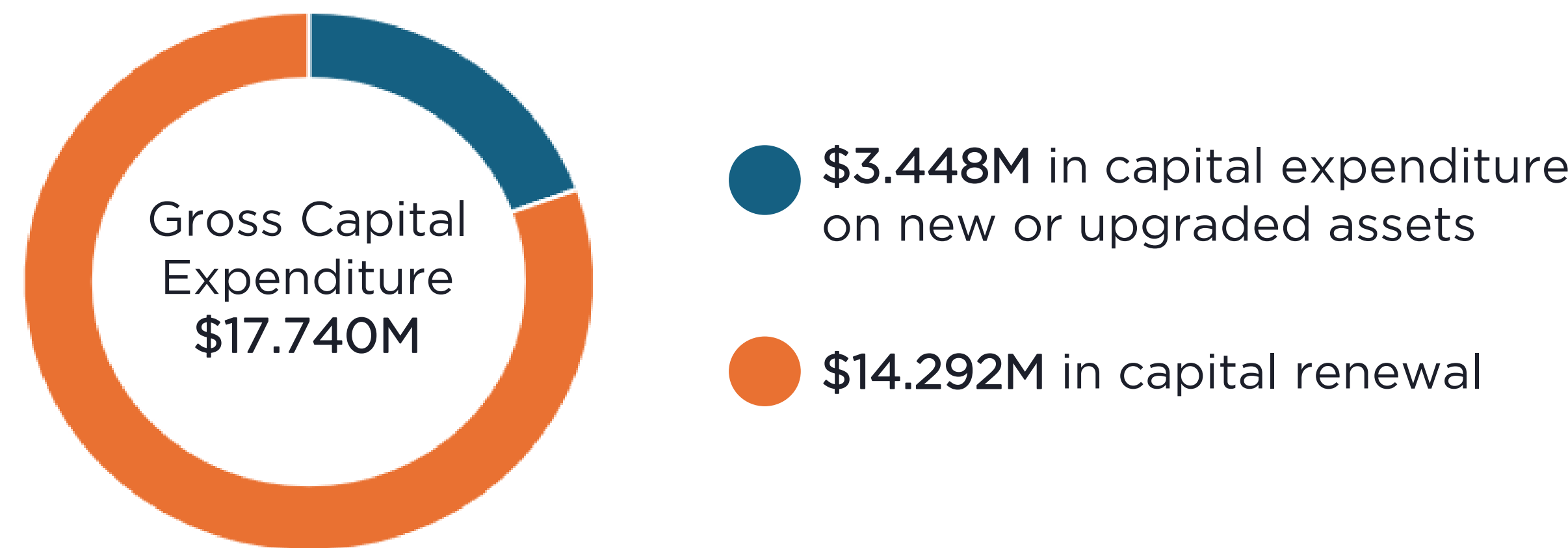
2025-26 Operating Budget by Directorate and Function

2025-2026 Operating Budget by Directorate and Function

Function / Directorate	Revenue			Expenditure			Net Cost / (Revenue) Budget \$'000	2025-26 Staff FTE Budget
	2024-25 Revised Budget \$'000	2025-26 Proposed Budget \$'000	Fav/(unfav) Budget Variance \$'000	2024-25 Revised Budget \$'000	2025-26 Proposed Budget \$'000	Fav/(unfav) Budget Variance \$'000		
CEO Office	-	-	-	664	579	85	579	2.00
Governance Civic	-	-	-	2	3	(1)	3	0.00
Governance EM	-	-	-	532	560	(28)	560	0.00
Governance & Performance	37	37		2,029	1,922	108	1,885	3.40
CEO Directorate Total	37	37		3,227	3,063	164	3,027	5.40
C&D Director's Office	-	-	-	369	409	(40)	409	2.00
Region & Place	110	110	-	812	1,029	(217)	919	4.00
Environmental Health	196	181	(15)	613	613	1	431	3.84
Fire Prevention	32	57	25	239	167	72	111	1.18
Animal Management	577	627	50	491	551	(60)	(76)	3.10
Parking and By-Laws	115	165	50	165	322	(156)	156	2.00
Development Services	649	695	46	2,691	2,716	(25)	2,021	17.03
Community Management	23	-	(23)	438	606	(168)	606	3.10
Community Grants	-	-	-	209	210	()	210	0.00
Community Centres - TSCC	16	16	()	220	235	(16)	219	1.58
Community Centres - TVCC	24	20	(5)	220	113	107	94	0.79
Community Programs	117	74	(43)	126	77	49	3	0.60
Community Resilience	300	-	(300)	510	134	376	134	0.80
Cultural Development	-	-	-	202	148	53	148	0.60
Positive Ageing (Collaborative)	93	94	1	94	94		0	0.60
Positive Ageing (Home Support)	1,196	1,317	121	1,246	1,374	(128)	57	6.22
Volunteering	-	-	-	100	89	11	89	0.60
Youth Development	3	3		111	130	(20)	128	0.60
Customer Experience	-	-	-	738	159	580	159	1.00
Customer Service	-	-	-	999	1,021	(22)	1,021	8.84
Libraries	346	340	(5)	2,086	2,188	(101)	1,847	15.06
FABRIK	380	363	(17)	848	1,060	(212)	697	4.60
Community & Development Directorate Total	4,177	4,063	(114)	13,530	13,445	85	9,382	78.15
CS Director's Office	6	6	()	572	538	34	533	2.89
Communications, Engagement & Events	-	-	-	834	758	76	758	3.60
Corporate	1,144	1,145	1	1,403	1,490	(87)	344	0.00
Finance Operations	-	-	-	1,230	1,455	(224)	1,455	9.80
Rates	49,724	53,343	3,619	1,994	2,034	(40)	(51,309)	0.00
ICT	-	-	-	1,199	1,258	(60)	1,258	4.33
Information Management	-	-	-	574	618	(44)	618	4.34
Information Systems	-	-	-	2,019	2,596	(577)	2,596	4.33
People and Culture & WHS	-	-	-	846	929	(83)	929	5.00
Corporate Services Directorate Total	50,874	54,494	3,620	10,671	11,677	(1,005)	(42,817)	34.29
E&I Director's Office	-	-	-	894	457	437	457	2.00
Civil Services - Management	2	2		575	597	(22)	595	3.60
Civil Services - Maintenance	3,009	2,401	(608)	5,468	5,529	(60)	3,127	34.00
Civil Services - Private Works	6	7		4	5	()	(2)	0.00
Property Management	75	75		2,346	2,486	(140)	2,411	5.90
Sport & Recreation	11	12		1,049	1,128	(79)	1,117	3.80
AHBTC	408	408		359	363	(4)	(46)	0.00
Cemeteries	385	394	10	205	178	28	(217)	1.00
Open Space - Management	23	-	(23)	988	1,265	(277)	1,265	8.00
Open Space - Maintenance	6	-	(6)	3,718	3,749	(31)	3,749	17.00
Open Space - Stores	-	-	-	(937)	(846)	(91)	(846)	1.00
Open Space - Biodiversity	545	534	(11)	1,365	1,500	(135)	966	5.30
CWMS	1,735	1,631	(104)	1,040	1,041	(1)	(590)	1.00
Strategic Assets	-	-	-	479	615	(137)	615	2.90
Emergency Management	-	-	-	105	87	19	87	0.20
Sustainability	-	-	-	346	466	(120)	466	1.40
Waste	192	401	210	5,992	6,688	(696)	6,287	1.80
Depreciation	-	-	-	13,071	13,398	(327)	13,398	0.00
Environment & Infrastructure Total	6,398	5,866	(532)	37,071	38,706	(1,635)	19,442	88.91
Total	61,485	64,459	2,974	64,499	66,891	(2,392)	2,431	206.75

Capital Budget Overview

The 2025-26 Capital Budget continues to focus on the renewal of infrastructure. The Council has in excess of \$830M (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.



The total of \$17.74m for the capital works program is considered to be an 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, 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 published on our website

Capital Expenditure Renewal Summary

Asset Category	2025-26 Allocation \$'000
Bridges	143
Buildings & Other Structures	948
Cemetries Infrastructure	40
CWMS	913
Footpaths	425
Guardrails	56
Kerb & Gutter	300
Other Infrastructure Assets	111
Retaining Walls	54
Roads	5,150
Sport & Recreation (including Playgrounds)	60
Stormwater Drainage	1,650
Street Furniture Infrastructure	65
Plant & Equipment	2,950
ICT Equipment	442
Project Management	986
RENEWALS	14,292

Rates Overview

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 base increase in Rates is 6.2%, which is to cover the effect of inflation on Councils costs. This has been derived from the March South Australian Consumer Price Index (CPI) figure of 2.2% and allows for some cost elements that have risen by more than core CPI.

The new development (budgeted growth at 0.8%) is defined as capital improvements to existing properties and changes to value as a result of land divisions. This is primarily related to the Hamilton Hill development.

This year's valuation of the Council area by the Valuer-General has shown less variability in valuation increases across all land uses. As such, Council will continue to reduce the impact of significant valuation changes for 2025-26 by:

- Differentiating all land uses to enable differences in valuation for land use categories to be taken into account;
- Setting the maximum general rate increase at 15%
- Applying a rate rebate to residential and primary production land use categories where the increase exceeds 15%
- Make the rebate automatic (similar to the 2024-25 financial year)
- Excluding the rebate on properties where there is any change of rateability, land use, improvements or change in ownership of properties from the previous year.



