



AUDIT COMMITTEE

NOTICE OF MEETING

To: **Presiding Member** Paula Davies

Members

Geoff Purdie
Peter Brass
Cr Malcolm Herrmann
Cr John Kemp

Notice is hereby given pursuant to the provisions under Section 87 of the *Local Government Act 1999* that the next meeting of the Audit Committee will be held on:

Monday 30 April 2018
6.00pm
36 Nairne Road, Woodside

A copy of the Agenda for this meeting is supplied under Section 87 of the Act.

Committee meetings are open to the public and members of the community are welcome to attend. Public notice of the Agenda for this meeting is supplied under Section 88 of the Act.

Andrew Aitken
Chief Executive Officer



AUDIT COMMITTEE

AGENDA FOR MEETING
Monday 30 April 2018
6.00pm
36 Nairne Road, Woodside

ORDER OF BUSINESS

Council Vision

Nurturing our unique place and people

Council Mission

Delivering activities and services which build a resilient community, sustain our built and natural environment and promote a vibrant economy

1. COMMENCEMENT

2. APOLOGIES/LEAVE OF ABSENCE

- 2.1. Apology
- 2.2. Leave of Absence
- 2.3. Absent

3. MINUTES OF PREVIOUS MEETINGS

- 3.1. Audit Committee Minutes – 20 February 2018

Recommendation

That the minutes of the Audit Committee meeting held on 20 February 2018, as supplied, be confirmed as an accurate record of the proceedings of that meeting.

4. DELEGATION OF AUTHORITY

The Audit Committee operates in accordance with the relevant sections of the *Local Government Act 1999*, and its Terms of Reference.

5. DECLARATION OF INTEREST BY MEMBERS OF THE COMMITTEE

6. OFFICER REPORTS

- 6.1. Action Report & Work Plan Update
- 6.2. Internal Financial Controls update
- 6.3. End of Year Financial Reporting Timetable
- 6.4. External Audit Plan
- 6.5. Quarterly Debtors Report
- 6.6. 2018-19 Draft Annual Business Plan and Budget
- 6.7. Risk Management Plan update
- 6.8. Internal Audit quarterly update
- 6.9. Strategic Internal Audit Plan

7. NEXT MEETING

The next ordinary meeting of the Audit Committee will be held at 6.00pm on 13 August 2018 to at 63 Mount Barker Road, Stirling.

8. CLOSE MEETING

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

Presiding Member: Paula Davies

Members:

Geoff Purdie
Peter Brass
Cr Malcolm Herrmann
Cr John Kemp

In attendance:

Andrew Aitken	Chief Executive Officer
Terry Crackett	Director Corporate Services
Peter Bice	Director Engineering & Assets
Lachlan Miller	Executive Manager Governance & Performance
Mike Carey	Manager Financial Services

1. Commencement

The meeting commenced at 6.00pm. The Chair welcomed Geoff Purdie to his first Audit Committee Meeting as an Independent Member.

2. Apologies/Leave of Absence

2.1. Apology

Nil

2.2. Leave of Absence

Nil

2.3. Absent

Nil

3. Previous Minutes

3.1. Audit Committee Meeting– 6 November 2017

Moved Cr John Kemp
S/- Peter Brass

AC18/1

That the minutes of the Audit Committee meeting held on 6 November 2017, as distributed, be confirmed as an accurate record of the proceedings of that meeting.

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

4. Delegation of Authority

In accordance with the Audit Committee Terms of Reference, the Committee has no delegated decision-making powers. The Recommendations in Items 6.2 'Community Loans Policy', 6.3 'Long Term Financial Plan Review' and 7.2 'Appointment of External Auditor' are to be submitted to Council for adoption.

5. Declaration of Interest by Members of the Committee

Nil

6. Officer Reports

6.1. Action Report and 2018 Work Plan Update

Moved Peter Brass

AC18/2

S/- Cr Malcolm Herrmann

The Audit Committee resolves that the:

1. Report be received and noted
2. Status of the Action Report and Work Plan be noted

Carried

6.2. Community Loans Policy

Moved Peter Brass

AC18/3

S/- Cr John Kemp

The Audit Committee resolves:

1. That the report be received and noted
2. That the Community Loans Policy as provided at Appendix 1 be endorsed for consideration by Council, with the addition of criteria regarding registration with the Australian Charities and Not-for-profit Commission (ACNC) and compliance with all governance requirements.

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

6.3. Long Term Financial Plan Review

Moved Cr Malcolm Herrmann
S/- Peter Brass

AC18/4

The Audit Committee:

- 1. Receives and notes the report.**
- 2. Notes the updated Long Term Financial Plan.**
- 3. Recommends Council endorse the Long Term Financial Plan, with addition of commentary for key matters not included, as contained in Appendix 1 for community consultation in accordance with *Section 122 of the Local Government Act 1999*.**

Carried

6.51pm Cr John Kemp left the meeting

6.55pm Cr John Kemp returned to the meeting

6.4. Budget Review 1

Moved Geoff Purdie
S/- Peter Brass

AC18/5

The Audit Committee:

- 1. Resolves that the report be received and noted.**
- 2. Notes that the Operating Budget variations presented in Budget Review 1 resulted in a revised Operating Surplus for the 2017-18 financial year of \$1.986m.**
- 3. Notes that the proposed Capital Works variations provided for in Budget Review 1 included:**
 - a. An increase in Capital Income of \$568k**
 - b. An increase in Capital Expenditure of \$551k.**
- 4. Notes the 2016-17 Capital Works carry forwards, including budget adjustments amounts totalling \$3.773m, as detailed in Appendix 2, were included in the revised 2017-18 Budget.**

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

6.5. Budget Review 2

Moved Peter Brass
S/- Cr John Kemp

AC18/6

The Audit Committee resolves to:

1. Receive and note the report.
2. Notes that the Operating Budget variations presented in Budget Review 2 have no impact on the Operating Surplus for the 2017-18 year of \$1.986m.
3. Notes the proposed Capital Program amendments that reduce net capital expenditure by \$1.536m resulting in a reduced Net Borrowings of \$4.030m for 2017-18.

Carried

6.6. ICT & IS Strategic Plan 2017-2020

Moved Peter Brass
S/- Cr John Kemp

AC18/7

The Audit Committee resolves that the report be received and noted.

Carried

6.7. Risk Management Update

Moved Peter Brass
S/- Geoff Purdie

AC18/8

The Audit Committee resolves that the report be received and noted.

Carried

6.8. Internal Audit Quarterly Update

Moved Peter Brass
S/- Cr John Kemp

AC18/9

The Audit Committee resolves:

1. To receive and note the report.
2. To approve the proposed changes to the Strategic Internal Audit Plan as contained in Appendix 1.

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

6.9. Quarterly Debtors Report

Moved Peter Brass
S/- Cr John Kemp

AC18/10

The Audit Committee resolves that the report be received and noted.

Carried

6.10. Internal Audit Actions Implementation

Moved Geoff Purdie
S/- Cr Malcolm Herrmann

AC18/11

The Audit Committee resolves:

1. To receive and note the report.
2. To note the implementation status of Internal Audit actions.

Carried

6.11. Implementation of External Audit Actions Progress Report

Moved Peter Brass
S/- Cr Malcolm Herrmann

AC18/12

The Audit Committee notes the progress made on the items raised in BDO Completion Report.

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

7. Confidential Items

7.1. Internal Audit Actions Implementation – Exclusion of the Public

Moved Cr Malcolm Herrmann
S/- Peter Brass

AC18/13

Pursuant to section 90(2) of the *Local Government Act 1999* the Audit Committee (the Committee) orders that all members of the public, except:

- CEO, Andrew Aitken
- Director Corporate Services, Terry Crackett
- Executive Manager Governance & Performance, Lachlan Miller
- Manager Financial Services, Mike Carey

be excluded from attendance at the meeting for Agenda Item 7.1 Internal Audit Actions Implementation in confidence.

The Committee is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified above, be excluded to enable the Committee to consider the report at the meeting on the following grounds:

Section 90(3)(e) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this Agenda Item is matters affecting the security of the council, council members or employees of the council, or council property, or the safety of any person; the disclosure of which could reasonably be expected to result in vulnerabilities to council's information and communication technology being breached and the security of council property and the safety of council employees and members of the public may be impacted.

Accordingly, on this basis the principle that meetings of the Committee should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

7.1.1. Internal Audit Actions Implementation – Confidential Item

**Moved Geoff Purdie
S/- Peter Brass**

AC18/14

The Audit Committee resolves to receive and note the report.

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

7.1.2. Internal Audit Actions Implementation – Period of Confidentiality

Moved Cr Malcolm Herrmann
S/- Cr John Kemp

AC18/15

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing the Committee decision(s) in this matter in the performance of the duties and responsibilities of office, the Committee, having considered Agenda Item 7.1 in confidence under sections 90(2) and 90(3)(e) of the Local Government Act 1999, that an order be made under the provisions of sections 91(7) and (9) of the Local Government Act 1999 that the report, related attachments and the minutes of the Committee and the discussion and considerations of the subject matter be retained in confidence until the Internal Audit actions have been addressed.

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Audit Committee delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

7.2. Appointment of External Auditor – Exclusion of the Public

Moved Peter Brass
S/- Geoff Purdie

AC18/16

Pursuant to section 90(2) of the *Local Government Act 1999* the Audit Committee (the Committee) orders that all members of the public, except:

- CEO, Andrew Aitken
- Director Corporate Services, Terry Crackett
- Executive Manager Governance & Risk, Lachlan Miller
- Manager Financial Services, Mike Carey

be excluded from attendance at the meeting for Agenda Item 7.2: Appointment of External Auditor in confidence.

The Council is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified above, be excluded to enable the Committee to consider the report at the meeting on the following grounds:

Section 90(3)(d) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) that would, on balance, be contrary to the public interest, the disclosure of which could reasonably be expected to prejudice the commercial position of the business which supplied the information and to confer a commercial advantage on a third party.

Accordingly, on this basis the principle that meetings of the Committee should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

7.2.1. Appointment of External Auditor – Confidential Item

**Moved Geoff Purdie
S/- Peter Brass**

AC18/17

The Audit Committee resolves:

- 1. That the report be received and noted**
- 2. To recommend to Council the appointment of Galpins Accountants, Auditors and Business Consultants for the provision of external audit services for a period of three (3) years commencing with the audit for the financial year ending 30 June 2018, with an option of a further period of up to two (2) years, with an indicative cost for the initial three (3) years of \$64,000.**
- 3. To recommend to Council that the proposed fee structure for Galpins Accountants, Auditors and Business Consultants is appropriate to enable an adequate audit to be conducted**
- 4. To recommend to Council that the Chief Executive Officer be delegated to conduct the final negotiations with regard to the composition and pricing of the external audit contract and to execute all required documentation to give effect to Council's appointment of the external auditor.**

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING 20 FEBRUARY 2018
63 MT BARKER ROAD, STIRLING**

7.2.2. Appointment of External Auditor – Period of Confidentiality

Moved Cr Malcolm Herrmann
S/- Peter Brass

AC18/18

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing the Committee decision(s) in this matter in the performance of the duties and responsibilities of office, the Committee, having considered Agenda Item 16.1 in confidence under sections 90(2) and 90(3)(d) of the Local Government Act 1999, that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* that the report and related attachments of the Committee and the discussion and considerations of the subject matter be retained in confidence until the completion of the contract.

Pursuant to section 91(9)(c) of the Local Government Act 1999, the Audit Committee delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.

Carried

8. Next Meeting

The next ordinary meeting of the Audit Committee will be held at 6.00pm on Monday, 30 April, 26 Onkaparinga Valley Road, Woodside.

9. Close Meeting

The meeting closed at 7.58pm.

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 30 April 2018
AGENDA BUSINESS ITEM**

Item: 6.1

Originating Officer: Lachlan Miller, Executive Manager Governance & Performance

Responsible Director: Terry Crackett, Director Corporate Services

Subject: Action Report and 2018 Work Plan Update

For: Decision

SUMMARY

A formal Audit Committee Action Report is maintained to record the items requiring 'actioning' that result from each of the Audit Committee meetings.

The Audit Committee Work Plan assists the Committee members and staff in scheduling both discussion and reports to ensure appropriate coverage of the Committee functions over the 12 month period.

At its meeting on 6 November 2017, the Committee considered and adopted a Work Plan for 2018.

RECOMMENDATION

The Audit Committee resolves that the:

- 1. Report be received and noted**
 - 2. Status of the Action Report and Work Plan be noted**
-

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal	Organisational Sustainability
Strategy	Governance

Monitoring Audit Committee decisions and actions and the Committee's Work Plan assist in meeting legislative and good governance responsibilities and obligations

➤ **Legal Implications**

Section 126 of the *Local Government Act 1999* sets out the functions of an audit committee. Management of Committee's action items and work plan facilitates the achievement of these functions.

➤ **Risk Management Implications**

The management of action items and the work plan will assist in mitigating the risk of:

Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Medium (3D)	Medium (3D)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

There are no direct financial or resource implications from this item.

➤ **Customer Service and Community/Cultural Implications**

Not applicable.

➤ **Environmental Implications**

Not applicable.

➤ **Engagement/Consultation conducted with Council Committee, Regional Subsidiary, Advisory Group, the Administration and Community**

Consultation has occurred internally with Action and Work Plan responsible officers.

<i>Council Committees:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>Administration:</i>	Terry Crackett, Director Corporate Services James Sinden, Manager ICT
<i>Community:</i>	Not Applicable

2. **BACKGROUND**

Action Report

The Action List tracks the implementation of resolutions of the Audit Committee.

Work Plan

The functions of the Audit Committee are set out in part 7 (Role) of the Committee Terms of Reference.

A Work Plan has been developed to assist the Committee members and staff in scheduling discussion and reports to ensure appropriate coverage of the functions over the 12 month period.

The Audit Committee adopted a Work Plan for 2018 at its 6 November 2017 meeting.

6.1. → Action Report, 2017 Work Plan Update and Adoption of 2018 Work Plan

Moved Peter Brass	AC45/17
S/- Cr John Kemp	
The Audit Committee resolves that the:	
1. → Report be received and noted	
2. → Status of the Action Report and Work Plan be noted	
3. → 2018 Work Plan be adopted	
	Carried

3. ANALYSIS

Action Report

There are four outstanding items on the Audit Committee Action Report (**Appendix 1**) which relate to the confidentiality order applied to two confidential reports. These items remain confidential and therefore both actions remain 'in progress'.