Summary Basis of Rating (Rating Policy)

Key elements of the Policy include:

Rating Structure

- The Council is proposing that differential rates be applied to all rateable properties based on their predominant land use. This is a change in rating structure from previous years and will allow Council to ensure that the proposed average rate increase for existing ratepayers is consistent across all land uses before other factors relating to the cost of services and comparability to other councils are considered for individual land uses.
- A fixed charge rating structure that includes a fixed charge applying to all properties. This charge is to increase from \$830 to \$880 which represents a 6.02% increase in line with the average increase previously highlighted.

Stirling Separate Rate

- A separate rate for businesses in Stirling that generates \$110k that is distributed to the Stirling Business Association (SBA) to promote Stirling as a destination, the "Gateway to the Hills" through a new funding agreement. Council also sets a maximum amount ('top') and a minimum amount ('tail') per property each financial year for this separate rate.
- Council proposes in accord with Council's taxation principles to maintain the top and tail of the separate rate at the same amount given that there is no increase in the overall amount collected, thus maintaining an even distribution across all separate ratepayers.

Regional Landscape Levy

The Regional Landscape (RL) Levy is a State Tax paid by all ratepayers and is collected by Council on behalf of the Hills and Fleurieu Regional Landscape Board. For 2025-26 there is a modest increase of 2.33% in this tax imposed on Council's ratepayers by the Board.

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 and 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 the current financial climate, COVID and bushfires.

Rates Modelling

The valuation of the Council area by the Valuer-General has been completed and information provided reflects an average increase of just under 6% in valuation for existing properties.

Analysis indicates that:

- Residential properties, representing 73% of total assessments, have had an average valuation **increase** of 6%
- Primary production properties, representing 16% of total assessments, have had an average valuation **increase** of 4.7%
- Commercial and Industrial Light properties have had an average valuation **increase** of 1%
- Industrial Other properties have had an average valuation **increase** of 1%
- Vacant land properties have had an average valuation **increase** of 7%

The percentage of total rate revenue required from each land use category takes into account the proposed rating structure changes to phase in higher differential rates in relation to Commercial, Industrial and Vacant Land use categories across a three-year period and this breakup is used to determine the rate in the dollar (differential rate) for each category to provide an overall increase in general rate revenue of 6.2% excluding new development.

Allocation of Rates

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 rates 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 differential rating for each land use category and a fixed charge rather than a minimum rate to allocate the rates burden across the community.

Rate Statistics

Council has just over **19,200** assessments split by land use as follows:



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.

In formulating the rating structure, Council has considered issues of consistency and comparability of other councils and across council areas in the imposition of rates on various sectors of the business and wider community. Currently Council’s average residential rate is high by comparison to other councils whereas the average commercial and industrial rate is low.

In 2023-24 financial year Council adopted a change in rating structure with higher differential rates for some categories being applied as set out below.

- Properties categorised as “Commercial” or “Industrial Light” will pay a higher differential rate in the dollar than residential with a phased increase of 35% relative to the current differential rate.
- Properties categorised as “Industrial Other” will pay a higher differential rate in the dollar than residential with a phased increase of 60% relative to the current differential rate.
- Properties categorised as “Vacant Land” within township zones as defined by Council will pay a higher differential rate in the dollar than residential with a phased increase of 30% relative to the current differential rate.

These changes are being applied over a three year period, with 2025-26 being the last year of the process.

The percentage of total rate revenue required from each land use category after taking in to account the proposed rating structure changes will be used to determine the rate in the dollar (differential rate) for each category.

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 2025-26 year, it is proposed to increase the fixed charge from \$830 to \$880, representing a 6.02% increase in line with the overall average increase in rate

Community Wastewater Management System (CWMS)

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 an annual detailed assessment of the cost of providing CWMS services, in accordance with the guidelines set by the Essential Services Commission of South Australia (ESCOSA).



Annexure A: Budgeted Financial Statements

Adelaide Hills Council

BUDGETED UNIFORM PRESENTATION OF FINANCES

2025-26 Budget

2024-25 Revised		2025-26 Budget
\$'000		\$'000
	INCOME	
51,442	Rates	54,953
1,513	Statutory charges	1,671
1,033	User charges	1,026
935	Grants, subsidies and contributions - Capital	0
5,516	Grants, subsidies and contributions -Operating	5,770
26	Investment income	25
262	Reimbursements	263
632	Other income	645
103	Net gain - equity accounted Council businesses	105
61,462	Total Income	64,458
	EXPENSES	
25,028	Employee costs	26,082
25,150	Materials, contracts & other expenses	25,577
13,441	Depreciation, amortisation & impairment	13,777
857	Finance costs	1,374
-	Net loss - equity accounted Council businesses	0
64,476	Total Expenses	66,810
(3,014)	NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	(2,352)
	Net Outlays on Existing Assets	
(13,779)	Capital Expenditure on Renewal and Replacement of Existing Assets	(13,850)
645	Proceeds from Sale of Replaced Assets	0
13,441	Depreciation	13,777
307	NET OUTLAYS ON EXISTING ASSETS	(73)
	Net Outlays on New and Upgraded Assets	
(6,869)	Capital Expenditure on New and Upgraded Assets & Remediation costs	(3,448)
3,192	Capital Grants and Monetary Contributions for New and Upgraded Assets	0
40	Proceeds from Sale of Surplus Assets	0
(3,637)	NET OUTLAYS ON NEW AND UPGRADED ASSETS	(3,448)
(6,345)	NET LENDING/ (BORROWING) RESULT FOR FINANCIAL YEAR	(5,873)
(27,514)	Net Financial Liabilities at Beginning of Year	(33,962)
0	Decrease / (increase) in Other	0
(103)	Non Cash Equity Movement	(105)
(33,962)	Net Financial Liabilities at End of Year	(39,940)

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.



Annexure B: 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				
	2024-25	2025/26 (estimated)	Change	Comments
General Rates Revenue				
General Rates (existing properties)	\$48,104,030	\$51,533,348 (a)		The proposed rates increase for 2025/26 is 6.20% on average for residential and primary production.
General Rates (new properties)		\$57,716 (b)		
General Rates (GROSS)	\$48,104,030	\$51,591,064 (c)		
Less: Mandatory Rebates	(\$372,873)	(\$389,825) (d)		
General Rates (NET)	\$47,731,157	\$51,201,240 (e)	7.3%	
(e)=(c)+(d)				
Other Rates (inc. service charges)				
Regional Landscape Levy	\$1,675,505	\$1,715,166 (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	\$1,720,746	\$1,605,360 (g)		For 2025-26, (\$360) for each vacant land property and (\$770) for each occupied property.
Stirling Business Separate Rate	\$110,000	\$110,000 (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.
	\$51,237,407	\$54,631,766		
Less: Discretionary Rebates	(\$69,282)	(\$72,446) (i)		
Total Council Rate Revenue	\$49,492,621	\$52,844,154 (k)	6.8%	Excluding the Regional Landscape Levy
(k)=(e)+(g)+(h)+(i)+(j)				

Estimated growth in number of rateable properties				
Number of rateable properties	18,336	18,358	(l)	0.1%
	<i>Actual</i>	<i>Estimate</i>		
'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.				
Growth is expected to account for around 0.8% of the estimated increase in general rates to be collected.				
Estimated average General Rates per rateable property				
Average per rateable property	\$2,623	\$2,810	(m)	7.1%
(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
Community Services - 75 per cent	Public Cemeteries - 100 per cent
	Royal Zoological Society of SA - 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 <i>Local Government (Financial Management) Regulations 2011</i> 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 <u>all</u> rateable properties, not from <u>individual</u> rateable properties (ie. individual rates will not necessarily change by this figure).	
(f) Councils are required under the <i>Landscape South Australia Act 2019</i> 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 <i>Local Government (Financial Management) Regulations 2011</i> 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		
	2024/25	2025/26	Change	2024/25	2025/26	2024/25	2025/26	Change
Land Use (General Rates - GROSS)								
Residential	\$36,316,437	\$39,192,288	8%	13,895	13,949	\$2,614	\$2,810	(p) \$196
Commercial - Shop	\$696,785	\$750,173	8%	269	272	\$2,590	\$2,758	(p) \$168
Commercial - Office	\$121,840	\$125,139	3%	58	58	\$2,101	\$2,158	(p) \$57
Commercial - Other	\$911,411	\$954,159	5%	312	309	\$2,921	\$3,088	(p) \$167
Industry - Light	\$64,618	\$73,935	14%	33	35	\$1,958	\$2,112	(p) \$154
Industry - Other	\$198,232	\$203,993	3%	45	43	\$4,405	\$4,744	(p) \$339
Primary Production	\$8,335,803	\$8,838,634	6%	2,995	2,978	\$2,783	\$2,968	(p) \$185
Vacant Land	\$985,878	\$979,505	-1%	560	547	\$1,760	\$1,791	(p) \$30
Other	\$473,025	\$473,236	0%	169	167	\$2,799	\$2,834	(p) \$35
Total Land Use	\$48,104,030	\$51,591,064	7.2%	18,336	18,358	\$2,623	\$2,810	(p) \$187
GRAND TOTAL (GROSS)	\$48,104,030	\$51,591,064	7.2%	18,336	18,358	\$2,623	\$2,810	(p) \$187

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		
	2024/25	2025/26	Change	2024/25	2025/26	Change
Fixed Charge	\$14,944,980	\$15,863,760	6.1%	\$830	\$880	(q) \$50

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 2025/26 council proposes to raise approximately 31% 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 two 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;

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.