Work Plan

As per the 2018 Audit Committee Work Plan (**Appendix 2**), the following items are scheduled for the February (this) meeting:

Item	Commentary
Internal Financial Controls update	Refer Item 6.2
End of financial year reporting timetable	Refer Item 6.3
External audit interim letter	Refer Item 6.4 (External Audit Plan)
Debtors Report	Refer Item 6.5
Budget Review 3	Budget review 3 will be ready early May and due to the timing of Audit Committee will go straight to Council
Draft Annual Business Plan	Refer Item 6.6
Risk Management Plan update	Refer Item 6.7
Internal Audit quarterly update	Refer Item 6.8
Internal Audit Plan review	Refer Item 6.9 (Strategic Internal Audit Plan)

Corporate Planning & Performance Framework

One of the key projects for the Governance & Performance Department (and a CEO Performance Target) for 2017/18 is the development of a Corporate Planning & Performance Framework.

While the Framework is still being developed, a diagram of the Framework is provided at **Appendix 3** for the Committee's discussion. The draft Framework will be considered by Council at its 22 May 2018 meeting.

4. OPTIONS

The Committee has the following options:

- I. To note the status of the Action Report and Work Plan as presented.
- II. To alter or substitute elements of the Action Report and/or Work Plan/s.

5. APPENDICES

- (1) Audit Committee Action Report
- (2) 2018 Audit Committee Work Plan
- (3) Draft Corporate Planning & Performance Framework

Appendix 1

Audit Committee Action Report

Meeting Date	Res No.	Item Name	Action Required (Council Resolution)	Responsible Director	Responsible Officer	Status	Date of Update	Est. Completion	Comments
13/02/2017	AC16/17	ICT Security Risk Assessment Action Implementation Update - Period of Confidentiality	That the report, related attachments, the minutes of Committee and the discussion of the subject matter be retained in confidence until ICT Security Risk Assessment actions have been addressed	Terry Crackett	James Sinden	In Progress	19/03/2018	31/05/2018	Retain in confidence until additional security measures are undertaken. Work is progressing with consultants to deliver and progress with activities to close out recommendations from the assessment. Confidentiality period extended on 12/12/17 to remain confidential until 06/11/2018.
6/11/2017	AC60/17	Internal Audit Actions Implementation - Period of Confidentiality	That the report, related attachments, the minutes of Committee and the discussion of the subject matter be retained in confidence until the Internal Audit Actions have been addressed.	Terry Crackett	James Sinden	In Progress	19/03/2018	31/05/2018	Retain in confidence until additional security measures are undertaken. Work is progressing with consultants to deliver and continues to progress with activities to close out recommendations from the assessment.
20/02/2018	AC18/3	Community Loans Policy	That the Community Loans Policy as provided at Appendix 1 be endorsed for consideration by Council, with the addition of criteria regarding registration with the Australian Charities and Not-for-profit Commission (ACNC) and compliance with all governance requirements	Terry Crackett	Mike Carey	Completed	16/03/2018	27/02/2018	Community Loan Policy updated for Audit Committee comments and endorsed for community consultation by Council on 27 February 2018
20/02/2018	AC18/4	Long Term Financial Plan Review	Recommends Council endorse the Long Term Financial Plan, with addition of commentary for key matters not included, as contained in Appendix 1 for community consultation in accordance with Section 122 of the Local Government Act 1999	Terry Crackett	Mike Carey	Completed	16/03/2018	27/02/2018	LTFP updated for commentary for key matters raised by Audit Committee and presented to Council for endorsement at 27 February 2018 Council Meeting. The draft LTFP is currently out for consultation and will be subsequently considered by Council during April 2018.
20/02/2018	AC18/4(2)	Appointment of External Auditor	To recommend to Council the appointment of Galpins Accountants, Auditors and Business Consultants for the provision of external audit services for a period of three (3) years commencing with the audit for the financial year ending 30 June 2018, with an option of a further period of up to two (2) years, with an indicative cost for the initial three (3) years of \$64,000.	Terry Crackett	Lachlan Miller	Completed	16/03/2018	27/02/2018	Recommendation considered and approved by Council at its 27 February 2018 meeting.
20/02/2018	AC18/4(3)	Appointment of External Auditor	To recommend to Council that the proposed fee structure for Galpins Accountants, Auditors and Business Consultants is appropriate to enable an adequate audit to be conducted	Terry Crackett	Lachlan Miller	Completed	16/03/2018	27/02/2018	Recommendation considered and approved by Council at its 27 February 2018 meeting.
20/02/2018	AC18/4(4)	Appointment of External Auditor	To recommend to Council that the Chief Executive Officer be delegated to conduct the final negotiations with regard to the composition and pricing of the external audit contract and to execute all required documentation to give effect to Council's appointment of the external auditor	Terry Crackett	Lachlan Miller	Completed	16/03/2018	27/02/2018	Recommendation considered and approved by Council at its 27 February 2018 meeting.
20/02/2018	AC18/15	7.1. Internal Audit Actions Implementation - Release of Confidentiality Order	That the report, related attachments and the minutes of the Committee and the discussion and considerations of the subject matter be retained in confidence until the Internal Audit actions have been addressed	Terry Crackett	Lachlan Miller	In Progress	15/04/2018	30/06/2018	Discussions with the Manager ICT have identified that implementation of actions is progressing steadily and should be completed in the coming months. At which time the confidentiality order can be considered for release.

20/02/2018	AC18/4(4)	Appointment of External Auditor - Release of Confidentiality Order	That the report and related attachments of the Committee and the discussion and considerations of the subject matter be retained in confidence until the completion of the contract	Terry Crackett	Lachlan Miller	In Progress	15/04/2018	30/03/2021	Given the commercial in confidence information, the release of the confidentiality order is unlikely to occur for 3-5 years depending on whether the option under the contract is exercised. Nevertheless the cost of Statutory Audit services is reported in the Annual Report.
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Appendix 2

2018 Audit Committee Work Plan

ADELAIDE HILLS COUNCIL AUDIT COMMITTEE

2018 Work Plan and Reporting Schedule

Terms of Reference		
Financial Reporting	Long term financial plan forecast economic indicators	Annual
	Draft Annual Business Plan	Annual
	Budget Review 1	Annual
	Budget Review 2	Annual
	Budget Review 3	Annual
	Budget Review 4 (s10)	Annual
	End of financial year reporting timetable	Annual
	End of financial year update	Annual
	Final Annual Financial Statements (incl management representation letter)	Annual
	Draft Annual Report	Annual
Internal Control and Risk Management	Placement of Council's insurance portfolio (for noting)	Annual
	Internal Financial Controls update	Bi-annual
	Risk Management Plan update	Quarterly
	Results of LGA Risk Management Review	Annual
	Implementation of LGA Risk Management Review Action Plan	Bi-annual
Internal Audit	Internal Audit quarterly update	Quarterly
	Internal audit reports	As required
	Implementation of internal audit actions progress report	Bi-annual
	Internal Audit Plan review	Annual
External Audit	External audit interim letter	Biannual
	Implementation of external audit actions progress report	Bi-annual
	External Audit Plan review	Annual
	Meeting attendance by external auditors	Annual
	Review of auditor independence and legislative compliance	Annual
	Balance date audit management letter (Completion Report)	Annual
Whistleblowing	Whistleblowers Policy review	Triennial
Other Business	Audit Committee self assessment review	Annual
	Whistleblowers protection procedure review	Biennial
	Chairperson's report	Annual
	Work Plan and Reporting Schedule	Annual
	Audit Committee Meeting Dates	Annual
	Service Improvement Benefits Realisation Report	Bi-annual
	Debtors Report	Quarterly
	Terms of Reference	Annual

2018				
Feb	May	Aug	Oct	Nov
2017				

	verbal	letter		
			in camera	
			draft	final

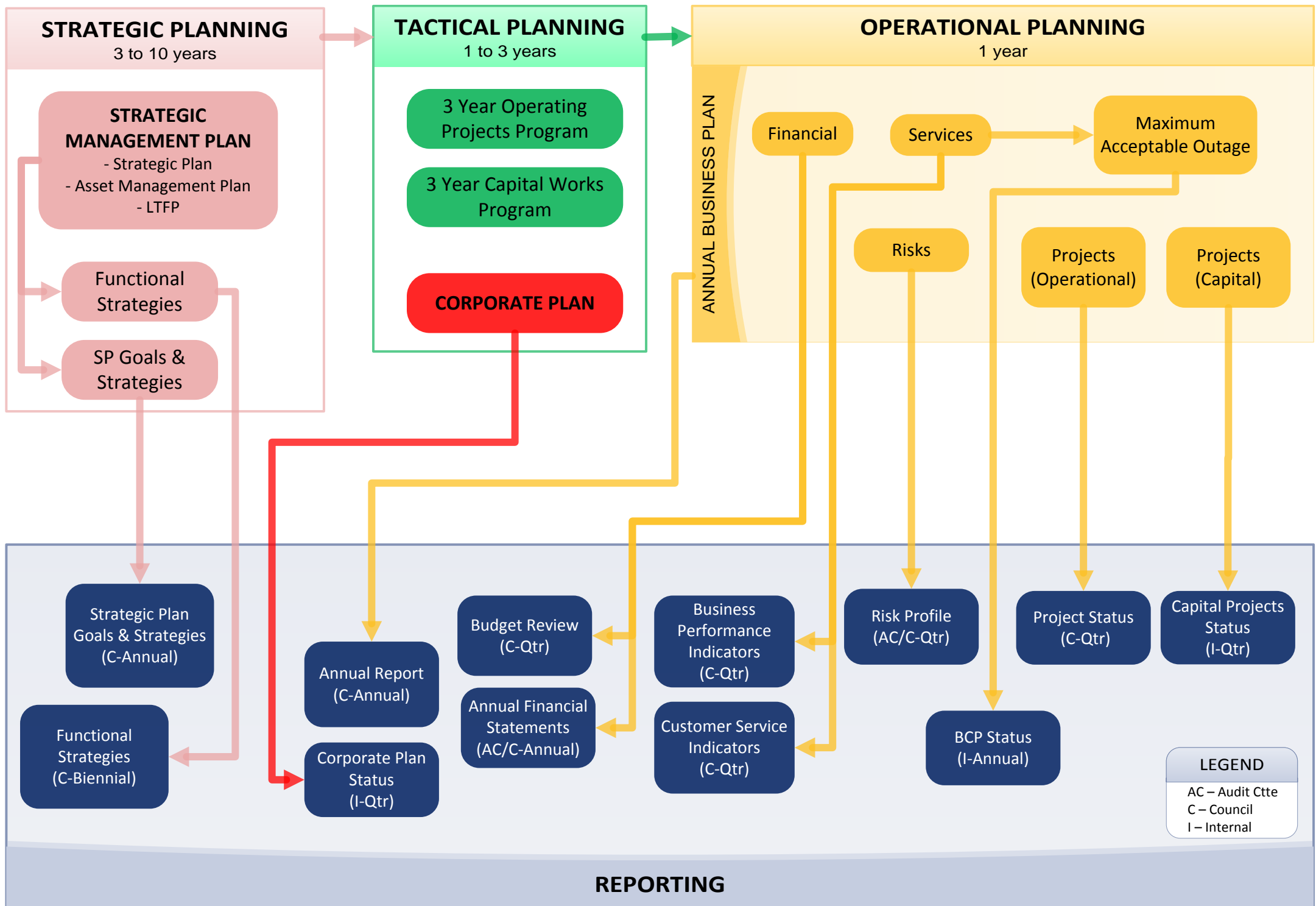
next review 2019				
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	N/A			

Version Control: v1.0 - approved by Audit Committee - 06/11/2017

Appendix 3

Draft Corporate Planning & Performance Framework



**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 30 April 2018
AGENDA BUSINESS ITEM**

Item: 6.2

Originating Officer: Mike Carey, Manager Financial Services

Responsible Director: Terry Crackett, Director Corporate Services

Subject: Internal Financial Controls Update

For: Information

SUMMARY

Council's external auditors are required to provide an opinion on internal controls in accordance with S125 of the *Local Government Act 1999*.

This report presents an update to the Committee on the Internal Control Framework for the year ended 30 June 2018

RECOMMENDATION

That Audit Committee receives and notes the report.

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal	Organisational Sustainability
Strategy	Governance

Updating the internal controls framework assists in meeting legislative and good governance responsibilities and obligations.

➤ **Legal Implications**

Work on the Internal Controls Framework is being undertaken in conjunction with Part 3 – Accounts, Financial Statements and Audit, *Local Government Act 1999* and Part 6 – Audit, *Local Government (Financial management) Regulations 2011*.

➤ **Risk Management Implications**

The implementation of the Internal Financial Control Model will assist in mitigating the risk of:

Internal control failures occur which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.

Inherent Risk	Residual Risk	Target Risk
High (4C)	Medium (3C)	Low (2E)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

Satisfactory internal financial controls provide the foundation for all of Council's financial management and reporting.

➤ **Customer Service and Community/Cultural Implications**

Not applicable.

➤ **Environmental Implications**

Not applicable.

➤ **Community Engagement/Consultation**

Not applicable.

2. **BACKGROUND**

Councils are required to have "appropriate policies, practices and procedures of internal control". In addition, Council audit committees are required to monitor the adequacy of all a Council's "accounting, internal control, reporting and other financial management systems and practices".

Like the audit opinion of annual financial statements, the internal controls opinion is provided to a Council and becomes a public document, to be published with a Council's financial statements along with the financial statements audit opinion.

When forming an internal controls opinion, auditors must refer, as a benchmark, to the Better Practice Model - Internal Financial Controls as updated from time to time and published by the LGA on advice from the SA Local Government Financial Management Group.

3. ANALYSIS

As previously advised for the 2017-18 financial year an updated Better Practice Model for Internal Controls has been approved by the Minister for Local Government from 1 July 2017.

This update provides a roadmap to a more risk based approach to ensuring a robust financial internal controls environment by allowing Councils to document and assess the internal financial controls that relate to a particular financial risk to the extent that they mitigate that risk to an acceptable level. This refocuses Council's internal financial control activities and monitoring systems largely on the extreme and high financial risks as identified by the Council's risk tolerance framework.

This is likely to reduce the number of controls that councils review and assess on an ongoing basis from the current 192 down to 90 or so as a result of this revised risk based approach.

It is noted that the controls implemented will still depend on the inherent risk assessment, the residual risk given controls already in place and the risk tolerance of the organisation.

To assist in Council's review of Internal Controls, Adelaide Hills Council uses a product called ControlTrack which is used by a significant number of Councils across the State. An updated version is about to be uploaded to provide Council with the ability to add the Better Practice Model 2017 to our Risk and Controls already populated in previous years.

Further, key staff are about to commence training using the updated Control Track system with the view that this will allow Council to complete its review of Council's high risk and the associated controls in place prior to the 2017-18 External Audit interim visit focusing on Internal Controls.

Future reporting to the Audit Committee will include updates from the Control Track system used to monitor our controls and agreed actions.

4. OPTIONS

Audit Committee is limited to receiving and noting this report.

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 30 April 2018
AGENDA BUSINESS ITEM**

Item: 6.3

Originating Officer: Mike Carey, Manager Financial Services

Responsible Director: Terry Crackett, Director Corporate Services

Subject: 2017/18 End of Year Financial Reporting Timetable

For: Information

SUMMARY

The Audit Committee usually receives an Audit Plan from Council's external auditors setting out their scope and responsibilities for the financial year audit at the February Audit Committee meeting.

Due to the timing of the appointment of the new External Auditors, Galpins Accountants, Auditors and Business Consultants (Galpins) are currently preparing their External Audit Plan concurrently with this report. In support of this Plan a draft timetable has been prepared to guide the end of year reporting process and included as **Appendix 1**.

The timetable has been prepared on the basis of preliminary discussions with Galpins and previous experience with preparation of the financial statements thus reflecting similar timelines to the previous financial year.

RECOMMENDATION

That the Audit Committee:

- 1. Receives and notes the report.**
 - 2. Endorses the proposed end of year reporting timetable for 2017/18.**
-

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal 5 Organisational Sustainability
Strategies Risk and Responsibility (Legal Compliance)

The Council is committed to open, participative and transparent decision making and administrative processes.

➤ **Legal Implications**

Council is required to prepare audited annual Financial Statements in accordance with the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

➤ **Risk Management Implications**

Failure to complete the year end reporting process within the timetable can result in increased financial, compliance and reputational risk.

The complete the year end reporting and audit processes within the legislative timeframes will assist in mitigating the risk of:

Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Medium (3D)	Medium (3C)

➤ **Financial and Resource Implications**

The end of year financial reporting process ensures the timely production of the Annual General Purpose Financial Reports. These are required for the Annual Report and can impact on Council's ability to secure future grant and loan funding.

➤ **Customer Service and Community/Cultural Implications**

Not applicable.

➤ **Environmental Implications**

Not applicable.

➤ **Community Engagement/Consultation**

Council's audited financial statements are provided to the community in its Annual Report.

2. **BACKGROUND**

The Audit Committee usually receives an Audit Plan from Council's external auditors setting out their scope and responsibilities for the financial year audit at the February Audit Committee meeting.

However this was delayed as a result of the expiry of the external audit services contract following the completion of the 2016/17 audit, whereby an open tender process was initiated to contract a suitable firm for the provision of external audit services.

Galpins have been approved for appointment as Council's External Auditor for a period of three (3) years commencing with the audit for the financial year ending 30 June 2018, with an option of a further period of up to two (2) years.

Galpins are currently preparing their External Audit Plan which will be tabled as a separate report to the Audit Committee at the 30 April 2018 meeting (Item 6.4).

3. ANALYSIS

Given that the External Audit Plan is being prepared concurrently with this report, a draft timetable has been prepared on the basis of available information and previous experience with preparation of the financial statements.

The draft timetable allows some flexibility in terms of the timing of key activities during September and October, and is intended to produce the Annual General Purpose Financial Reports for adoption by Council at its meeting on 23 October 2018.

The statutory limit for adoption of the Annual General Purpose Financial Reports is 30 November 2018, but it is considered preferable to leave some time prior to this date to allow for any potential delays and to facilitate the production of the Annual Report.

The noting by the Audit Committee of Galpins' External Audit Plan covering the proposed scope of works and timing of the 2017/18 Audit at the 30 April meeting will allow the End of Year Financial Reporting timetable to be updated to incorporate any changes prior to 30 June. Further, the End of Year Financial Reporting Timetable is scheduled to be represented to the Audit Committee Meeting in August 2018 to provide an update on progress and ensure Council is on track with terms of completion of the annual financial statements.

4. OPTIONS

The Committee has the following options:

- I. To note the draft timetable as prepared (Recommended).
- II. To make additional comments or suggestions for Financial Services staff to consider prior to finalising the timetable and the external audit visit (Not Recommended).

5. APPENDICES

- (1) 2017/18 End of Year Financial Reporting Timetable

Appendix 1

2017/18 End of Year Financial Reporting Timetable

ADELAIDE HILLS COUNCIL
FINANCIAL REPORTING TIMETABLE, 2017/18

Week Commencing/ Specific Date	Description
Mon 7-May	External Audit Interim Visit (9-11 May)
Mon 25-Jun	Statement of Financial Position Date 30/06/2018 Last payrun for 2017/18 FY, EOY Payment Summaries, YE cut-off
Fri 29-Jun and Mon 2-Jul	Stock Takes and Petty Cash counts
Mon 9-Jul	Commence capitalisation
Mon 16-Jul	Accrue Final Pay(s); Bank Reconciliation; High risk control account reconciliations
Mon 23-Jul	Close June Creditors; Accruals; Commence capitalisation
Thu 2-Aug	Audit Committee Report preparation for Audit Committee - Timetable Update
Mon 6-Aug	Year end prepayments and grants reconciled Update provisions for remediation & employees Progress Fixed Asset Revaluation, Depreciation and Reconciliation Finalise remaining Statement of Financial Position Reconciliations
Mon 13-Aug	Audit Committee Meeting (13 Aug) Timetable Update
Thu 16-Aug	ELT Report (16 Aug) Discuss EOY Position - Preliminary and Carry Forwards
Thu 16-Aug	Council Report due for 28 August 2018 Meeting
Mon 20-Aug	Review and finalise notes to Statutory Accounts; Update for subsidiary results
Mon 27-Aug	Review reserves accounting (Revaluations and CWMS)
Tue 28-Aug	Council Meeting (28 August) Council Report 2017/18 Preliminary End of Year Results and Carry Forwards
Mon 3-Sep	Proposed external audit visit First Draft Statutory Accounts
Mon 10-Sep	Analytical review and full year budget comparison of operating accounts
Fri 14-Sep	Prescribed Day for Finalisation of Annual Financial Statements to Auditors
Thu 27-Sep	Audit Committee Report preparation for Audit Committee - Annual Financial Statements
Mon 8-Oct	Audit Committee Meeting (8 Oct) Draft 2017/18 Annual Financial Statements for adoption
Mon 8-Oct	Annual Report Preparation
Thu 11-Oct	Report preparation for Council - Annual Financial Statements & End of Year Financial Results
Tue 23-Oct	Council Meeting (23 Oct) 2017/18 Annual Financial Statements for adoption for Annual Report inclusion and End of Year Financial Results
Thu 25-Oct	Report preparation for Audit Committee - Annual Report
Mon 5-Nov	Audit Committee Meeting (5 Nov) Draft 2017/18 Annual Report for Council adoption by 30 Nov Annual report issued to Council for consideration after review by Audit Committee
Mon 12-Nov	Annual Report final design amendments
Thu 15-Nov	Council Report due for Council Meeting 27 November - Annual Report for Adoption & BR1
Tue 27-Nov	Council Meeting (27 Nov) 2017/18 Annual Report for adoption & BR1
Fri 30-Nov	Submit Financial Statements to Minister (by 30 Nov)

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 30 April 2018
AGENDA BUSINESS ITEM**

Item: 6.4

Originating Officer: Lachlan Miller, Executive Manager Governance & Performance

Responsible Director: Terry Crackett, Director Corporate Services

Subject: 2017/18 External Audit Plan

For: Decision

SUMMARY

At its 20 February 2018 meeting, the Committee considered an item in confidence to appoint the External Auditor and made a recommendation to Council for the appointment of Galpins Accountants, Auditors and Business Consultants (Galpins) for the provision of external audit services for a period of three (3) years commencing with the audit for the financial year ending 30 June 2018, with an option of a further period of up to two (2) years. Further the Committee recommended further negotiations with the preferred contractor regarding the fee structure and audit team composition.

Negotiations have progressed well with Galpins and the final contract is due to be executed (at the time of writing) in the next few days.

In anticipation of contract execution, Galpins has submitted a 2017/18 External Audit Plan (**Appendix 1**) and will be attending the Audit Committee meeting to present to the Committee.

RECOMMENDATION

The Audit Committee resolves:

- 1. That the report be received and noted**
 - 2. To recommend to Council the scope of work and timing of the 2017/18 External Audit by Galpins Accountants, Auditors and Business Consultants as contained in Appendix 1.**
-

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal	Organisational Sustainability
Strategy	Risk and responsibility
Strategy	Governance

External audit is a key accountability function to the community regarding the financial governance of the organisation.

➤ **Legal Implications**

Chapter 8 – Administrative and financial accountability, Division 4 – Audit of the *Local Government Act 1999* and Part 6 - Audit of the *Local Government (Financial Management) Regulations 2011* set out the requirements regarding the appointment of the external auditor and the conduct of the audit.

➤ **Risk Management Implications**

The appointment of the external auditor consistent with the requirements of legislation assists in mitigating the risk of:

Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Medium (3D)	Medium (3D)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

Council makes a budget allocation each year for the expenses associated with the conduct of the external audit.

The external audit function is managed by the Governance & Performance Department although the Finance Services Department is most significantly impacted throughout the external audit process.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council's accounts are audited by appropriately qualified and independent external auditors.

➤ **Environmental Implications**

Not applicable

➤ **Engagement/Consultation conducted with Council Committee, Regional Subsidiary, Advisory Group, the Administration and Community**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Not Applicable
<i>Workshops:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>Administration:</i>	Terry Crackett, Director Corporate Services Lachlan Miller, Executive Manager Governance & Performance

Mike Carey, Manager Financial Services
Community: Not Applicable

2. BACKGROUND

At its 20 February 2018 meeting, the Committee considered an item in confidence to appoint the External Auditor, the minutes of that meeting (which are not confidential) are:

7.2.1. Appointment of External Auditor – Confidential Item

Moved Geoff Purdie
S/- Peter Brass

AC18/17

The Audit Committee resolves:

1. That the report be received and noted
2. To recommend to Council the appointment of Galpins Accountants, Auditors and Business Consultants for the provision of external audit services for a period of three (3) years commencing with the audit for the financial year ending 30 June 2018, with an option of a further period of up to two (2) years, with an indicative cost for the initial three (3) years of \$64,000.
3. To recommend to Council that the proposed fee structure for Galpins Accountants, Auditors and Business Consultants is appropriate to enable an adequate audit to be conducted
4. To recommend to Council that the Chief Executive Officer be delegated to conduct the final negotiations with regard to the composition and pricing of the external audit contract and to execute all required documentation to give effect to Council's appointment of the external auditor.

Carried

A report was prepared for the 27 February 2018 Council meeting and it was resolved:

19.4. Appointment of External Auditor – Confidential Item

Moved Cr Malcolm Herrmann
S/- Cr Jan Loveday

60/18

Council resolves:

1. That the report be received and noted
2. To appoint Galpins Accountants, Auditors and Business Consultants for the provision of external audit services for a period of three (3) years commencing with the audit for the financial year ending 30 June 2018, with an option of a further period of up to two (2) years, with an indicative cost for the initial three (3) years of \$64,000.
3. To delegate to the Chief Executive Officer to conduct the final negotiations with regard to the composition and pricing of the external audit contract and to execute all required documentation to give effect to Council's appointment of the external auditor.

Carried Unanimously

Negotiations have progressed well with Galpins and the final contract is due to be executed (at the time of writing) in the next few days.

3. ANALYSIS

The composition of External Audit Team has been revised following the Committee's request to have more seniority built into the Team, and comprises the following:

Tim Muhlhausler (Lead Engagement Partner)
Luke Williams (Quality review Partner)
Juliano Freitas (Audit Manager)
Pascal Marrot-Castellat (Local Government Audit Specialist)
Zoe Hoang (Senior Analyst)
Doris Liang (Analyst)

In anticipation of contract execution, Galpins has submitted a 2017/18 External Audit Plan (**Appendix 1**) and will be attending the Audit Committee meeting to present to the Committee.