Annexure C: Corporate Performance Indicators

Corporate Performance Indicator	Target	Strategic Objective	Reporting Frequency	Description
Natural Environment <i>Responsible custodians of our natural environment</i>				
Reduction in carbon usage (metric tonnes) by transitioning existing internal combustion powered light fleet to electric vehicles	>20 tonnes carbon dioxide reduction	NE 1	Annually	In 2025-26 Council will transition a minimum of 8 of its light fleet to electric vehicles. This will equate to a carbon reduction of approximately 2.65 tonnes of carbon per vehicle based upon an average of 13,000km p/a.
Community decarbonisation and sustainable lifestyle awareness and education sessions including customer satisfaction measurement	5	NE 2	Annually	Council is actively engaging the community about sustainability and decarbonsiation through various forums and events that foster community dialogue and education around building a sustainable future in the Adelaide Hills region.
Reduced community derived waste to landfill from kerbside collections by undertaking an extended trial to measure the diversion rate of waste to landfill	70% diversion rate for trial	NE 2	Annually	The current diversion rate of community derived waste to landfill from kerbside collections is 53%. The extended trial aims to see further improvements in food waste diversion and overall landfill diversion.
Establish baseline of overall vegetation profile within Adelaide Hills Council region	100% completion of region mapping	NE 3	Annually	Using aerial LiDAR Point Cloud Technology, Council will create detailed 3D mapping of vegetation, terrain, and land coverage across the region. This technology will enable Council to detect changes within its natural built environment.
Number fire tracks requiring essential maintenance actions	37	NE 4	Annually	Vegetation clearance activities will be guided by the findings outlined in the Adelaide Hills Council Fire Track Audit 2024. These actions will be strategically prioritised in collaboration with Country Fire Service to ensure that fire tracks remain accessible and navigable for emergency service vehicles during critical response situations.

Corporate Performance Indicator	Target	Strategic Objective	Reporting Frequency	Description
Community Wellbeing <i>A thriving, safe and welcoming community</i>				
Positive aging wellbeing score	7 Average	CW 2	Quarterly	The Positive Ageing Wellbeing Score is determined by asking older members of our community who participate in Council programs to rate their overall wellbeing on a scale of 1-10. These scores don't specifically relate to Council's services, but rather to the wellbeing of people who are involved. A person's level of wellbeing is measured against the Organisation for Economic Co-operation and Development (OECD) average level of wellbeing, which defines subjective wellbeing as an individual's overall evaluation of their life, including both positive and negative emotions. The current average for Australia is 7.1, slightly higher than the global average of 6.7.
Customer satisfaction with library services	90%	CW 2	Annually	Customer satisfaction is measured through the Library Customer Satisfaction Survey. The survey is a structured tool used by libraries to gather feedback from customers about their experiences with library services, facilities, and resources.
Number of volunteer hours contributed to Adelaide Hills Council programs each year	3000	CW 2	Quarterly	Adelaide Hills Council offers a vibrant and diverse volunteer program that supports community connection and wellbeing. The Adelaide Hills region is fortunate to have one of the highest volunteering rates in South Australia.
Number of events and programs celebrating cultural diversity	8	CW 3	Annually	This indicator reflects the programs and activities offered at council run community centres, libraries, positive ageing centres and arts centres i.e. Fabrik Arts + Heritage.
Fabrik Arts + Heritage: Develop income streams to ensure budget is met via venue hire income and retail sales profits	Target against business plan and budgets	CW 5	Quarterly	Fabrik is developing targeted income streams through venue hire and retail sales, promoting itself as a professional development and workshop space. A new artist-led workshop package supports creative programming, with future plans including after-school art classes and interpretive tours in partnership with the Lobethal Archives and Historical Museum.
Fabrik Arts + Heritage: Increase visitation and spend in the region: number of intra/interstate and international visitors	30% of total visitation from outside the region	CW 5	Quarterly	Fabrik aims to boost regional visitation and economic impact by attracting intra/interstate and international visitors. Tourism initiatives include introducing potential stakeholders to the precinct and developing a partnership with South Australia’s peak industry body for artists to draw creative and cultural audiences to the site. A range of programs and collaborations are being developed to enhance visitor appeal and engagement.
Fabrik Arts + Heritage: Increase participation in the arts: number of visitors	13,200 (Yr 1)	CW 5	Quarterly	Fabrik is growing arts participation and regional tourism through artist-led workshops, curated exhibitions, and strategic partnerships. By showcasing local creativity and cultural heritage, Fabrik attracts visitors from across South Australia and beyond, supporting both community engagement and economic development.
Fabrik Arts + Heritage: Number of participants in business development opportunities	30 (Yr 1)	CW 5	Quarterly	Fabrik supports the growth of creative industries by offering studio spaces, targeted events, and professional development workshops. These initiatives are designed to foster business skills, collaboration, and innovation among artists and makers, increasing participation in creative enterprise across the region.
Fabrik Arts + Heritage: Increased wellbeing through creative initiatives	85% positive participant responses	CW 5	Quarterly	Fabrik promotes community wellbeing through creative industries by offering exhibitions, workshops, and events that foster connection and personal growth. Participant feedback is gathered through post-attendance surveys to assess impact and inform future programming.


Corporate Performance Indicator	Target	Strategic Objective	Reporting Frequency	Description
Built Form & Economy <i>Building foundations for the future</i>				
Number of dwellings built per year to 2031 per Greater Adelaide Regional Plan target	165	BFE 1	Annually	The Greater Adelaide Regional Plan outlines South Australia's long-term vision for growth and development to 2051, with key targets set for 2031 to guide early progress. The targets are part of a broader strategy to ensure Greater Adelaide remains one of the world's most liveable regions while accommodating growth sustainably.
Percentage of Building Consents completed within statutory timeframes	85%	BFE 1	Quarterly	Building consent assesses the development against the building rules and the National Construction Code to ensure building work will be undertaken in a safe and compliant way. The Statutory Timeframe is the legally defined period within which a planning decision must be made, as outlined in Regulation 53 of the Planning, Development and Infrastructure Regulations 2017, with specific timeframes depending on the assessment pathway.
Percentage of Planning Consents completed within statutory timeframes	85%	BFE 1	Quarterly	Planning consent assesses the development against the planning rules within the Planning and Design Code and aims to minimise any negative impacts on the surrounding area. The Statutory Timeframe is the legally defined period within which a planning decision must be made, as outlined in Regulation 53 of the Planning, Development and Infrastructure Regulations 2017, with specific timeframes depending on the assessment pathway.
Visitor numbers (visitor domestic day trips)	1.2m	BFE 5	Annually	Visitor numbers to the region are sourced from census data or demographic data tools. Council undertakes various initiatives to encourage visitation and has funding partnerships with organisations such as Adelaide Hills Tourism and the Stirling Business Association to campaign for increased visitation numbers to the Adelaide Hills Council region.
Complete resilience to existing Community Wastewater Management System (CWMS) by implementing SCADA Remote Management Monitoring Systems	100%	BFE 3	Annually	Upgrading Council's pump and treatment plant monitoring systems will enable real-time, remote tracking and control, improved infrastructure performance, responsiveness during rain events, and reduce the risk of failures and environmental overflows.

Corporate Performance Indicator	Target	Strategic Objective	Reporting Frequency	Description
Organisation <i>An accessible, accountable and representative organisation</i>				
Increase in number of customer interactions from digital channels	30% of interactions	O1	Bi-annual	Council aims to increase public use of the Customer Relationship Management system by enhancing digital accessibility, promoting community awareness and integrating feedback for service improvement.
Train 100% of staff in Digital Literacy by Q3 2025/26	100%	O1	Quarterly	Council is committed to training 100% of its staff in digital literacy as part of a broader strategy to continue modernising operations and enhancing customer service through improved technology and staff capability.
Deploy cloud-delivered IT services (SaaS), mobile devices, and wireless networks to 80% of staff by Q3 2025/26	100%	O1	Quarterly	Council will continue to modernise IT infrastructure by deploying cloud-based services, mobile devices, and wireless networks, supported by continuous monitoring and upgrades as required to network architecture.
Decisions (Council resolutions) considered in open Ordinary and Special Council meetings during reporting period.	90%	O2	Quarterly	Council makes decisions in open Ordinary and Special meetings to ensure transparency, accountability, and community involvement, in line with legal requirements under the Local Government Act 1999 (SA).
Council member attendance at Ordinary and Special meetings	90%	O2	Quarterly	Regular attendance by elected members at council meetings is important to ensure effective decision-making, maintain quorum, and provide consistent representation for the community.
Freedom of Information (FOI) requests received, in progress, and completed within the legislated timeframe	100%	O2	Quarterly	Freedom of Information requests must be processed within the legislated timeframe to comply with the Freedom of Information Act 1991 (SA), ensuring transparency, accountability, and the public's right to timely access to government-held information.
Number of lost time injuries	0	O3	Quarterly	This target measures the number of work-related injuries resulting in lost time, with a target of zero to ensure a safe, efficient, and compliant workplace that supports staff wellbeing and uninterrupted service delivery.
Deliver Community Engagement Framework	100%	O4	Annually	Delivering a Framework will support meaningful and inclusive engagement between Adelaide Hills Council and the community to help inform Council decisions, strengthen relationships, and support transparent governance.
Number of Community Forums at different locations across the Adelaide Hills Council district	4	O4	Annually	Reflects Council's commitment to engaging its diverse communities by facilitating inclusive and accessible forums across the district, ensuring local voices are heard in decision-making.
Percentage increase of Adelaide Hills Engagement Hub membership	5%	O4	Annually	Increasing membership in the Adelaide Hills Council Engagement Hub ensures broader community representation, improves decision-making, and strengthens trust by giving more residents a voice in shaping local projects and policies.
Overall customer satisfaction	75%	O5	Bi-annual	The customer satisfaction metric is derived from the Customer Experience Survey and measures the satisfaction with the service received in response to an enquiry or request.
Operating Surplus Ratio	Adopted surplus/deficit +/- 40%	O5	Annually	The operating surplus/deficit ratio is an indicator of Council's financial sustainability. The ratio is a function of the operating surplus/deficit as a function of total income in any one financial year.
Net Financial Liabilities Ratio	Adopted Net Financial Liabilities Ratio +/- 5%	O5	Annually	The Net Financial Liabilities Ratio is an indicator of Council's indebtedness. The ratio is a function of the total financial liabilities, less total financial assets as a function of total income in any one financial year and is an indicator of Council's ability to meet its financial obligations from its operating income.
Asset Sustainability Ratio	Adopted Asset Sustainability Ratio +/- 15%	O5	Annually	The Asset Sustainability Ratio is an indicator of the extent to which non-financial assets are being renewed in accordance with Asset Management Plans. The ratio is a function of total capital expenditure on renewal of assets as a function of asset renewal required in terms of Asset Management Plans.



Annexure D: Rating Policy

COUNCIL POLICY

 <p>Adelaide Hills COUNCIL</p>	RATING
--	---------------

Policy Number:	FIN-02
Responsible Department(s):	Financial Services
Other Relevant Policies:	None
Relevant Procedure(s):	None
Relevant Legislation:	<i>Local Government Act 1999</i> <i>Valuation of Land Act 1971</i> <i>Landscape South Australia Act 2019</i> <i>Aged Care Act 1997 (Commonwealth)</i> <i>Community Housing Providers (National Law) (South Australia) Act 2013</i> <i>Community Titles Act 1996</i> <i>Education and Childrens Act 2019</i> <i>Health Care Act 2008</i>
Policies and Procedures Superseded by this policy on its Adoption:	Version 9.0 Rating Policy 01 July 2024, Item 7.1 1.11, 232/24
Adoption Authority:	Council
Date of Adoption:	
Effective From:	1 July 2025
Minute Reference for Adoption:	
Next Review:	June 2026

Version Control

Version No.	Date of Effect	Description of Change(s)	Approval
1.0	01/07/16	Update to Rating Policy, minor changes only	Council Res 122/16 28 June 2016 Item 14.9, 1.11
2.0	01/07/17	Update to Rating Policy, minor changes only	Council Res 130/17 27 June 2017 Item 14.3, 1.11
3.0	01/07/18	Update to Rating Policy, minor changes only	Council Res 138/18 26 June 2018 Item 12.3, 1.11
4.0	01/07/19	Update to Rating Policy Section 4.5 Rebates of Rates Update of Discretionary Rate Rebate Position	Council Res 156/19 25 June 2019 Item 12.2, 1.11
4.1	25/02/2020	Amendments to clause 3.10 to provide consistency with changes to Council Petitions Policy	Council - Res 47/20 25 Feb 2020
5.0	01/07/2020	Update to Rating Policy Section 4.3 Components of Rates Update to reflect change from NRM Levy to Regional Landscape Levy Section 4.6 Rate Relief Updated to highlight Council options available to address financial hardship	Council Res 124/20 30 June 2020 Item 7.1, 1.11
6.0	01/07/2021	Update to Rating Policy Section 4.4 Rates Capping Not apply a rates cap under Section 153(3) principal place of residence and replace with discretionary rate rebate under Section 166 (1) (I) for all land uses Section 4.5 Rebate of Rates Implement a Revaluation Relief Rebate Special Discretionary Rebate under Section 166 (1) (I) Section 6 Delegations Updated for discretionary rate rebate delegations	Council Res 123/21 22 June 2021 Item 12.6, 1.11
7.0	01/07/2022	Update to Rating Policy, minor changes Included renumbering of Sections	Council Res 152/22 28 June 2022 Item 12.2, 1.11
8.0	01/07/2023	Update to Rating Policy including: Section 9 Components of Rates Change in Rating Structure for Differential Rating Section 11 Rate Rebates Special Discretionary Rebate Section 166 (1)(I) changed to residential and primary production only Changes to Rate Rebates CWMS for Community Halls offering public toilet facilities Section 12 Rate Relief Minor changes to Senior Postponement Postponement of Rates on a long term basis section added	Council Res 173/23 27 June 2023 Item 12.3, 1.11

9.0	01/07/2024	Update to Rating Policy, minor changes only Removal of the Separate Rate for Verrall Road. The 10 year period of operation ended in 2023-24.	Council Res 232/24 01 07 2024 Item 7.1, 1.11
10.0	01/07/2025	Update to Rating Policy, minor changes only Minor change to Section 6 Valuation of Land, reducing the valuation methodologies from 3 types (capital, site and annual) to 2 types (capital and annual) in line with the Local Government Reform Bill 2021 requiring all councils to transition from site value to capital value by the 2024-2025 rating year. Updated policy statement to incorporate new Strategic Plan goals. Rates Administrator removed and Senior Rates Officer inserted.	

RATING POLICY

1. INTRODUCTION

Delivering services and facilities relies on the rates collected from ratepayers within a council's boundaries. Council rates are a form of property taxation, and as the main source of funding for councils, rates are essential in enabling council to deliver all the services and facilities that the community relies on.

Rates are administered by each council in line with the *Local Government Act 1999* (the Act) which allows council some flexibility to make decisions that suit its local community.

2. PURPOSE

The purpose of this policy is to outline Council's approach towards rating its community in line with the requirements of the *Local Government Act 1999* (SA) (the Act).

Section 123 of the Act requires Council to have a rating policy that must be prepared and adopted as part of the Annual Business Plan each financial year in conjunction with the declaration of rates.

3. DEFINITIONS

Act refers to the *Local Government Act 1999* (SA).

CADR refers to the cash advance debenture rate for that financial year.

Capital value refers to the value of the land including improvements.

Community need refers to those services and activities that are aligned to the achievement of one or more of Council's strategies resulting in a direct benefit to the residents of Adelaide Hills Council and a significant proportion of users are Adelaide Hills residents.

Council refers to the elected Council body.

CWMS refers to the Community Wastewater Management System within the Council area.

Differential rate refers to a rate that may be applied to a category of land that is different to the rate applied to other land categories.

Disadvantaged persons refers to persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability.

Exemption refers to free from an obligation or liability to which others are subject to.

Fixed charge refers to a charge that must apply equally to each separate piece of rateable land in the area under Section 152(1) of the Act.

General rate refers to a rate that applies to rateable land.

Prescribed percentage (P) is calculated as $P = \frac{\text{CADR} + 3\%}{12}$

Rebate refers to an amount paid by way of reduction, return or refund on what has already been paid or contributed.

Separate rate refers to a charge levied on ratepayers in addition to general rates and used to fund specific activities.

4. **POLICY STATEMENT**

Council's powers to raise rates are found in Chapter 10 of the Act which provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices.

At all times, the rating policy should be fair and equitable, recognising that all ratepayers have access to core goods and services and should contribute towards the costs.

This Council's policy directions are guided by the theme "Your Place, Your Space" and is central to achieving our goals for:

- Natural Environment
- Community Wellbeing
- Build Form and Economy
- Organisation

5. **PRINCIPLES OF TAXATION**

Rates are not fees for services. They constitute a system of taxation on the community for Local Government purposes.

This Policy represents the Council's commitment to balancing the five main principles of taxation with the need to raise revenue for the purpose of providing the goods and services the community requires.

Benefits received – ratepayers who receive more benefits (services provided, or resources consumed) should pay a higher share of tax.

Capacity to Pay – a ratepayer who has less capacity to pay should pay less, and ratepayers of similar means should pay similar amounts.

Administrative simplicity – minimal costs are involved in applying and collecting the tax and the tax is difficult to avoid.

Economic efficiency – whether or not the tax distorts economic behaviour.

Policy consistency – the tax should be internally consistent, and based on transparent, predictable rules that are easily understood and accepted by ratepayers.