4. OPTIONS

The Committee has the following options:

- I. To recommend to Council the scope of work and timing of the 2017/18 External Audit by Galpins Accountants, Auditors and Business Consultants as contained in **Appendix 1**. (Recommended)
- II. To seek amendments to the the scope of work and timing of the 2017/18 External Audit by Galpins Accountants, Auditors and Business Consultants as contained in **Appendix 1**. Seeking amendment may impact on the timeliness and/or cost of External Audit service provision(Not Recommended)

5. APPENDICES

- (1) 2017/18 External Audit Plan

Appendix 1

2017/18 External Audit Plan

ADELAIDE HILLS COUNCIL

2017/18 AUDIT PLAN – EXTERNAL AUDIT

Audit Areas / Business Cycles / Audit Approach

26/04/2018

Local Expertise : Real Access



INDEX

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1. AUDIT SCOPE

Report on the Audit of the Financial Report

We have to audit the financial report of Adelaide Hills Council, which comprises the statement of financial position as at 30 June 2018, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

We are to provide an audit opinion whether the financial report of Adelaide Hills Council, presents fairly, in all material respects, the Council's financial position as at 30 June 2018 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

Internal Controls Opinion

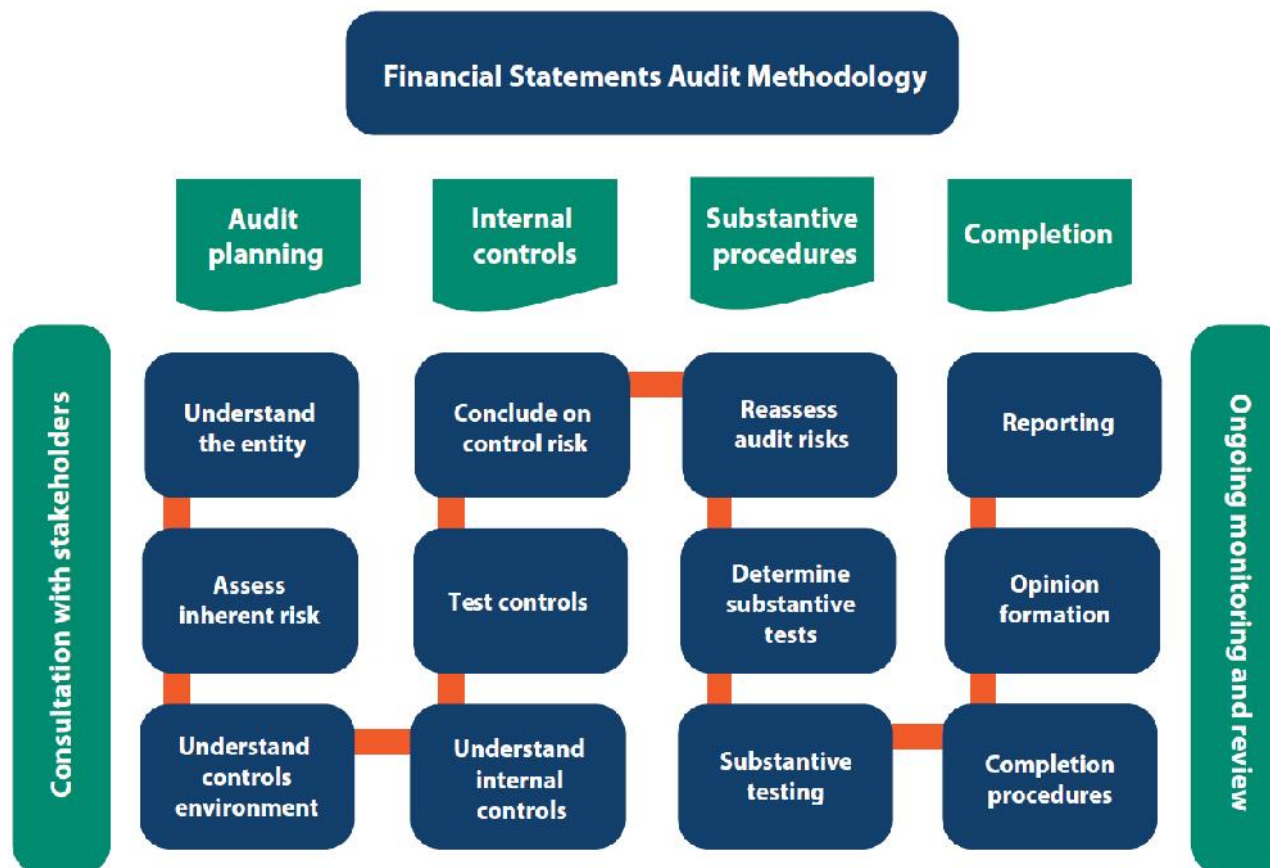
We have to undertake a reasonable assurance engagement on the design and the operating effectiveness of controls established by the Adelaide Hills Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2017 to 30 June 2018 relevant to ensuring such transactions have been conducted properly and in accordance with law.

We are to provide an opinion whether, in all material respects:

- the controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- the controls operated effectively as designed throughout the period from 1 July 2017 to 30 June 2018

2. AUDIT METHODOLOGY

Our financial statements Audit Methodology is a risk based methodology consisting of four main stages – Audit Planning, Internal Controls, Substantive Procedures and Completion. The stages are managed in an environment of ongoing monitoring and review and consultation with stakeholders.



We conduct our audits in accordance with the requirements of Australian Auditing Standards and Auditing Guidance Statements adopted from time to time by CPA Australia and The Institute of Chartered Accountants in Australia.

3. AUDIT PLANNING

Understanding the entity and inherent risks

We research and document the Council's nature of operations, industry, regulatory environment, legislative responsibilities, financial reporting environment, understanding of use of information technology, capital investment, critical accounting policies and process of reviewing the Council's financial performance. This understanding enables us to identify the initial inherent risks. Structured interviews with management will also be carried out to identify other inherent risks.

Planning analytical review

The planning analytical review will help us to identify the existence of unusual transactions or events that may represent a risk of material misstatement. Our planning analytical review will also assist us to understand the classes of transactions and account balances to be expected in the financial report that should be subject to a specific audit program.

Identification of business cycles and definition of audit approach

The procedures performed when obtaining an understanding of the entity and the planning analytical review will assist us to identify the main business cycles and the account balances expected to be in the financial report. Also, this knowledge will enable us to define our audit approach for each class of transactions or account balances being a controls approach, a substantive approach or a combination of both.

Once we have identified all inherent risks based on our understanding of the entity's business, planning analytical review and enquiries of management and have defined our audit approach for each class of transaction and account balances, we will be able to commence the next stage of our audit (Internal controls stage).

We designed a table containing our understanding of all classes of transactions, account balances and related business cycles together with our initial understanding of the audit approach to be undertaken based on our initial inherent risk assessment.

Audit Plan Summary Table – Statement of Comprehensive Income - Income

Area	2017	2016	Audit approach	Business cycle	Audit Response/Audit Approach	Inherent Risk
Rates and charges	34,301,000	33,811,000	Controls and Substantive	Rates	Internal Controls and Substantive tests	High
Statutory charges	1,022,000	1,017,000	Substantive	User Pay Income	Substantive tests	Moderate
User charges	1,337,000	1,284,000	Substantive	User Pay Income	Substantive tests	Moderate
Grants, subsidies and contributions	5,048,000	2,789,000	Substantive	Grants	Substantive tests	Moderate
Investment Income	36,000	58,000	Substantive	Investment Income	Substantive tests	Low
Reimbursements	265,000	259,000	Substantive	Other Revenue	Substantive tests	Low
Other Income	483,000	462,000	Substantive	Other Revenue	Substantive tests	Low
Equity Accounted Businesses	57,000	176,000	Substantive	Other Revenue	Substantive tests	Low

Audit Plan Summary Table – Statement of Comprehensive Income – Expenses

Area	2017	2016	Audit approach	Business cycle	Audit Response/Audit Approach	Inherent Risk
Employee costs	14,505,000	13,944,000	Controls and Substantive	Payroll	Internal Controls and Substantive tests	High
Materials / Contracts / Other Expenses	18,687,000	17,567,000	Controls and Substantive	Purchasing, Procurement and Contracting	Internal Controls and Substantive tests	High
Depreciation and amortisation	7,792,000	7,567,000	Controls and Substantive	Fixed Assets	Internal Controls and Substantive tests	High
Finance Costs	781,000	883,000	Substantive	Other Expenses	Substantive tests	Low
Equity Accounted Businesses	334,000	224,000	Substantive	Other Expenses	Substantive tests	Low

Audit Plan Summary Table – Statement of Comprehensive Income – Other Comprehensive Income

Area	2017	2016	Audit approach	Business cycle	Audit Response/Audit Approach	Inherent Risk
Asset Disposals & Fair Value Adjustments	(1,325,000)	(1,106,000)	Substantive	Fixed Assets	Internal Controls and Substantive tests	High
Amounts Received Specifically for New or Upgrade Assets	672,000	2,868,000	Controls and Substantive	Grants	Substantive tests	Moderate
Physical Resources Received Free of Charge	118,000	-	Substantive	Other Revenue	Substantive tests	Low

Audit Plan Summary Table – Statement of Financial Position – Assets

Area	2017	2016	Audit approach	Business cycle	Audit Response/Audit Approach	Inherent Risk
Cash and cash equivalents	966,000	617,000	Controls and Substantive	Banking	Internal Controls and Substantive tests	High
Trade and other receivables	2,709,000	2,898,000	Controls and Substantive	Debtors	Internal Controls and Substantive tests	Moderate
Other Financial Assets	44,000	83,000	Substantive	Loans to Community Groups	Substantive tests	Low
Inventories	14,000	7,000	Substantive	Inventory	Substantive tests	Low
Financial Assets – NC	71,000	74,000	Substantive	Loans to Community Groups	Substantive tests	Low
Equity Accounted Businesses - NC	984,000	1,245,000	Substantive	Other Assets	Substantive tests	Low
Infrastructure, Property, Plant & Equipment	311,033,000	302,477,000	Controls and Substantive	Fixed Assets	Internal Controls and Substantive tests	High

Audit Plan Summary Table – Statement of Financial Position - Liabilities

Area	2017	2016	Audit approach	Business cycle	Audit Response/Audit Approach	Inherent Risk
Trade and other payables	8,493,000	8,583,000	Controls and Substantive	Accounts Payable	Internal Controls and Substantive tests	High
Borrowings	3,651,000	3,582,000	Substantive	Borrowings	Substantive tests	Low
Provisions	1,357,000	1,481,000	Substantive	Employee Provisions	Substantive tests	Moderate
Borrowings - NC	10,000,000	10,000,000	Substantive	Borrowings	Substantive tests	Low
Provisions - NC	274,000	253,000	Substantive	Employee Provisions	Substantive tests	Moderate

Audit Plan Summary Table – Statement of Financial Position - Equity

Area	2017	2016	Audit approach	Business cycle	Audit Response/Audit Approach	Inherent Risk
Accumulated Surplus	135,571,000	135,298,000	Substantive	Other business cycles	Substantive tests	Low
Asset Revaluation Reserves	154,633,000	146,002,000	Controls and Substantive	Fixed Assets	Internal Controls and Substantive tests	High
Other Reserves	1,842,000	2,202,000	Substantive	Other business cycles	Substantive tests	Low

4. INTERNAL CONTROLS / CONTROLS OPINION

Amendments to s129 of the Local Government Act 1999 require auditors to provide an opinion regarding internal controls of councils. The audit opinion is restricted per s129 of the Act to the application of s125 as it relates to financial internal controls, specifically the controls exercised by the council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

During our interim audit we perform procedures to gain an understanding of the internal controls in place relevant to the financial statements and perform tests of design and effectiveness for these controls.

We review the internal controls we consider as key controls to be in place for the purpose of addressing the requirement of s129. These key internal controls consist of a prioritised list of controls from the Better Practice Model – Internal Financial Controls 2017 (BPM). This list was based on the key business cycles identified during our audit planning and from our planning analytical review and the internal controls listed in the BPM for these business cycles.

The key core controls for the following key business cycles have been identified as critical for the purpose of issuing a controls opinion this financial year:

Business cycles	Account Balance	BPM controls	Inherent Risk
Fixed Assets	IPPE, Depreciation expense, Asset Disposals and FV adjustments, Revaluation Reserves	16	High
Purchasing and Procurement / Contracting	Materials / Contracts / Other Expenses	15	High
Rates / Rates Rebates	Rates charges	10	High
Payroll	Employee Costs	20	High
Accounts Payables	Accounts Payables	14	High
Debtors	Debtors	6	Moderate
Receipting	Debtors	5	Moderate
Banking	Cash and cash equivalents	5	High
General Ledger	All accounts	11	N/A
Credit Cards	Materials / Contracts / Other Expenses	5	High
Total number of controls		107	

A prioritised list of controls from the better practice model can be seen in Appendix 1. After completing our test of effectiveness of internal controls we perform a controls risk assessment for each account balance. The controls risks are combined with our initial inherent risk assessment performed during our audit planning for determining the risk of material misstatements for each account balance (see more details in the item 5 of this document).

5. RISK OF MATERIAL MISSTATEMENTS

Risk of material misstatement consists of the following components:

- Inherent risks - how susceptible to fraud or error the financial statements assertions are given the nature of the entity, considering external factors such as competency of staff, availability of information, prior period misstatements, accounting systems, level of supervision, etc before consideration of any related controls. The inherent risk assessment is performed during the planning stage when obtaining understanding of the entity's business (please refer to item 3 of this document).
- Controls risks – risk of a misstatement due to error or fraud that could occur and not be prevented or detected by Council's internal controls. The assessment of internal controls risks is performed during the internal controls stage after performing test of internal controls (please refer to item 4 of this document).

The risk of material misstatement will be based on the combination of inherent and controls risks as demonstrated in the table below:

		Inherent Risks		
		HIGH	MEDIUM	LOW
Controls	HIGH	H	H	M
	MEDIUM	H	M	L
	LOW	M	L	L

The risk of material misstatement will determine the nature and extent of our audit procedures and sample sizes to be utilised. Once we assess the risk of material misstatements we will be able to design our substantive audit procedures.

6. SUBSTANTIVE PROCEDURES

From our risk analysis (please refer to item 6 of this document), we are able to design and refine appropriate substantive procedures, including analytical review and test of details, to address identified risks of material misstatements of financial statements.

Testing methods to be applied to account balances and transactions include:

- Analytical procedures
- Reconciliations
- Recalculations
- 3rd Party Confirmations
- Analytical Review
- Enquiry
- Observation & Inspection

We are still to confirm dates for our final visit to perform our final substantive procedures. Our final visit usually occurs during September or October.

7. COMPLETION

This stage consolidates all the audit work performed during the previous stages. We perform a final risk of material misstatements assessment and conclude whether procedures performed were sufficient to reduce the audit risk to an acceptable level. We evaluate the results of audit testing and determine whether adjustments to the financial statements are required, and review the financial statements regarding the best presentation of these reports.

The review of the financial statements will include:

- Review of presentation of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of cash flows; and
- Review of notes disclosures

Key deliverables to complete the engagement include:

- List of Immaterial Uncorrected Misstatements;
- Final report listing key matters addressed during the audit;
- Final auditor's report; and
- Final Management Letter

8. AUDIT TIMETABLE

The following is an indicative timetable for the audit. Actual audit dates will be negotiated with the Council to ensure that dates are convenient.

Audit Activities	Indication of Dates
1. Initial Meeting with the audit committee	30 April 2018
2. Initial Meeting with Finance Management and Key Staff Members	Early May
3. Detailed Audit Plan / Audit Program Development	Early May
4. Interim Site Visit	9-11 May
5. Interim Management Letter	May / June
6. Final Audit Visit - TBA	September / October
7. Final Auditor's Report – TBA	September / October
8. Final Management Letter - TBA	September / October

APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS

FIXED ASSETS

Risks

R1	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent.
R2	If fixed assets are not securely stored, they may be subject to damage or theft.
R3	If fixed assets are not valued correctly, the management reports and financial statements will be misstated. For example, incorrect carrying values may result from the use of inappropriate depreciation rates.
R4	Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals.
R5	Fixed Asset maintenance and/or renewals are inadequately planned.