In applying these principles, any decision with respect to rating should consider:

- the financial effects of the decisions made today on the future generations of tomorrow.
- the achievement of Council's policy outcomes as referenced in Council's adopted policies.

A Council's operating deficit implies that today's ratepayers are paying less than the cost of the services they are consuming, and this is inequitable to the ratepayers of the future.

6. VALUATION OF LAND

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

- **Capital Value** – the value of land, buildings and other improvements.
- **Annual Value** – the value of the rental potential of the property.

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

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

Council does not determine property valuations but chooses to exercise the right under Section 167 of the Act to adopt the capital valuations as assessed by the Valuer-General through the State Valuation Office.

7. OBJECTIONS TO VALUATION

Ratepayers who wish to dispute the valuation of their property may lodge an objection in writing to the Valuer-General within 60 days after the date of service of the first rates notice.

The Valuer-General may extend the 60 day objection period where it can be shown there is reasonable cause to do so by the person making the objection.

Council plays no role in the objection process. It is important to note that the lodgement of an objection to the valuation does not change the due date for the payment of rates.

8. EXEMPTIONS

Council's practice is to identify and value all land in the council area. Once identified, each separate piece of land is assessed for rateability. Section 147 of the Act specifies those types of property which will be exempt from council rates.

- Crown Land – public properties used or held by the Crown for a public purpose,
- University Land – properties occupied by a University,
- Recreation Grounds – properties satisfying the criteria set out in the *Recreation Grounds Rates and Taxes Exemption Act 1981*,
- Council Land – public properties occupied or held by the Council,
- Emergency Services – properties satisfying the criteria set out in the *Fire and Emergency Services Act 2005*,
- Another Act – properties specifically exempt from council rates by virtue of another Act (either Commonwealth or State).

Council is mindful that wherever properties become exempt from paying council rates, or where a rebate is applied, those rates foregone must be contributed by the rest of the ratepayer community.

The principles of equity dictate that Council remains diligent in only awarding exemptions where they are warranted.

It is Council's practice to adopt valuations for all exempt properties. Where an exempt property becomes rateable part way through the financial year, rates will be calculated and recovered.

9. COMPONENTS OF RATES

Fixed Charge or Minimum Rate

Council has discretion to apply either (but not both):

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

Adelaide Hills Council will apply a fixed charge this financial year as in previous years.

Council considers a fixed charge to be the most fair and equitable means of ensuring that all ratepayers contribute equally to the administration of council's services and the development and maintenance of the community's infrastructure.

In addition, the fixed charge provides a mechanism to adjust the rates contributions across high and low valued properties. This redresses the balance and equity of the rates system.

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

Differential Rating

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

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

The Council is proposing that differential rates be applied to all rateable properties based on their predominant land use. This is a change in rating structure from previous years where Council had a separate higher differential rate for Commercial and Industrial that was based on the differential rate for Residential, Primary Production, Vacant Land and Other land uses. This change to differentially rate each land use separately will allow Council to ensure that the proposed average rate increase for existing ratepayers is consistent across all land uses before other factors relating to the cost of services for individual land uses are considered.

The percentage of total rate revenue required from each land use category will be used to determine the rate in the dollar (differential rate) for each category.

Definitions of the use of the land are prescribed by regulation and are categorised as:

- Residential
- Commercial – Shop
- Commercial – Office
- Commercial - Other
- Industrial – Light
- Industrial - Other
- Primary Production
- Vacant Land
- Other

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

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

Commercial and Industrial Light Differential Rate

It is proposed that those properties categorised as commercial or industrial light will pay a higher differential rate in the dollar than residential with the increase of 35% relative to the current differential rate to be phased in over three years (2023-2024 15%, 2024-2025 an additional 10% and 2025-2026 an additional 10%).

Council has considered the higher amount payable by the commercial and industrial light sectors with reference to the commercial and industrial light differential rates of other councils, costs of the economic development function as well as the services and activities that the sector does not regularly use.

Industrial Other Differential Rate

It is proposed that those properties categorised as Industrial Other will pay a higher differential rate in the dollar than residential with an increase of 60% relative to the current differential rate to be phased in equally over three years (2023-2024 20%, 2024-2025 an additional 20% and 2025-2026 an additional 20%).

Council has considered the higher amount payable by the Industrial Other land use with reference to the industrial differential rates of other councils, costs of the economic development function, increased environmental impact as well as the higher impact on Council infrastructure.

Vacant Land (within townships) Differential Rate

It is proposed that those properties categorised as Vacant Land within township zones as defined by Council will pay a higher differential rate in the dollar than residential with an increase of 30% relative to the current differential rate to be phased in equally over three years (2023-2024 10%, 2024-2025 an additional 10% and 2025-2026 an additional 10%).

Council has considered the higher amount payable by Vacant Land within township zones with reference to the vacant land differential rates of other councils and discouraging ratepayers from long-term speculating (seeking future commercial gains) rather than developing the land for the benefit of the whole community.

Separate Rate

Under Section 154 of the Act, a Council may declare a separate rate on rateable land within a part of the area of the council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area.

Council has determined that the use of the separate rate provisions of the Act will be limited to the use of a separate rate for:

- Marketing and promoting the Stirling Business Area
- Recovery of the funding requirements of the Hills Fleurieu Regional Landscape Board

Stirling Business Separate Rate

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

This rate is levied on all properties within the precinct known as the Stirling Suburban Mainstreet Zone, as defined, excluding land attributed a land use category (residential) and government owned land.

Council also sets a maximum amount ('top') and a minimum amount ('tail') per property each financial year for this separate rate with the top and tail adjusted each year with reference to the Consumer Price Index.

The amount raised is distributed to the Stirling Business Association to promote Stirling as a destination, the 'Gateway to the Hills'.

Regional Landscape Levy

On 1 July 2020, the *Landscape South Australia Act 2019* came into effect replacing the former *Natural Resources Management Act 2004*. Natural Resource Management (NRM) levies have been replaced with Regional Landscape (RL) levies.

The levy helps to fund the operations of regional landscape boards that have responsibility for the management of the State's natural resources. These responsibilities include regional landscape planning, water allocation planning, community capacity building, education and compliance activities.

The Regional Landscape (RL) Levy is a state tax paid by all ratepayers and is collected on behalf of the Hills and Fleurieu Regional Landscape Board by the Department for Environment and Water who will invoice council quarterly for the respective share of the levy.

The levy applies to all rateable land in the council area and is fixed and calculated to raise exactly the same amount as the council's share to be contributed.

Community Wastewater Management System

Council provides Community Wastewater Management Systems (CWMS) to some areas within the council district. Under Section 155 of the Act, the treatment or provision of water, is a prescribed service.

To fund the provision of this service Council imposes a service charge to recover the cost to the council of establishing, operating, maintaining, improving and replacing the infrastructure in its area (including future capital works and depreciation of any assets).

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

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

This review includes the annual service charge for both occupied and vacant properties.

10. MAXIMUM INCREASE IN GENERAL RATES CHARGES

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

In terms of legislation, Section 153(3) of the Act requires a council to decide each year whether to apply a maximum rate increase to a ratepayer's principal place of residence.

As Council considers that rate relief is required across some land uses and therefore more than a ratepayer's principal place of residence, Council will not apply a maximum under Section 153(3) but rather maintain a discretionary rate rebate under Section 166 (1) (l) as referenced below.

11. RATE REBATES

The Act provides for ratepayers to apply for a mandatory and/or discretionary rebate on council rates as follows:

Mandatory rebates

A rebate of rates will be granted to ratepayers who satisfy the eligibility criteria for a mandatory rebate under Section 159 to Section 165 of the Act.

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

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

A 75% rebate must be applied to land used by:

- Community services
- Educational purposes.

Where a "community services organisation" is eligible for the mandatory rebate, and Council has declared a distinct residential rate, then the residential rate must be applied to the land to which the rebate applies in accordance with Section 161(2) of the Act.

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

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

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

Council will confirm the continuation of a person or body's eligibility for a mandatory rebate on a regular basis (at least biennially) to ensure that rebates are only granted where they are warranted.

This will require the relevant person or body to lodge another application form with such information as stipulated and any other information that the Council may reasonably require to confirm the continuation of eligibility.

Where applications do not meet the eligibility criteria for a mandatory rebate, an applicant may apply for a rebate of rates under the discretionary rebate criteria.

Discretionary rebates

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

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

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

Assisting or supporting a business in its area.

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

Council considers this primary production rebate as part of its Annual Business Plan and Budget process.

As this rebate was implemented in 2008-09 to address the removal of a primary production differential rate, it is considered that this rebate should continue to be made to those ratepayers in the business of primary production who do not have a notional capital value assessment of their property and who have applied for and been granted this rebate in the previous year.

Community Service or Need or Disadvantaged Persons

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

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

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

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

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

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

Special Discretionary Rebate

Council can use a discretionary rate rebate to address properties with substantial valuation increases under Section 166 (1)(l) of the Act where the rebate is considered by the Council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to:

- (i) a redistribution of the rates burden within the community arising from a change to the basis or structure of the council's rates; or
- (ii) a change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations.

Council has determined that a rebate will be applied to cap any increase in the general rates payable at 15% subject to specific criteria:

- The rebate applies to only residential and primary production land use categories.
- The rebate will be automatically applied to eligible assessments in order to minimise the administrative effort required.
- Adjusting the exclusion of change of ownership properties (excluding family transfers) to those properties sold after 30 June 2024.

The rebate will not apply where the increase in rates payable is the result of:

- An increase in valuation relating to new development, alteration or improvement made to the property since the 2024-25 valuation being those properties with a valuation change as a result of a Revisit Growth, Creation or Cancellation as defined by the Valuer-General (regardless of when the development was undertaken), unless the ratepayer is located within the Cudlee Creek bushfire scar or the January 2021 Cherry Gardens Bushfire scar as determined by Council or,
- Where there has been a change in land use of the property or,
- A change in ownership or licence to occupy during the previous financial year.

A capital improvement includes any addition, alteration or new development on the property.

As per the Act, a rebate may be granted for a period exceeding one year, but not exceeding three years. After three years, the rebate will be removed and the rates payable will reset to levels that would ordinarily apply in the absence of the rebate.

All Discretionary Rate Rebates

Persons who, or bodies which, seek a discretionary rebate will be required to submit an application form to the Council and provide the necessary supporting documentation.

All persons who or bodies which wish to apply to the council for a discretionary rebate of rates must do so on or before 30 April prior to the rating year unless the application is a result of a change in eligibility for a mandatory rebate or rate exemption.

In those circumstances where an application relates to a change in rebate/rate exemption in a relevant rating year, then the application will be applied for the full rating year if received within 2 months of the change in rebate/exemption being advised. The Council reserves the right to refuse to consider applications received after the specified date.

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

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

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

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

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

CWMS Service Charges

Council's CWMS service charges are set to recover the cost to the council of establishing, operating, maintaining, improving and replacing infrastructure (taking into account depreciation of any assets and including future capital works). As such, no rebates are provided by Council except for the very limited circumstances where the CWMS service charge relates to toilets used by the general public for Community Halls. In these circumstances a 100% rebate will be granted upon application.

All rebates

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

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

If a person or body fails to do so that person or body is guilty of an offence.

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

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

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

Single Farming Enterprise

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

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

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

(a) which –

(i) are farm land; and

(ii) are farmed as a single enterprise; and

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

whether or not the pieces of land are contiguous; or

(b) which –

(i) as to all the pieces except one, are farm land farmed as a single enterprise occupied by the same person or persons; and

(ii) as to one piece contiguous with at least one of the other pieces, is the principal place of residence of that person or one of those persons."

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

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

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

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

12. RATE RELIEF

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

Senior Postponement

In accordance with Section 182A of the Act, eligible Seniors Card holders can apply to postpone any part or all of their annual council rates in excess of \$500 on a long-term basis. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the transfer or sale of the property. In addition, and pursuant to Section 182A(3)(b) of the Act, Council may consider—where financial hardship provisions apply—an applicant's request to include a postponement of the payment of arrears rates if they are eligible for Seniors Postponement.

Postponement is similar to a reverse mortgage by relying on the equity in the property. A ratepayer who has a Seniors Card may apply for a postponement on the property they own if it is their principal place of residence and if no other person, other than their spouse/partner has an interest as owner of the property and there is sufficient equity available.

Where an application for postponement under Section 182A is granted, a presumption of on-going annual postponement will be assumed.

However, some, or all of the debt outstanding may be paid at any time at owner's discretion.

Financial Hardship

Ratepayers who are suffering financial hardship should contact Council's Senior Rates Officer to discuss the matter. All enquiries are treated confidentially and any application will be considered on its merits. Options to address financial hardship can include:

Flexible payment options

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

Waiving of Fines and Interest

When a ratepayer has committed to a payment plan and adheres to a regular payment, Council may consider the waiving of fines and interest.

Discretionary Postponement of Rates for a Period

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

Postponement enables ratepayers to defer payment of rates until such time as the property is sold or their circumstances change. Discretionary postponements are only intended to provide temporary, flexible support to those experiencing hardship.

If a postponement is granted, council may consider the waiving of fines and interest for the same period.

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

Postponement of Rates on a long term basis

Under Section 182 of the Local Government Act a council may also consider the postponement of rates on a long-term basis with the accrued debt being payable on the transfer or sale of the property or any other conditions as determined by the council. Such a postponement may, if the council thinks fit, be granted on condition that the ratepayer pay interest on the amount affected by the postponement at a rate fixed by the council (but not exceeding the cash advance debenture rate).

As such Council will consider postponement of rates on a long term basis in the rare circumstances where a ratepayer has demonstrated serious and long term hardship and where there is no chance of improvement in the ratepayers' financial circumstances. Any such application must be made in writing and will require the ratepayer to undertake financial counselling as part of the application process. If granted, Council may require regular financial counselling to confirm that the ratepayers' financial circumstances has not changed.

Remission of rates

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

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

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

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

13. PAYMENT OF RATES

Rates are declared annually, and may be paid, at your discretion, either in one lump sum, or in quarterly instalments that fall due in September, December, March and June.

14. LATE PAYMENT OF RATES

Council has determined that penalties for late payments will be imposed in accordance with the provisions of S181(8) of the Act.

Fines and interest for late payment are levied in accordance with the provisions of S181(8) and S181(17) of the Act.

If an instalment of rates is not paid on or before the date on which it falls due:

- the instalment will be regarded as being in arrears
- a fine of 2% of the amount of the instalment is payable
- on the expiration of each full month from that date, interest of the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and interest from any previous month) accrues.

Council may take legal action to recover any overdue amounts, fines and interest.

If an amount payable by way of rates in respect of land has been in arrears for three or more years, Council may sell the land in accordance with Section 184 of the Act.

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

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;

- Third – in payment of any fines imposed;
- Fourth – in payment of rates, in chronological order (starting with the oldest account first).

15. NON- PAYMENT OF RATES

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

It should be noted that under Section 184(1) of the Act, if an amount payable by way of rates has been in arrears for three years or more the council may sell the property.

16. CONTACTING COUNCIL'S SENIOR RATES OFFICER

If you believe that Council has failed to properly apply this policy, you should contact the Council's Senior Rates Officer to discuss the matter.

If you are still dissatisfied then you should write to the Council's Chief Executive Officer at 63 Mt Barker Road, Stirling, SA, 5152.

For further information, queries, or to lodge an application for a rate rebate, rate postponement or remission please contact the Council's Senior Rates Officer on:

Phone: 8408 0400
E-mail: mail@ahc.sa.gov.au
Post: 63 Mt Barker Road, Stirling, SA, 5152

17. DELEGATIONS

As highlighted in this policy, Council has determined a policy position in relation to discretionary rates pursuant to Section 166(1) (b) relating to a primary production rebate and a revaluation relief special discretionary rate rebate under Section 166 (1)(l) of the Act to reduce the impact of significant valuation changes for 2025-26.

These policy positions and the application of the relevant rebates will be actioned accordingly by the Administration under delegation as part of the rates generation process where Council considers that the ratepayer meets the eligibility criteria or upon receipt of an application from the ratepayer.

The delegation for discretionary rate rebates as identified in Section 166 (1a) covering a number of discretionary rebates of rates made under Section 166(1)(d) to (j) relating to activities linked to community services or community need or assistance or relief to disadvantaged persons has not been delegated by Council and as such these applications will be brought to Council for decision.

The Chief Executive Officer has the delegation to:

- Approve, amend and review any procedures that shall be consistent with this Policy; and
- Make any formatting, nomenclature or other minor changes to the Policy during the period of its currency.

18. AVAILABILITY OF THE POLICY

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

Appendix 1

Fixed Charge

Under the *Local Government Act 1999* (the Act), Council has some mechanisms available to enable all ratepayers to contribute more equitably to the administration of Council's services and the development and maintenance of the community's infrastructure.

Council considers a fixed charge (applying equally to all rateable properties) to be the most fair and equitable means of achieving this.

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

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

Financial Year	Fixed Charge	Increase from Previous Year	% of General Rate Revenue
2025-26	\$880	6.02%	30.7%
2024-25	\$830	5.87%	31.1%
2023-24	\$784	6.90%	31.3%
2022-23	\$733	4.90%	31.5%
2021-22	\$699	2.50%	31.5%
2020-21	\$682	2.95%	31.9%
2019-20	\$662	2.8% + \$10	32.0%
2018-19	\$634	3.3%	31.8%
2017-18	\$613.50	2.25%	31.8%
2016-17	\$600	n/a	31.8%



Annexure E: ESCOSA Report and Council Response

ESCOSA Report and Council Response

The Essential Services Commission, South Australia's independent economic regulator and advisory body, has been given a role by the State Government to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans and on the proposed revenue sources, including rates, which underpin those plans.

One of the main purposes of the Local Government Advice Scheme (advice or the scheme) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (LTFPs) and infrastructure and asset management plans.

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and Council is obliged to publish the findings within each Annual Business Plan that the advice relates to.

The mandatory cost to Adelaide Hills Council to be part of the scheme is \$40,000 (\$10,000 per year of the cycle).





The following pages highlight the advice provided from the Commission and Council's response including planned actions over the next four financial years.