RISKS	Control	Control Type
R1	There is a process in place for the verification of fixed assets which is reconciled to the FAR.	Core
R1	Recorded changes to the FAR and/or masterfile are approved by appropriate staff compared to authorised source documents and General Ledger to ensure accurate input.	Core
R1	All fixed asset acquisitions and disposals are approved in accordance with Delegation of Authority and relevant Procurement and Fixed Asset Policies.	Core
R1	Maintenance of the fixed asset register is limited to appropriate staff with consideration to segregation of duties.	Core
R1	Council has an asset accounting policy which details thresholds for recognition of fixed assets which is monitored to ensure adherence.	Core
R1	Reconciliation of fixed assets to the General Ledger is performed in accordance with schedule of review or procedure.	Core
R1	Asset register calculations are reviewed for accuracy.	Core
R1	Fixed assets are recorded on acquisition, creation or when provided free of charge to facilitate accurate identification of assets and recording of details with regards to the Asset Accounting Policy.	Core
R1	Asset maintenance is planned and monitored with relevant staff in accordance with the Asset Management Plans	Additional
R2	Where appropriate, fixed assets are secured and access is restricted to appropriate staff and authorised users.	Core

RISKS	Control	Control Type
R2	Where appropriate, identification details are recorded for portable and attractive assets such as IT and fleet assets, on acquisition to facilitate accurate identification.	Additional
R3	Relevant staff review useful lives, residuals, valuations, depreciation methodology and test for impairment as required by Accounting Standards and legislation to ensure that methods used are still appropriate and significant changes are incorporated into Asset Management Plans.	Core
R3	Profit or loss on disposal calculations can be substantiated and verified with supporting documentation.	Core
R4	Depreciation charges are calculated in accordance with the asset accounting policy and compliant with relevant accounting standards, including the useful life, depreciation method and residual values.	Core
R5	Asset Management Plans are prepared and renewal expenditure and programmed maintenance required is reviewed periodically to reflect changing priorities, additional asset data and other relevant factors.	Core
R5	Asset Management Plans for all major asset classes are adopted and reviewed by Council as required by the Local Government Act 1999.	Core

Purchasing and Procurement

Risks

R1	Council does not obtain value for money in its purchasing and procurement.
R2	Purchases of goods and services are made from non-preferred suppliers.
R3	Purchase orders are either recorded inaccurately or not recorded at all.
R4	Purchase orders are made for unapproved goods and services.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1	Council has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1,R2	Employees must ensure all purchases are in accordance with Council's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Core
R1	The organisation has a process in place to ensure use of preferred suppliers where relevant to maximise the best value for money to Council	Core
R2,R3	There is a process in place to review purchasing patterns and ensure maximum use of preferred suppliers	Additional
R3	Purchase order numbers are either system generated and/or sequentially numbered.	Core
R3	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core
R3	There is a process in place to follow up and action incomplete purchase orders.	Additional
R5	Access to the supplier master file and ability to make changes is restricted to appropriately authorised staff.	Core
R5	There is a process in place to review the supplier master file for ongoing pertinence and ensure all changes are checked against source documents to ensure they were input accurately.	Additional

CONTRACTING

Risks

R1	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process.
R2	Council does not obtain value for money in relation to its Contracting.
R3	Commitments are made for unapproved goods and services

RISKS	Control	Control Type
R1,R2	There are robust and transparent evaluation and selection processes in place to engage contractors where relevant in accordance with the Code of Conduct, Conflict of Interest and Procurement Policy.	Core
R1	The selection panel is made up of appropriate personnel who have declared any relevant conflict of interest to ensure that informed and objective decision is made when selecting contractors.	Core
R1	Council maintains a current contract register.	Core
R1,R3	There is a process in place to ensure that commitments are made with approval by Council or delegated staff.	Core
R1,R2	There is a contract management process in place throughout the term of the contract to ensure that supplier/contractor meet their obligations.	Core
R2	There is an ongoing management in place that identifies and manages deliverables, key contact clauses, responsibilities, milestones and includes dispute resolution procedures.	Core

RATES / RATES REBATES

Risks

R1	Council does not raise the correct level of rate income.
R2	Rates and rate rebates are either inaccurately recorded or not recorded at all.
R3	The Property master file data does not remain pertinent.
R4	Rates are not collected on a timely basis.

RISKS	Control	Control Type
R1,R2	Rates are automatically generated by the rate system, including the calculation of rate rebates and other parameters as applicable.	Core
R2	Rates are generated and tested for accuracy of calculation methodology prior to the rates billing run	Core
R1	All software changes to rate modelling functionality fully tested and reviewed by relevant staff.	Core
R1	There is a rating policy in place that is reviewed annually that provides clear guidance on rating methodology and relevant rebates and remissions in line with legislation.	Core
R2	Annual valuation update is balanced prior to the generation of rates; all mismatches resolved prior to finalising rate generation.	Core
R2	All rate rebates and adjustments including write offs are appropriately authorised, with reference to Delegations of Authority and source documents.	Core
R4	There is a process in place to ensure that rates are collected in a timely manner and overdue rates are followed up.	Core
R3	Recorded changes to property master file data and any rate adjustments are compared to authorised source documents to ensure that they were input accurately. An audit trail is maintained for all changes.	Core
R3	Access to the Property master file is restricted to appropriately designated personnel, with a process in place to ensure changes are in line with policies and procedures.	Core
R2	Employees responsible for processing rate payments and rebates cannot process their own payments or rebates unless the transaction is approved by someone independent of the process	Core

PAYROLL

Risks

- | | |
|----|--|
| R1 | Payroll expense is inaccurately calculated. |
| R2 | Payroll disbursements are made to incorrect or fictitious employees. |
| R3 | Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all. |
| R4 | Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file. |
| R5 | Voluntary and statutory payroll deductions are inaccurately processed or without authorisation. |
| R6 | Employees termination payments are not in accordance with statutory and enterprise agreements. |

RISKS	Control	Control Type
R1	Where possible standard programmed formulae perform payroll calculations.	Core
R1, R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R1	All calculations for generating payroll payments are verified for accuracy.	Core
R4,R5	Managers periodically review listings of current employees within their departments and variances are investigated.	Additional
R1	Payroll is periodically reconciled to the General Ledger accounts.	Additional
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R2	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R2	The payment of the payroll is authorised by appropriate staff not involved in the preparation of the payroll.	Core
R2	Employee records to include employment details and/or contract terms and conditions, authorisations for payroll deductions and leave entitlements.	Core
R2	There is a process to ensure employees are made inactive in payroll records upon termination	Core

RISKS	Control	Control Type
R2	There is a process to ensure employees are made inactive in payroll records upon termination	Core
R5	All payroll deductions must be approved by the relevant employee.	Core
R3	There is a process to ensure the total of payment summaries for the year is reconciled to the general ledger and payroll and is appropriately reviewed.	Core
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core
R2	There is a segregation of duties from those preparing the payroll to those responsible for preparation of source documents (e.g. timesheets, leave requests etc).	Core
R2	Payroll system generates audit reports detailing all payroll changes and there is a process in place to ensure all changes are reviewed and verified against source documents.	Core
R2	There is a process in place to ensure employees are not added to the payroll masterfile, nor details amended or amounts paid without receipt of the appropriate forms which have been authorised by relevant staff.	Core
R5	Access to the payroll deduction listing is restricted to authorised staff.	Core
R6	There is a process in place to ensure termination payments comply with relevant policies, procedures and legislation.	Core
R3	Time recording and attendance exceptions such as TOIL or flexitime are based on relevant policies/agreement are identified, monitored and corrected.	Core
R4	The ability to access, modify or transfer information contained in the payroll master files is restricted to authorised staff.	Core

ACCOUNTS PAYABLE

Risks

R1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
R2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
R3	Disbursements are not authorised properly.
R4	Accounts are not paid on a timely basis.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1,R2,R4	Statements received from suppliers are reconciled to the supplier accounts in the accounts payable subledger regularly and differences are investigated.	Additional
R3	Records must be maintained of all payments with supporting documentation.	Core
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R5	Access to the supplier masterfile is restricted to authorised staff	Core
R2,R5	Separation of Accounts Payable and Procurement duties.	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Predetermined variances between Purchase Orders and Invoices are assessed and payment released only after verification by the officer with delegation to do so.	Additional
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R4	Relevant staff to review aged payables listing on a predetermined basis and investigate where appropriate.	Core
R5	Recorded changes to the supplier master file are compared to authorised source documents to ensure that they were input accurately.	Core

RISKS	Control	Control Type
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Additional
R3	Employee expenses claims must be approved by authorised staff and independently verified and include relevant substantiation.	Core
R4	There is a system generated report detailing supplier invoices due for payment at any one time.	Core
R5	There is a process in place to ensure the supplier master file is periodically reviewed for ongoing pertinence.	Additional

DEBTORS

Risks

- R1 Debtors are either inaccurately recorded or not recorded at all.
- R2 Rebates and credit notes to debtors are either inaccurately recorded or not recorded at all
- R3 An appropriate provision for doubtful debts is not recorded
- R4 Debtors are either not collected on a timely basis or not collected at all
- R5 The Debtors master file data does not remain pertinent.

RISKS	Control	Control Type	CSA Importance	Weighting
R1, R4	Debtor's reconciliation performed on a regular basis to the General Ledger and reviewed by an independent person.	Core		4
R1	Council maintains a Debt Collection Policy.	Core		5
R2, R3, R4	Management and/or Council review and approve all rebates, credit notes, bad debt write-offs and movements in the provision for doubtful debts, in accordance with delegations of authority and Local Government Act.	Core		5
R3, R4	Management reviews debtors ageing profile on a regular basis and investigates any outstanding items.	Core		4
R5	Access to the debtor's master file is restricted to appropriately designated personnel and is reviewed by management for accuracy and on-going pertinence.	Core		5
R5	Recorded changes to debtor's master file data are compared to authorised source documents or confirmed with customers/ratepayers to ensure that they were input accurately.	Core		4

RECEIPTING

Risks

R1	Receipts are either inaccurately recorded or not recorded at all.
R2	Receipts are not deposited at the bank on a timely basis.

RISKS	Control	Control Type
R2	Prior to and during the banking process, cash is stored securely at all times.	Core
R1	Customers are provided with a system generated or pre-numbered (manual) sequential tax compliant receipt detailing payment made.	Core
R1	There is a review process for the authorisation of the reversal of transactions.	Additional
R1	Receipt transactions are reconciled to the daily takings and out-of-balance banking is corrected promptly.	Core
R2	Receipts are deposited regularly at the bank by a person independent from the initial recording of the cash receipts.	Additional

BANKING

Risks

R1	Banking transactions are either inaccurately recorded or not recorded at all.
R2	Fraud (i.e. misappropriation of funds)

RISKS	Control	Control Type
R1,R2	There is a process in place to ensure all cash, blank cheques and/or cheque signing machine are adequately safeguarded.	Core
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1,R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core
R2	Cash transfers between bank accounts and investment bodies are undertaken by appropriate staff.	Core
R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core

GENERAL LEDGER

Risks

R1	General Ledger does not contain accurate financial information
R2	Data contained within the General Ledger is permanently lost.

RISKS	Control	Control Type
R1,R2	All major updates and changes to General Ledger finance system are authorised, tested and documented.	Core
R1,R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1,R2	Financial data is backed up and stored offsite.	Core
R1	Finance system does not allow posting of unbalanced journals or if it does regular reviews are conducted on the suspense account and discrepancies investigated and actioned.	Core
R1	Amendments to the structure of the General Ledger framework and accounts are reviewed and approved by appropriately authorised personnel.	Core
R1,R2	General Ledger policies and procedures are appropriately created, updated and communicated to relevant staff.	Core
R2	Formal disaster recovery plan is in place and communicated to relevant staff.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core

CREDIT CARDS

Risks

R1	Credit Cards are issued to unauthorised employees.
R2	Credit Cards are used for purchases of a personal nature.
R3	Credit Card limits are set at inappropriate levels.

RISKS	Control	Control Type
R1,R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	Core
R1,R2	Credit card holders sign a declaration confirming compliance with Council policy and procedures prior to the Credit Card being released.	Core
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	Core
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to Council.	Core
R3	There is a process in place to ensure credit card limits and usage is reviewed for operational efficiency.	Core

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 30 April 2018
AGENDA BUSINESS ITEM**

Item: 6.5

Originating Officer: Mike Carey, Manager Financial Services

Responsible Director: Terry Crackett, Director Corporate Services

Subject: Quarterly Debtors Report

For: Information

SUMMARY

The Audit Committee has previously requested and received a list of outstanding debtors on a quarterly basis.

This report covers the period ending 31 March 2018.

RECOMMENDATION

The Audit Committee resolves that the report be received and noted.

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal	Organisational Sustainability
Key Issue	Risk and Responsibility

➤ **Legal Implications**

Council may obtain funds by recovering fees, charges, penalties or other money payable to it under S133 of the *Local Government Act 1999*.

Council also has obligations specified within the current Community Wastewater Management Scheme (CWMS) licence that require an endorsed hardship policy for customers. Failure to establish this policy will result in Council breaching current licence conditions.

➤ **Risk Management Implications**

Monitoring the balances of Debtors through regular reporting will assist in mitigating the risk of:

Poor debt recovery practices which lead to increased levels of overdue debtors will negatively impact on Council's current cashflow as well as reduce the likelihood of future debt recovery.

Inherent Risk	Residual Risk	Target Risk
Extreme (4B)	Medium (3D)	Medium (3D)

➤ **Financial and Resource Implications**

Close monitoring of debt supported by an agreed Policy will ensure that any cashflow impact on Council is minimised.

➤ **Customer Service and Community/Cultural Implications**

Nil

➤ **Environmental Implications**

Nil

➤ **Engagement/Consultation conducted with Council Committee, Regional Subsidiary, Advisory Group, the Administration and Community**

Council Committees: Not applicable

Advisory Groups: Not applicable

Administration: Operational areas have been involved in the development of this report to provide specific details, where necessary. Financial Services have overall responsibility for the Accounts Receivable function within Council, being involved in invoicing and follow up of amounts where they are not paid in a timely basis.

Community: Not applicable

2. **BACKGROUND**

Council generates income from a variety of sources including rates, grants, fines (infringements), development applications and fees and charges for the provision of goods and services to individuals, businesses and other organisations in the community.

This income is managed using financial management systems which also enables recording of amounts owing to Council and information relating to amounts paid. Appropriate action can be taken to collect amounts owing where they are not paid in a timely manner.

A Debt Recovery Policy adopted in December 2015 supports the sale of land for unpaid rates where arrears are in excess of the 3 year requirement outlined within s184 of the *Local Government Act 1999*.