ESCOSA Recommendations and Council Response













Recommendation & Response	Implementation Activities	Implementation Timeline			
		2023-24	2024-25	2025-26	2026-27
Recommendation 1 - Continue to review its inflation forecasts in its budget each year					
Each year, a key part of the development of Council’s Long Term Financial Plan is to update all economic forecasts and assumptions including inflation forecasts. Council then uses these forecasts to help model future expense forecasts. This in turn enables Council to project future income needs to meet its financial sustainability targets.	Continue to use most recent and applicable inflation forecasts in Budget and Long Term Financial Plan modelling	😊	😊	😊	
Recommendation 2 - Focus on constraining cost growth in its budgeting, where possible, particularly related to employee expenses					
As part of the Long Term Financial Plan and Budget processes, Council considers forecasts and calculations showing how expenses and income will change based on existing service levels and cost escalation assumptions. Council then considers how best to remain financially sustainable while balancing the community’s expectations against their willingness and ability to pay. It is also noted that employee salaries are linked to Enterprise Agreements which are normally negotiated on a 3 yearly basis. The current agreement ends in June 2025, and negotiations for a new agreement are being finalised at the time of publishing the 2025-26 Annual Business Plan. The budget and the Long Term Financial Plan will be updated as appropriate to reflect the new Enterprise Agreement. Council is committed to conducting a service review, which will consider potential cost savings and is also investigating system upgrades to drive efficiency in the future.	Continue to consider and adjust human resource levels in response to adopted service level requirements and in light of decisions to undertake new or changed activities and within Council’s financial sustainability targets.	😊	😊	✅	✅
	Negotiate new Enterprise Agreement in 2024-25 FY		✅	😊	
	Continue to responsibly manage cost growth for maintaining service levels and meeting community expectations while minimising the financial impact to ratepayers.	😊	😊	😊	✅

Legend: 😊 = Complete ✅ = Planned / In progress





ESCOSA Recommendations and Council Response

Recommendation & Response	Implementation Activities	Implementation Timeline			
		2023-24	2024-25	2025-26	2026-27
Recommendation 3 - Complete the asset management plan for building assets and consider potentially other assets not currently covered by a plan (such as sport and recreation facilities), with consideration of desired service levels, as appropriate.					
Council has completed a full condition audit of its Building Asset stock in March 2023 and is progressing this information as a basis of the Building Asset Management Plan	Continue to progress the Building Asset Management Plan				
Council will continue componentisation reviews and undertake work accordingly on its building assets i.e. substructures, walls, roofs etc.	Develop a Sport and Recreation Facilities Asset Management Plan				
Recommendation 4 - Complete its planned Stormwater Asset Management Plan, with consideration of desired service levels, as appropriate.					
Council is currently completing a Stormwater Management Plan for the Aldgate Creek in conjunction with the Stormwater Management Authority and this document will be a key reference for the Council Stormwater Asset Management Plan that will include desired service levels.	Develop a draft plan and incorporate findings from the Stormwater Management Plan of the Aldgate Creek and other stormwater investigations including the Balhannah Drainage Study - Investigations and Proposed Upgrades				
Staff are currently reviewing a consultant prepared report before the findings are presented to Council. Discussions are also occurring with funding partner, the Stormwater Management Authority regarding next steps.					
Recommendation 5 - Finalise its Community Wastewater Management System Asset Management Plan and reflect related cost changes in the 2023-24 Long-term Financial Plan, to include input from the community, including desired service levels					
The Community Wastewater Management System Asset Management Plan was presented to Council and endorsed at its meeting of 14 March 2023. Operational costs are reflected in the Draft Long Term Financial Plan and final capital program timing changes will be included for consideration by Council in adopting the 2023/24 LTFP.	No further action – Asset Management Plan has been finalised in 2022-23 FY and implemented into the LTFP.				





ESCOSA Recommendations and Council Response

Recommendation & Response	Implementation Activities	Implementation Timeline			
		2023-24	2024-25	2025-26	2026-27
Recommendation 6 - Report its actual and projected cost savings in its annual budget, to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.					
Council endeavours to provide transparency to the community to show where savings are being made and therefore the continued commitment to offset rising costs while minimising rate increases. Page 30 of the <i>2022-23 Annual Business Plan</i> details the saving strategies implemented in the 2022-23 budget with an estimated value of \$650,000 per year ongoing savings. The progress of actual savings realised against this target is reported in the Quarterly Council Performance Report and published to Council’s website. Page 29 of the <i>2023-24 Annual Business Plan</i> details the savings strategies implemented for the 2023-24 budget with an estimated value of \$830,000, and the results against this target will continue to be reported on in Councils Quarterly Performance reports. In 2025-26 Council has adopted a strategy of minimising capital expenditure on new and upgraded assets. This creates a saving in the initial year and future years.	Continue to include a savings strategy page within the Annual Business Plan				
	Continue to report on the progress of actual savings achieved in the Quarterly Performance Reports				
Recommendation 7 - Review the estimates of asset lives and valuations feeding into the forecast rate of asset consumption in its long-term financial plan and asset management plans.					
Council undertakes a yearly review of asset lives as part of the revaluation and end of financial year capitalisation.	Continue to review the asset lives and valuations on an annual basis, and as part of standard asset revaluation as needed.				

ESCOSA Recommendations and Council Response

Recommendation & Response`	Implementation Activities	Implementation Timeline			
		2023-24	2024-25	2025-26	2026-27
Recommendation 8 - Review and consider limiting future increases above inflation on its residential rates to help reduce any emerging affordability risk in the community.					
<p>Each year, Council updates all economic forecasts and assumptions including inflation forecasts as part of the development of the Long Term Financial Plan and Budget processes. Council then uses these forecasts to help extrapolate future expenses to assess Council’s overall financial position and future financial sustainability and determine appropriate income needs.</p> <p>Rate revenue accounts for approximately 80% of Council’s operating income, and so Council carefully considers the average rate increase to balance the need to continue to deliver services, meet community expectation and maintain financial sustainability, while keeping the impact to ratepayers to an acceptable level.</p> <p>In the past, the rate revenue target was built with “CPI plus 1%” in order to fund increased capital renewal, maintain financial sustainability, and provide a modest Operating surplus ratio which would help Council’s ability to absorb the expenditure impacts from unexpected events such as bushfires, floods, or pandemics.</p> <p>In 2025-26, the rate increase has been set at 6.2% to commence on a path to financial sustainability. The higher than CPI rate is required due to the increasing value of assets, which in turn is increasing the cost of maintaining assets. Council has minimised the rate increase by implementing a strategy to constrain new and upgraded capital expenditure.</p>	Continue to responsibly manage cost growth for maintaining service levels and meeting community expectations while minimising the financial impact to ratepayers.				

ESCOSA Recommendations and Council Response

Recommendation & Response	Implementation Activities	Implementation Timeline			
		2023-24	2024-25	2025-26	2026-27
Recommendation 9 - Review the rationale for the quantum of any maximum rate increase (or cap) it seeks to impose (currently at 15 percent) in its next annual business plan, with consideration of the community’s capacity to pay for higher increases.					
<p>Council reviews its rating policy annually as part of the Long Term Financial Plan and Budget process, which includes the consideration of the rating cap and its impact both positive and negative on its ratepayers.</p> <p>This requires a careful assessment as a cap means that the majority of ratepayers will pay more than they would be required in order to subsidise those who are entitled to receive the rate cap.</p> <p>A ratepayer’s capacity to pay for their rates is something Council is not easily able to assess.</p> <p>To assist those who don’t have the capacity to pay, Council has alternative arrangements that are tailored to the individual’s financial situation as covered in Council’s <i>Rating Policy</i>.</p>	Continue to review the rating cap and Council’s rating policy when considering the annual rate increase in the Long Term Financial Plan and Budget process				

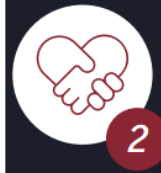


Annexure F: Strategic Plan: Goals, Objectives, and Priorities



Natural Environment: Responsible custodians of our natural environment

NE 1 Pursue our adopted pathway to achieve net zero carbon emissions.	NE 2 Support the community and businesses to decarbonise and transition to sustainable lifestyle practices (green communities)	NE 3 Protect, improve, expand and connect habitat	NE 4 Build resilience in the natural environment to adapt to climate and other environmental changes.	NE 5 Improve landscape character and amenity value on Council managed land.
NE1.1 Deliver actions in the corporate carbon management plan to decarbonise Council operations, including embedded emissions.	NE2.1 Investigate the merits of a solar PV and battery bulk purchasing scheme and community virtual power plant to provide more affordable access to renewable energy and explore other ways of supporting practical actions by the community to adopt sustainable living practices.	NE3.1 Protect remnant native vegetation from threats or threatening activities	NE4.1 Implement the opportunities identified in the Bushfire Mitigation Landscape Strategy.	NE5.1 Continue rolling out water efficiency measures for the maintenance of parks and sports fields.
NE1.2 Continue to decarbonise the vehicle fleet and other energy consuming processes.	NE2.2 Continue to promote the highest principles in the waste management hierarchy – avoid, reduce, reuse and recycle – through education programs, services and by example.	NE3.2 Promote the value of biodiversity protection and management on private lands.	NE4.2 Implement actions from the Tree Strategy.	NE5.2 Implement a succession planting program for street trees and other vegetation in key precincts, with a focus on sustainable species selection
NE1.3 Investigate opportunities for direct energy purchasing from renewable energy producers (power purchasing agreement) and/or community virtual power plants.	NE2.3 Explore alternative kerbside waste collection models that divert more waste from landfill.	NE3.3 Develop and implement a new Biodiversity Strategy detailing how we will protect and improve biodiversity and expand native vegetation coverage where appropriate.	NE4.3 Collaborate and advocate for greater investment in environmental protections and improvements.	NE5.3 Maintain parks and reserves to be fit for purpose and enhance liveability.
NE1.4 Demonstrate responsible governance by incorporating sustainable procurement (ISO 20400) into Council processes	NE2.4 Support business, commerce associations, community associations and other groups to adopt sustainability targets and actions.	NE3.4 Nurture valuable community and stakeholder partnerships and collaborations to care for country.	NE4.4 Work with others toward the national '30 by 30' target to protect and conserve 30% of the land area by 2030.	
		NE3.5 Advocate for stronger native vegetation protection laws.	NE4.5 Apply best practice approaches to protect soil and water quality and conservation.	