The Debtors report covering balances as at 31 December 2017 was last presented to the Audit Committee on 20 February 2018.

3. ANALYSIS

Rates Debtors

The table below compares Council's debtor balances, over the most recent four (4) year ends, summarised by category. It shows the size of the debtors, but not the age.

Rate Debtor Comparison across Financial Years \$'000				
Debtors	June 2014	June 2015	June 2016	June 2017
Rates General	1,629	1,908	1,539	1,333
Rates Postponed	22	20	25	55
	1,651	1,928	1,564	1,388

Council's rates debtor balances is dominated by rates that are struck in full in July, then quarterly fluctuations of receipts, which makes comparison of rates debtors within the year difficult to interpret. As such, and as previously advised, it is intended that this debtor is reported in detail on an annual basis with interim updates on amounts outstanding.

Sale of Land for Non Payment of Rates Update

Following the development of the Debt Recovery Policy in 2015, 11 properties were initially processed for sale. Of these properties nine paid rates in full before sale, one involved the 'squatter' and was settled on auction day, and one sold on the day. The process was very successful with approximately \$120k recovered.

A further \$184 Sale of Property for Non Payment of Rates process for 11 properties totalling \$107k was endorsed by Council on 25 October 2016. All of these properties have since paid the outstanding rates that were owed in order to avoid sale.

Because of the media focus given to Council's proactive approach to recovering unpaid rates, there has been a positive impact on the levels overdue where payment arrangement are not entered into.

A process has recently commenced to progress a further 8 properties to sale. Whilst all of these properties are residential properties that are currently occupied, all attempts to recover the outstanding rates have been unsuccessful. As such, the current owners of these properties have been issued a notice of intent to sell and a report seeking endorsement from Council was presented to Council at the 24 April 2018 Council meeting.

Sundry Debtors

A summary of the Aged Debtors as at 31 March 2018 has been provided within **Table 1** of this report with the total Sundry debtors outstanding totalling \$432k.

In relation to **Table 1** following points of clarification are provided:

- The Additional bins debt in > 150days have been reduced from \$12,356 at 31 December 2017 to \$5,671 as at 31 March 2018 due to more effective debt collection activity. The amount > 150 days has been further reduced to \$4,810 since month

end. As mentioned previously, all additional bin debtors with outstanding balances at the end of March 2018 will have their waste service ceased by East Waste.

- The Burial fees category includes an amount of \$85k in late March which is considered will be paid in the near future. The balance > 150 days represents 6 debtors of which one for \$1,546 has been included in the provision for doubtful debts
- The balance of > 150 days for Miscellaneous has been reduced from \$67k to \$59k. Of those debtors in the > 150 days category, the larger outstanding amounts include:
 - \$7k for AHBTC tenancies relating back to 2016 or earlier (reduced from \$13k as at the end of December 2017);
 - \$28k relates to AHBTC Debtors previously invoiced by Pope Nitschke. AHC staff are actively working with tenants to resolve some inconsistencies between the Agent's, Council's and tenant's records around these outstanding amounts. We expect this to be resolved before the next Audit Committee meeting;
 - \$12k relating to a Sporting Club Debt which Council is waiting on a payment proposal which if not received in the near future will result in the debt being referred to our debt collection agency;
 - The Property Management team have indicated that the 150 day debts are currently a priority to resolve as soon as possible.

Table 1 – Aged Debtors Summary as at 31 March 2018

Description	TOTAL	<30 Days	<60 Days	<90 Days	<120 Days	<150 Days	>150 Days
Additional Bins	13,803	0	694	6,113	1,324	0	5,671
Burial Fees	119,148	102,039	4,226	6,080	150	0	6,654
Fire Hazard Reduction	1,436	0	0	0	0	0	1,436
Food Premises Inspection	8,357	3,406	0	0	151	0	4,800
Grants Receivable	0	0	0	0	0	0	0
Miscellaneous	287,985	144,403	55,131	14,300	11,760	3,698	58,692
Private Works	65	0	0	0	0	0	65
Road Rents	1,239	0	0	0		0	1,239
TOTAL: 31/3/2018	432,031	249,847	60,051	26,493	13,385	3,698	78,557

TOTAL: 31/12/2017	346,257	129,349	30,041	27,212	6,593	62,701	90,361
TOTAL: 30/9/2017	1,376,429	1,184,457	72,348	42,496	1,131	12,962	63,035
TOTAL: 30/6/2017	620,677	479,988	35,699	2,966	1,045	252	100,727
TOTAL: 31/3/2017	235,285	98,615	608	2,612	1,282	5,880	126,288
TOTAL: 31/12/2016	264,684	88,943	11,508	3,221	22,118	8,226	130,668
TOTAL: 30/9/2016	295,149	121,555	9,053	69,335	6,290	13,671	75,245
TOTAL: 30/6/2016	369,569	160,809	63,538	36,181	7,055	20,976	81,011
TOTAL: 30/11/2015	481,456	131,857	181,985	27,707	(3,288)	1,434	141,761

Community Loans

At the Council meeting held 24 April 2018 a Community Loans Policy was adopted that required the annual reporting of outstanding loans. A summary of the community loans as at 31 March 2018 has been provided below with the following points of clarification provided:

- The Woodside Bowling Club and Lobethal Recreation Ground Sports Club loans are up-to-date.
- The Mt Lofty Districts Sports Club have not yet paid their final 2 loan repayment invoices from September 2017 and March 2018, respectively totalling \$3,032. Council is waiting on a payment proposal from the club which if not received in the near future will result in the debt being referred to our debt collection agency.

Table 2 –Community loans Summary as at 31 March 2018

Loans to Community Organisations	31 March 2018 Balance (Principal) \$	Interest Rate (%)	Maturity Date
Mt Lofty District Sports Club (Deb16)	2,903	5.85	17/03/2018
Woodside Bowling Club (Deb24)	6,926	6.25	15/09/2018
Lobethal Rec Ground Sports Cl (Deb14)	68,343	7.30	30/06/2022

4. OPTIONS

The Audit Committee is limited to receiving this report.

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 30 April 2018
AGENDA BUSINESS ITEM**

Item: 6.6

Originating Officer: Lachlan Miller, Executive Manager Governance & Performance

Responsible Director: Terry Crackett, Director Corporate Services

Subject: 2018-19 Draft Annual Business Plan

For: Information

SUMMARY

This report presents the Draft 2018-19 Annual Business Plan (**Appendix 1**) for Audit Committee review and feedback.

The draft Plan has incorporated a 3.3% rate increase, delivers a \$252k operating surplus and provides for a gross capital works program totalling \$15.535 million.

Section 123 of the *Local Government Act 1999* states that Council is obliged to consider community feedback with respect to its Annual Business Plan prior to its adoption.

Council endorsed the draft Annual Business Plan for consultation on 24 April 2018, with the consultation period closing on 25 May 2018.

RECOMMENDATION

The Audit Committee resolves that the report be received and noted.

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal: Organisational Sustainability
Strategy: Financial Sustainability

The Adelaide Hills Council has consistently met its financial sustainability targets and is on track to continue this strong trend into the foreseeable future. The draft 2018/19 Annual Business Plan attached to this report is built around the following key principles:

- Operating within our means
- Managing debt responsibly

- Reducing the infrastructure asset renewal backlog
- Keeping rate increases low
- Funding new or enhanced services through efficiency savings.

➤ **Legal Implications**

The preparation of an Annual Business Plan is a requirement of Section 123 of the *Local Government Act 1999*, and the Local Government (Financial Management) Regulations 2011.

Section 123(3) of the Act states that before a council can adopt its annual business plan that it must prepare a draft plan and follow the relevant steps set out in its public consultation policy (i.e. consultation for at least 21 clear days).

Section 123 (4) of the Act requires that publication of a notice in a newspaper circulating in the area informing the public of the draft annual business plan and inviting interested persons to attend a meeting of the council to ask questions and make submissions for a period of at least one hour.

➤ **Risk Management Implications**

Preparing an Annual Business Plan as required by the Act and Regulations will assist in mitigating the risk of:

Inability to discharge role and functions of a local government entity leading to a breach of legislation and loss of stakeholder confidence.

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	High (5E)	High (5E)

It ensures that financial resources are deployed in areas that align with Council's Strategic Management Plans, are affordable and support Council's Long Term Financial Plan.

➤ **Financial and Resource Implications**

Without an Annual Business Plan, Council risks allocating resources in a manner which compromises its financial sustainability.

Council has developed a Long Term Financial Plan (LTFP) that sets income and expenditure targets for the 2018-19 Budget. Any significant variation to those targets will potentially have an impact on the long term financial position of the Council.

The draft Annual Business Plan does however strongly align to the Year 1 targets that have been established in the LTFP.

➤ **Customer Service and Community/Cultural Implications**

Without an Annual Business Plan, Council risks pursuing strategies and projects which fail to deliver acceptable levels of customer service and adversely affect the community.

➤ **Environmental Implications**

The Annual Business Plan incorporates projects and supports ongoing actions to deliver Council's environmental goals as set out in the Strategic Plan.

➤ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

Section 123 of the Act states that Council is obliged to consider community feedback with respect to its Annual Business Plan. Engagement in this instance will be of the 'consult' type in the context of the Council's Community Engagement Framework and will be conducted from 30 April to 25 May 2018.

Consultation will be publicised in a variety of ways including:

- An advertisement (notice) in the Courier newspaper and the Weekender Herald newspaper
- Information in the Council's e-newsletter, Hills Voice, distributed in early May
- Information on the Council's website and online engagement portal
- Posts through the Council's social media channels (Facebook and Twitter)

The draft Plan will be available for viewing in a number of ways including:

- On the Council's website and online engagement portal
- At the Council's customer service centres, community centres and the mobile library
- By mail on request.

Interested persons can query elements of the plan in person at the Council's service centres, by phone, by email or using the 'Question and Answer' facility on the Council's online engagement portal.

People will be able to make submissions in a number of ways including:

- Through the Council's online engagement portal
- In writing by mail or email
- In person at a public meeting of the Council at 6.30pm on 22 May 2018.

2. BACKGROUND

The draft 2018-19 Annual Business Plan has been developed to reflect the objectives endorsed within the Long Term Financial Plan (LTFP), Asset Management Plan (AMP) and Strategic Plan. Council resolutions, staff and community feedback and risk assessments have also informed projects and programs included in the Plan.

The draft Plan seeks to ensure a sustainable balance between service needs, financial responsibility (including infrastructure renewal and additions), and the capacity of the community to pay. The draft Plan also draws from all areas of Council's Strategic Management Plans because they present, in financial terms, the activities of Council as a whole.

The *Local Government Act 1999* has a number of requirements relating to the preparation of the Annual Business Plan and the Annual Statements and the setting of Rates. This report and the activities which it recounts address those requirements.

It should be noted that prior to consultation the draft Plan will incorporate minor refinements to ensure consistency in formatting, as well as capturing new or amended pictures.

3. ANALYSIS

Assumptions used in the development of the budget reflect those endorsed within the LTFP and have been outlined within the Draft Annual Business Plan. Key variations within each major program have also been provided.

Operating Position

Council's draft 2018-19 budget included within the Plan provides for an operating surplus of \$252k, which reflects the careful control of both operating expenses and rates income.

The operating expenditure budget is projected at \$43.9 million, which includes \$8.4 million of depreciation. Operating revenue is projected at \$44.2 million and includes a proposed 3.3% increase in average rates plus anticipated growth from new development of 0.8%.

A number of key factors have influenced the preparation of Council's draft Plan and Budget. These include:

- Local Government Price Index increases on relevant goods and services, which in recent years has tracked above CPI.
- Provision for Enterprise Bargaining Agreements for most staff which determine conditions of employment and provide for annual salary and wages increases.
- Maintaining asset management (renewal) expenditure at a sufficient level to ensure long term maintenance of Council infrastructure, property and IT assets.
- Increased maintenance requirements due to an increase in capital works and construction of new assets over recent years.
- Ensuring key strategies from Council's Strategic Plan and Functional Strategies are costed appropriately.
- The impact of China mandating and enforcing stringent quality requirements for imported recycled materials (China Sword) has resulted in a significant financial impact on Council's budget including income reduction of \$110k and increased expenditure of \$228k.
- State Government budget decisions including a significant waste levy increase of over \$70k for 2018-19 and a required \$36k contribution from council for a planning portal.
- Grant funding including a reduction of \$656k in Council's Roads to Recovery grant income for 2018-19 as a result of the timing of Commonwealth Government payments.
- The divestment of the southern side of AHBTC resulting in reduced rental and reimbursement income but offset by reduced operating costs.
- The activation of an Arts and Heritage Hub resulting in a net cost of \$255k in 2018-19.

In response to the cost imposts on Council and to minimise the burden on ratepayers, Council has continued its work and review of saving strategies including service sustainability.

Saving strategies identified as part of the budget preparation include organisational initiatives, service reviews, contract management efficiencies and savings, infrastructure and work planning actions as well as people management initiatives. These reviews have already identified savings in contracting budgets across the corporation which have been realised in building the 2018-19 budget.

Capital Expenditure

The 2018-19 Capital Budget continues to focus on the renewal of infrastructure. The Council has in excess of \$504m (Current Replacement Values) of infrastructure assets that it manages, to ensure that the current and future community have access to the ongoing services these assets provide for community benefit.

This year our capital investment program of \$15.535m will include:

- \$ 10.408m on the renewal of our existing asset
- \$ 2.077m in providing additional assets for capacity improvements to our infrastructure to meet service level demand.
- \$3.050m (net \$0.855m) for new capital initiatives.

This level of capital investment is higher than the Long Term Financial Plan target and is considered to be the appropriate level of sustainable investment to meet the Council strategic goal to have a proactive long term view regarding the renewal and maintenance of its infrastructure.

Council receives many community requests, proposals and bids for new/ upgraded infrastructure that are considered as part of the development of the annual business plan. Not all projects can be funded and many are ranked as a lower priority, considering strategic plans/ documents, long term asset management and policy positions. Examples of projects considered but not included; Blummel Street Footpath Upgrade, Glover Street Footpath upgrade - Scott Street to Oval, Walking Trail and Pedestrian footbridge Bridge over the River Torrens between Forreston and Gumeracha, Stormwater Open Drain 20 Nairne Road, Stormwater Open Drain St Matthews Place Bridgewater and the sealing of unsealed roads across the region (Glover Road, Mundoo Lane, Gully Road, Smith Road, Levett Road, Bracken Lane, Chapman Road and Maidment Road)

A detailed listing of capital expenditure items is provided as **Appendix 2** in the draft 2018-19 Annual Business Plan.

New Programs and Initiatives

The Annual Business Plan has been developed with the inclusion of a large number of new programs and initiatives. Importantly these new programs and initiatives, which total net \$1.687 million for 2018-19 have been provided for whilst still meeting the targets for both operating and capital expenditure as set out within the Long Term Financial Plan. Details of the initiatives are contained within the draft Plan.

Rating Policy

A detailed review of Rating Policy was undertaken prior to the adoption of the 2016-17 Budget with amendments to Policy, including an increase in the Fixed Charge, being incorporated into the Annual Business Plan for that year.

For 2018-19 a further review of the Rating Policy has been undertaken focussing on the following:

- Analysis of impacts on the commercial and industrial sectors
- Rate rebates and in particular the review of discretionary rebates

Commercial and Industrial Rates

For 2017-18, Commercial and Industrial properties were rated at 15% above the General Residential rate in the dollar. However, when the 2017-18 Plan and Budget were adopted at Council's meeting on 27 June 2017, Council also resolved to consider as part of its next review of the Rating Policy, the appropriateness of the current higher differential rate for commercial property.

In response to the Council resolution, rating information in relation to commercial and industrial properties was provided at Council's 2018-19 Annual Budget Planning Workshop for Council Members held on 6-7 April 2018.

In summary this indicated that for 2017-18:

- Council collects \$1.334m from 610 Commercial and 77 Industrial ratepayers.
- 153 of these ratepayers also pay the Stirling Business Separate Rate.
- the extra 15% above the General Residential rate in the dollar provides an additional rates contribution of \$119k for 2017-18.

It was subsequently agreed as an outcome from the workshop that Council be provided with additional financial information in relation to increases to the commercial and industrial rate above 15% in appropriate increments to assist Council in determining the commercial rate for consultation.

This information is provided in the table below.

Amount generated if Residential Rate in \$ used	% above Residential Rate in \$	Commercial Rates Generated	Increase from current 15%	Amount Generated over Residential Rate
\$'000s	%	\$'000s	\$'000s	\$'000s
1,215	15%	1,334	-	119
	20%	1,374	40	159
	25%	1,413	79	198
	30%	1,453	119	238

Following consideration by Council on 24 April 2018 the draft 2018-19 Budget included in the draft 2018-19 Annual Business Plan has been based on the existing additional 15% for commercial and industries properties.

Rate Rebates

Council has conducted a high level review of all the properties that currently receive a rate rebate (both mandatory and discretionary) as well as those properties that are exempt for rates to help determine a position that aligns to Council's rating principles particularly in relation to equity.

When rate rebates are applied to properties those rates foregone must then be redistributed to the rest of the community. This principle of equity will seek that Council be cognisant of this distribution when considering the use of rebates.

In addition, the rate rebate policies of other councils were also reviewed to help formulate Council's rate rebate position. It was noted that there was significant variability in relation to individual council positions in relation to discretionary rate rebates with the following worthy of note:

- A number have capped the maximum discretionary rate rebate to 75% to ensure all ratepayers contribute an amount to basis service provision
- Some had limited eligibility only to not-for profit organisations and organisations with broad community benefit and where access by the general public was not restricted
- Some have specified where rebates will not be granted, ie aged care facilities or groups and organisations whose purposes are considered to be primarily the responsibility of State or Federal Government
- Some have an endorsed rebate percentage for each category of rebate listed under Section 166 of the Act
- A number have a closing date for discretionary rate rebate applications – generally around 30 April so that rate revenue is not impacted by late rebate applications
- Some have a maximum timeframe period for discretionary rate rebates - 2 years or for the council term
- A number require confirmation of continued eligibility on a regular basis ie annually/biennially

Consideration was also given to the following in relation to the services and activities undertaken by bodies and organisations seeking a rate rebate:

- alignment to Council's Strategic Plan, related strategies and functional strategies being services that would be required to be provided by Council if not undertaken/ offered by organisations seeking a rebate
- the role of Council as opposed to the role of other spheres of Government in community service delivery
- the legislative requirements under Section 166 of the LGA including the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons

As such, the following key policy positions in relation to discretionary rate rebates have been included within the draft Rating Policy for consultation.

- a discretionary rebate of 100% will only be granted where community organisations seeking a rebate are:
 - significantly aligned to Council's outcomes, being services that would be required to be provided by Council if not undertaken/ offered by organisations seeking a rebate (including Community Halls); or
 - providing community services that support the disadvantaged or sections of the community that require assistance;
- In all other circumstances, the **maximum** discretionary rebate will be 75% to ensure ratepayers contribute an amount towards basic service provision.
- Discretionary rebates should be considered for organisations which have a limited capacity to raise funds and not be provided to groups and organisations whose purposes are considered to be primarily the responsibility of State or Federal Government or to "for profit" organisations
- that approved discretionary rebates should only be granted for the period of the Council term
- an application form be required for all discretionary rate rebates with the application closing date being 30 April prior to the rating year
- a summary of discretionary rebates be reported to Council on an annual basis
- a regular review (at least biennially) be undertaken to confirm the continuation of a person or body's eligibility for a mandatory rebate

The updated draft Rating Policy including the proposed rate rebate policy position is included as **Appendix 3 within the Annual Business Plan**.

In addition, it was agreed as an outcome from the 2018-19 Annual Budget Planning Workshop held in early April 2018 that the following rate rebate information would be provided as appendices to the Council Report to assist in determining the Rating Policy position for consultation:

- Current listing of discretionary rate rebates including the impact of changes to those rebates as a result of the proposed rebate policy position (**Appendix 2**)
- Current listing of Mandatory rebates and associated details (**Appendix 3**)
- Summarised list of non-rateable properties and associated detail (**Appendix 4**)

In relation to rate rebates, it was noted that there were some inconsistency in terms of categorisation of properties offering similar services with respect to rateability and the amount of discretionary rebate applied. This included the Scouts Association and RSL. As such, for those organisations it is proposed to leave the existing rebate as is for 2018-19 and review as part of the 2019-20 Annual Business Plan and Budget. This would align to one of the proposed changes to the Rating Policy to review all discretionary rebates at the end of a Council term.

When Council considers the draft 2018-19 Annual Business Plan for adoption at its 26 June 2018 meeting, an accompanying report will be included regarding the application of discretionary rate rebates for 2018-19.

Fixed Charge

The fixed charge provides a mechanism to recognise that all properties have access to “core” Council services, regardless of valuation, and ought to make a contribution to the cost of those services. In addition, the fixed charge provides a mechanism to adjust the rates contributions across high and low valued properties. This redresses the balance and equity of the rate system.

It is proposed that a fixed charge of \$634 be set for 2018-19, representing a 3.3% increase on the \$613.50 levied for 2017-18.

Primary Production Rates

Since 2009-10, the primary production General Rate in the dollar has been set at the same level as the Residential General Rate in the dollar given the majority of properties zoned Primary Production are now used only for residential purposes.

A rebate, however, continues to be available to those primary producers that are genuinely in the business of Primary Production and do not benefit from a Notional Capital Value. This rebate provides a 10% lower General Rate for Primary Production relative to Residential ratepayers.

Separate Rates

Stirling Business Separate Rate:

The draft Policy provides for a continuation of the separate rate for businesses in Stirling (Stirling Business Separate Rate). This rate will raise \$85,000 (the same amount as 2017-18) and is distributed to the Stirling Business Association to promote Stirling as a destination, the ‘Gateway to the Hills’.

There are no proposed changes to the structure of the rate in relation to the categories of land use captured or the level of the ‘top’ and ‘tail’ that have been set in past years, being a maximum level of \$2,145 per property and a minimum of \$240.

Verrall Road Separate Rate:

The draft Policy also provides for a continuation of the separate rate for Verrall Road, Upper Hermitage which provided for the sealing of the northern end of the road in 2014-15. This rate is levied at a value of \$858 per annum on the properties that use this section of road.

A full copy of Council’s Draft 2018-19 Annual Business Plan is included as an attachment to this report (**Appendix 1**).

4. OPTIONS

The Audit Committee has the following options:

1. To receive and note the report
2. To provide feedback on the report for consideration as part of the consultation process.

5. APPENDIX

- (1) Draft 2018-19 Annual Business Plan
- (2) Current listing of discretionary rate rebates
- (3) Current listing of Mandatory rebates
- (4) Summarised list of non-rateable properties

Appendix 1

Draft 2018-19 Annual Business Plan



Adelaide Hills
COUNCIL

2018-19

Draft Annual Business Plan



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Welcome

This is our Draft Annual Business Plan for 2018-19.

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

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

The plan outlines our objectives for 2018-19 and how we're going to achieve them. These objectives are linked primarily to our Strategic Plan, but also come from our other functional strategies and plans.

We hope this plan makes interesting reading and demonstrates our commitment to making the Adelaide Hills *a place for everyone*.

Where to get copies

A digital copy of this report is available at **ahc.sa.gov.au**.

Request a copy by contacting us
(08) 8408 0400

PO Box 44 Woodside SA 5244
mail@ahc.sa.gov.au

Feedback

We welcome your feedback on this report or any other Council matter. Please contact us in ways described left.

Consultation

Consultation on this Draft Annual Business Plan will run from 30 April 2018 to 25 May 2018 and we want to hear what you think about it. Opportunities to be involved include:

- Review the draft plan online, ask questions and make a submission at engage.ahc.sa.gov.au
- Make a written submission by email to mail@ahc.sa.gov.au or by post to PO Box 44, Woodside SA 5244
- Attend a public meeting of the Council at 6.30pm on 22 May 2018 where members of the public can make in-person representations.

Information about the Draft Annual Business Plan and Budget will be included in the Council's electronic newsletter, Hills Voice: your Adelaide Hills, distributed to subscribers on 1 May.

The Council will consider feedback received during the consultation period at its meeting on 26 June 2018 and take this feedback into account before adopting the final Annual Business Plan.

Copies of this draft Annual Business Plan can be viewed online at engage.ahc.sa.gov.au, in person at any Council Customer Service Centre, Community Centre or on the mobile library.

Should you or someone you know need assistance participating in this consultation, please call us on (08) 8408 0400 to discuss how we can help.



Mayor's Message

The focus of this Annual Business Plan is continue to deliver on the goals and objectives of the Strategic Plan in a responsible, prudent and collaborative manner, whilst striving to act in the best interests of the Adelaide Hills community.

In February this year, Council Member and long-term community leader, Councillor Val Hall, passed away. Val was a member of the District Council of Gumeracha prior to amalgamation and was elected to the inaugural Adelaide Hills Council, where she continued to serve on every term of the Council bar one. Val's contribution both in and out of the Chamber was greatly appreciated and she will be missed.

The Marshall Liberal Government was elected in March 2018 with a policy platform including rate-capping for local government. While the passage of enabling legislation will be a matter for the State Parliament, the Adelaide Hills Council is well-placed as it has drafted a responsible and prudent budget with an increase to within 1% of the expected increase in the Consumer Price Index. This modest increase is exactly what we have been telling the community we would do each year until 2020 in our Long-Term Financial Plan. In response to community feedback a number of new projects and initiatives will be started in 2017-18 and the cost of these will be covered by savings made through improved efficiencies.

Council continues to progress its strategic planning and financial sustainability initiatives by including in the Long-Term Financial Plan the cost all of the Strategic Plan and Functional Strategies as they are adopted. This enables both the current and successive Councils to understand the cost implications of their strategic decisions and facilitate the prudent delivery to services and facilities to the community.

Population growth and development within the Adelaide Hills has continued to be modest however the new development of Woodforde and the revitalisation of the Inverbrackie site at Woodside will bring both population increases and demographic changes. The Adelaide Hills Council welcomes these new residents and looks forward to them contributing to the rich culture of the region.

The former Onkaparinga Woollen Mill at Lobethal will enter its next stage of development in 2018-19 when the Arts & Culture Hub is established. This is another major step forward in the masterplanning process which aims to respect and celebrate the economic, heritage and cultural elements of the site.

In 2017, Council completed an Elector Representation Review which examined the composition and structure of the representation arrangements which have been largely the same since the formation of the Council in 1997. The outcome of the review was a Council resolution to retain a popularly-elected Mayor and 12 Councillors and retain wards but reduce the number to two, being the Ranges Ward and Valleys Ward. The new representation arrangements will take effect for the November 2018 Local Government Election.

With the election in November, this will be the last Annual Business Plan developed by the current Council. I believe that there has been strong growth in the quality and range of Council's services and facilities against a backdrop of prudence and financial accountability throughout the current term. I would like to thank the contribution of the Council Members and wish the incoming Members best wishes in their leadership and stewardship of the Council area in collaboration with, and in service to, the Adelaide Hills community.

A handwritten signature in black ink, appearing to read 'Bill Spragg', with a stylized, cursive script.

Bill Spragg
Mayor

Our Community

The Adelaide Hills Council district offers an appealing rural and township lifestyle, on the fringe of metropolitan Adelaide.

The District is primarily a rural living area with the population concentrated in 57 townships and settlements. The towns are located throughout the area along with tracts of native vegetation and prime agricultural land which creates a unique character loved by our communities and visitors alike.

The Adelaide Hills has a resident population of 38,863 (2016 ABS Census) with around 65% of its adult population travelling outside the area for work or education. Those employed locally mainly work in food and wine production, tourism, or provide services for the local population.

The community is generally well educated and well connected. Employment levels are good and there are high levels of volunteering.

While the proportion of babies and children are slightly over the South Australian average, there is a tendency for young people to move out of the district when they reach working age. Likewise, people find it challenging to live in the Hills as they age and the proportion of the population over 70 is lower than in other parts of South Australia.

Further information about our community profile, including trends and considerations, can be found in our Strategic Plan available at ahc.sa.gov.au.

**Based on 2016 Australian Bureau of Statistics Census QuickStats*



Population

38,863



Median Age

44yrs



Number of Townships

57



Number of Dwellings

15,454



Density

49km²



Council Established

1997



Area

795km²



Sealed Roads (Council)

607km



Unsealed Roads (Council)

401km



State Electorates Newland, Schubert
Morialta, Kavel, Heysen, Waite, Bragg



Federal Divisions

Mayo

Our district

The Adelaide Hills' unique characteristics and proximity to metropolitan Adelaide have created many opportunities for tourism and unstructured recreation.