Community Wellbeing: A thriving, safe and welcoming community

CW 1 Promote and support reconciliation.	CW2 Enrich, empower and support connected communities	CW 3 Embrace diversity in our community and build on community strengths.	CW 4 Build community resilience for the future.	CW 5 Foster cultural identity and connection to place.	CW 6 Promote physical, mental and social wellbeing.
CW1.1 1.Develop and implement our Innovate Reconciliation Action Plan (RAP) with the support of the Adelaide Hills Reconciliation Working Group.	CW2.1 Partner to deliver positive ageing programs to support eligible older residents to maintain their independence, increase social participation, and improve wellbeing	CW3.1 Promote and encourage community-level action for the prevention of domestic and family violence.	CW4.1 Promote grassroots community collaboration and preparedness on climate action and assist our community to adapt and build climate resilience.	CW5.1 Establish Fabrik Arts + Heritage as an arts and culture destination, attracting visitors from Australia and around the world	CW6.1 Adopt a strategic and evidence-based approach to plan for the provision of accessible sport and recreation opportunities and facilities.
CW1.2 Create First Nations Engagement Protocols to better enable Traditional Custodians and Aboriginal and Torres Strait Islander people to be involved in Council decision-making.	CW2.2 Support community groups and community-led initiatives that achieve wellbeing outcomes	CW3.2 Update and implement our Disability Access and Inclusion Plan and continue to improve universal access to our community supports and services.	CW4.2 Using past experiences, lessons learnt, and contemporary knowledge support, the emergency services and the community before, during and after disaster events.	CW5.2 Support and create opportunities for artists, performers and writers to showcase their work and contribute to community identity, events and placemaking.	CW6.2 Deliver our priority actions outlined in our Regional Public Health and Wellbeing Plan 2022-27 and advocate for improved mental health services for our region.
CW1.3 Seek cultural advice and guidance from First Nations people to support our activities.	CW 2.3 Provide welcoming spaces, programs and services at our libraries and community centres that offer opportunities for connection, lifelong learning, digital inclusion, growth and literacy.	CW3.3 Explore contemporary models for young people to participate in and shape their communities by influencing decisions and policies that affect their futures	CW4.3 Support and train staff to participate in our incident management team and recovery team and ensure response requirements are adequately resourced.	CW5.3 Develop connection for people and place by fostering public art and supporting arts and cultural experiences, including events, markets and festivals.	CW6.3 Plan and promote walking and cycling projects and infrastructure that facilitate health and wellbeing as well as sustainable forms of transport
CW1.4 Build awareness of cultural safety and respect among our Council members, staff, volunteers and community	CW2.4 Support community members to gain skills, experience, and connections through our volunteering programs, and strengthen pathways to external volunteering opportunities in our region.	CW3.4 Renew and implement a Youth Action Plan that promotes access to opportunities, resources and supports for young people.	CW4.4 Promote disaster preparedness as a shared responsibility by collaborating with relevant partners, including emergency services, government agencies, non-governmental organisations and the community.		CW6.4 Support and partner with clubs, groups, and other stakeholders to provide sport and recreation opportunities / activities and facilities for the community.
		CW3.5 Engage with diverse community groups to identify and address barriers to safe and equitable access to services, programs and facilities.	CW4.5 Review the sustainability and permanency of community resilience programs to ensure ongoing support to communities, townships, and at-risk groups to prepare for, respond to, and recover from bushfires and other emergencies.		CW6.5 Promote opportunities for people to improve their health and wellbeing by spending time in our natural environments, bringing greater numbers of people into our parks.
		CW3.6 Foster multiculturalism through a range of events, programs and initiatives.			CW6.6 Ensure cemetery offerings respond to changing community preferences and that public commemorative and memorial sites are kept in a state befitting their purpose.



***Built Form and Economy:** Building foundations for the future*

BFE 1 Guide development that fosters vibrant and resilient communities, promotes appropriate design and enhances livability					BFE 2 Nurture a distinctive sense of place, support activation activities and recognise and celebrate our rich heritage.					BFE 3 Develop and maintain infrastructure to support livability and sustainable economic activity.					BFE 4 Improve the utilisation of Council and community facilities					BFE 5 Promote sustainable prosperity by supporting tourism, creative industries, primary production and vibrant townships.				
BFE1.1 Develop and implement a housing strategy that responds to the community's needs and balances expectations regarding character, growth, affordability and the natural environment.					BFE2.1 Prepare and implement a new framework to guide Council's approach to placemaking initiatives across the district.					BFE3.1 Continue to pursue co-funding for community infrastructure and road safety improvement projects.					BFE4.1 Review staff office accommodation to optimise cost and service delivery arrangements and implement appropriate actions.					BFE5.1 Explore opportunities to support the growth of eco-tourism in the Adelaide Hills.				
BFE1.2 Explore and investigate opportunities to support and encourage adaptive, resilient and climate ready development.					BFE2.2 Develop a strategic framework to town and precinct planning, with prioritisation guidelines to ensure equitable investment in public spaces.					BFE3.2 Continue to build and enhance resilience and reliability of the Community Wastewater Management System (CWMS) service.					BFE4.2 Encourage greater utilisation and enhancement of community halls and facilities and foster multi-use spaces to maximise community benefit.					BFE5.2 Support and encourage the growth of primary production, manufacturing, creative and other industries, including a focus on local supply chains.				
BFE1.3 Investigate the merits of establishing a Local Design Review Panel to enhance the decision-making process for development.					BFE2.3 Ensure place development incorporates youth friendly spaces and infrastructure.					BFE3.3 Undertake a gap analysis to determine the need for additional and enhanced asset management planning					BFE4.3 Recognise and promote the value of community-based facility management in meeting local needs.					BFE5.3 Support new and existing businesses to be resilient and successful, and to create local jobs.				
					BFE2.4 Continue to strengthen Council's planning framework to preserve and enhance the unique heritage and character of the Hills.					BFE3.4 Assess appropriate service levels when reviewing asset management plans.					BFE4.4 Implement the Community and Recreation Facilities Framework.									
										BFE3.5 Prioritise planning for new footpath, trail and cycling infrastructure where it will foster better health, wellbeing, economic and transport outcomes.														



4

***Organisation:** An accessible, accountable and representative organisation*

O1 Embrace technology solutions and digital transformation to enhance our organisation and the community experience.	O2 Operate with integrity using best practice governance processes.	O3 Support and develop a skilled organisation that is aligned to Council's priorities	O4 Engage and advocate for our communities.	O5 Evolve Council's functions and services to meet the current and future needs and aspirations of our community.
O1.1 Use technology and digital solutions to improve and streamline the customer experience.	O2.1 Demonstrate accountable and transparent decision making.	O3.1 Develop and implement an internal communications strategy incorporating mechanisms for feedback on effectiveness.	O4.1 Develop a robust Community Engagement Framework including exploring opportunities for community to participate in decision making.	O5.1 Undertake a high level review which considers the effectiveness, efficiency and opportunities of all council services.
O1.2 Invest in technology solutions and skills to transform service delivery and maximise the organisation's effectiveness and efficiency.	O2.2 Support decision making through the use of timely data-driven analysis and reporting.	O3.2 Develop and implement a workforce development plan (that incorporates recruitment, training, succession planning and ongoing support), to optimise our workforce retention	O4.2 Advocate on behalf of the community to represent its needs and views with relevant stakeholders and decision makers.	O5.2 Demonstrate financial sustainability through long term financial planning and annual budget setting which aligns with adopted targets.
O1.3 Enhance data governance to protect and secure information ensuring compliance with legislation.	O2.3 Enhance governance structures and systems to be agile and support our legislative obligations.	O3.3 Enhance the culture of the organisation through the development of a revised set of organisational values incorporating a customer centric focus.	O4.3 Work with affected communities across the region on boundary change issues to advocate for the most beneficial and appropriate outcomes	O5.3 Undertake regular customer surveys to seek feedback and measure customer experience.
	O2.4 Review and renew protocols for communication and work between the administration and elected body.	O3.4 Maintain a safe workplace centred around equity, inclusion, wellbeing and safe work practices including corporate emergency response.		