There are over 1,000 kilometres of roads in our district: equivalent to the distance from Adelaide to Canberra. These roads carry city residents and visitors on their country getaways as they drive, ride, cycle, and walk to experience the Hills' natural landscapes and iconic towns and villages.

The region is well known for its natural environment and built character, wineries, eateries and a range of attractions and events.

While the rural and village character of the area remains a traditional constant, the Adelaide Hills is nonetheless undergoing significant change. Over the past decades the focus on traditional agriculture has reduced as some rural lands have transitioned into boutique industries, wineries or large residential properties. This transition from farming to urban fringe activities has impacted on local employment opportunities, particularly within smaller townships.

Much of the district is within the Adelaide watershed and as such, development is largely restricted.

Like many other urban fringe areas, limited public transport, an ageing farm population, a changing agricultural and economic base and difficulties in accessing services have left some people in the area isolated and vulnerable. Nonetheless, the community has exhibited a strong desire, through numerous engagement opportunities, to preserve the hills character as paramount to the way of life within the hills.

Our dispersed population is well provided for with numerous facilities and community services including libraries, community centres, recreation facilities and halls. Some of these are Council owned while many are community owned and/or managed.

The Adelaide Hills area is also a biodiversity hot spot with numerous threatened species. Many volunteers and 'Friends of' park groups devote countless hours to preserving and enhancing the habitat value of these biodiversity hot spots.

This Annual Business plan has been prepared in recognition of the many opportunities and challenges faced by our district and its community, while seeking to achieve the community's aspirations as contained in our Strategic Plan.

Our team

Elected Council

The Adelaide Hills Council was established in 1997 through the amalgamation of the then District Councils of East Torrens, Gumeracha, Onkaparinga and Stirling.

Council currently comprises the Mayor and 12 ward councillors. The Council area is divided into five wards (refer next page), with the Mount Lofty and Onkaparinga Valley Wards each being represented by three ward councillors, and the Manoah, Marble Hill and Torrens Valley Wards each being represented by two ward councillors.

The current Council was elected at the November 2014 Local Government Election.



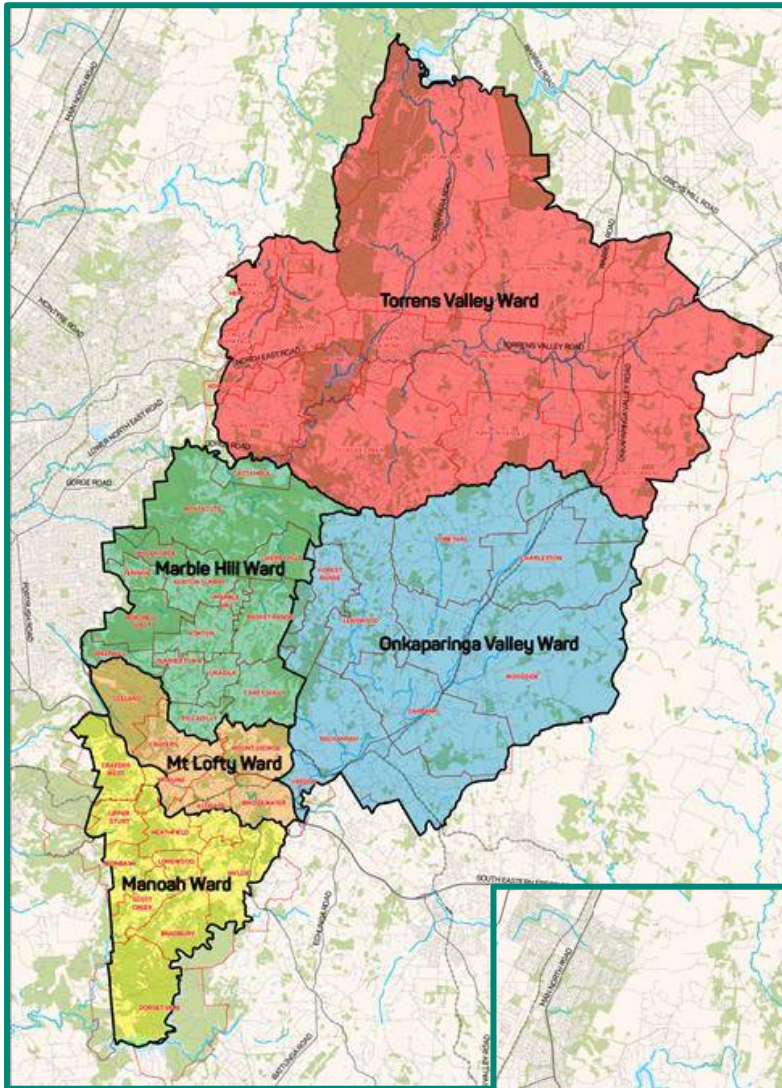
Left to right: Cr Val Hall, Cr Malcolm Herrmann, Cr Nathan Daniell, Cr Kirrilee Boyd, Cr John Kemp, Mayor Bill Spragg, Cr Andrew Stratford, Cr Ron Nelson, Cr Ian Bailey, Cr Linda Green, Cr Lynton Vonow, Deputy Mayor Jan-Claire Wisdom, Cr Jan Loveday.

Sadly in February 2018, Councillor Val Hall passed away after a short illness. Councillor Hall was in her nineteenth year of local government service and a lifetime of community service. Her legacy to the Adelaide Hills community, and particularly her beloved Gumeracha, will remain in the hearts of many members of the Adelaide Hills community.

Elector Representation Review

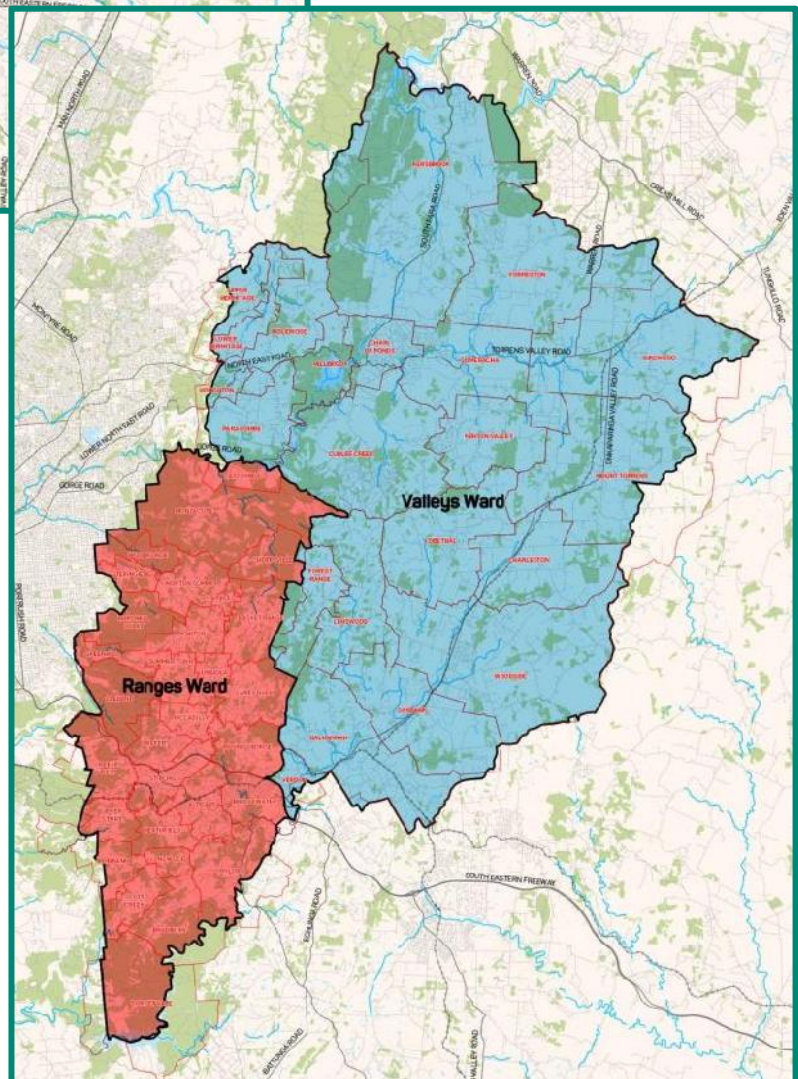
In December 2017, the Adelaide Hills Council completed an Elector Representation Review which is a formal process under Section 12 of the *Local Government Act 1999* to review all aspects of Council's composition, including the division, or potential division, of the council area into wards. In reviewing the representation arrangements, in consultation with the community, the Council resolved on a new structure that will take effect from the November 2018 Local Government Election.

The new structure (refer next page) is for the district to be represented by a Mayor elected by the community, 12 ward councillors, and the creation of two wards to replace the current five ward structure. The Valleys Ward will be created by merging the existing Torrens Valley and Onkaparinga Valleys Wards into one ward with five councillors. The current Manoah, Mount Lofty and Marble Hill Wards will be amalgamated to form the Ranges Ward with seven councillors with the addition of the Basket Range, Cherryville and Carey Gully localities, which were previously divided by ward boundaries, to be wholly within the Ranges Ward.



Left: Adelaide Hills Council's five ward structure, in place until the November 2018 Local Government Election

Below: Adelaide Hills Council's two ward structure, in place from the November 2018 Local Government Election



Organisation structure

Council and Committees

The Elected Council's role is to provide for the government and management of the Council area. It does this through representing the interests of the community; providing and coordinating public services and facilities; encouraging and developing initiatives to improve the community's quality of life; and exercising, performing and discharging its functions under legislation in relation to the Council area.

Council has established three Council Committees to assist it to discharge its responsibilities in specific areas, these are the Strategic Planning & Development Policy Committee (SPDPC), the Audit Committee and the Chief Executive Officer Performance Review Panel (CEOPRP).

Advisory Groups

Council has established a number of Advisory Groups for key subject matters, which provide a unique way for skilled community members to participate in Council processes. These Groups provide advice to the Administration in the formulation of policy and other initiatives for Council's consideration.

Regional Subsidiaries

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

Administration

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

The Chief Executive Officer appoints staff to carry out the functions and duties delegated to them and to implement Council decisions. The Administration is organised into directorates (see next page), each with a specific area of focus and functional responsibilities.

Volunteers play an important role in delivering services to our community. We are fortunate to have a large team of skilled and dedicated people contributing in this way. They teach, cook, garden, drive buses, lead groups, share skills, read, shelve books and much, much more.



Number of Council Members

13 (including Mayor)

Number of electors per Councillor

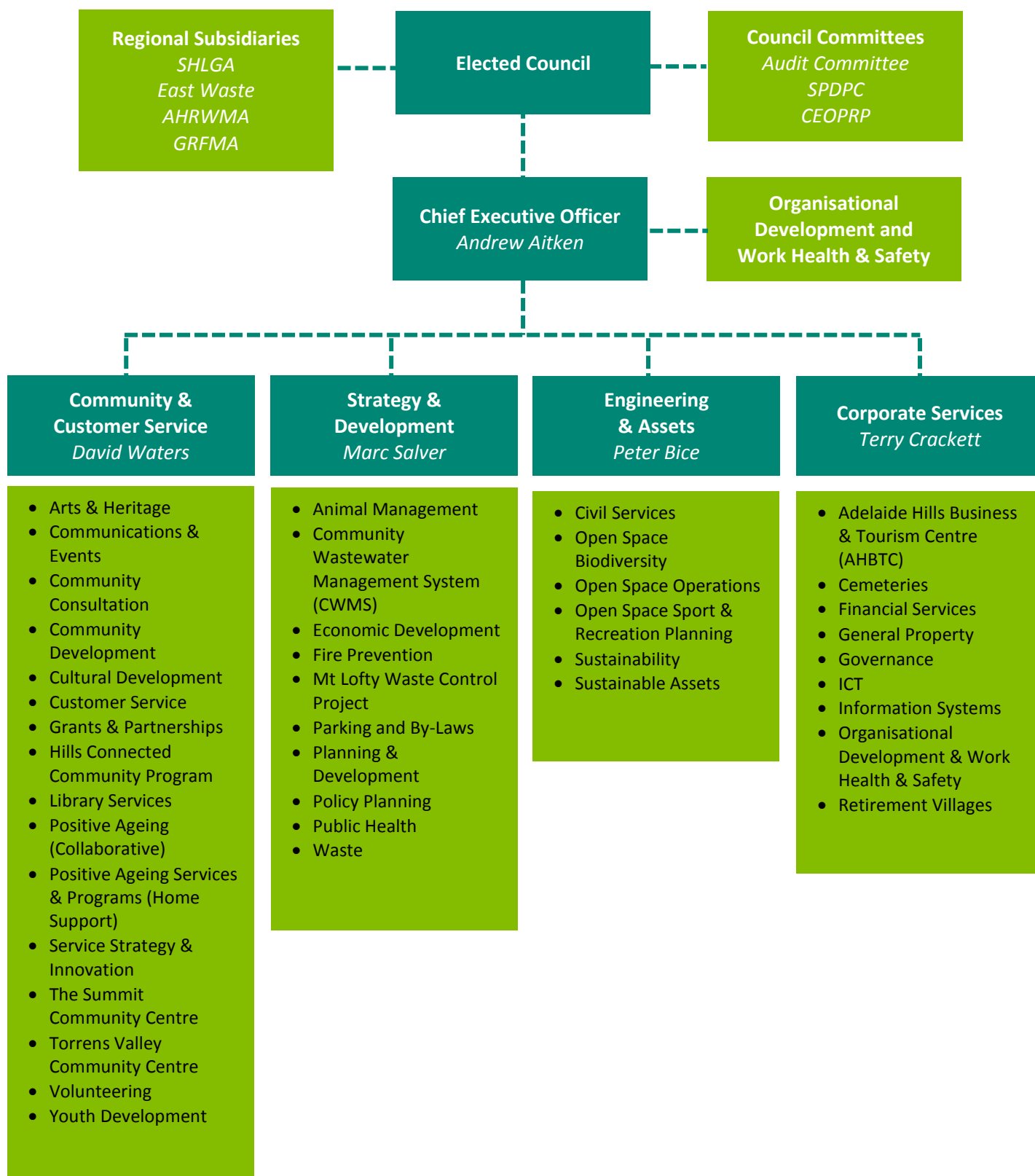
2,454

Number of staff

191.5 full time equivalents

Number of volunteers

193



Strategic Plan delivery

Our Strategic Plan *Your Adelaide Hills* provides a focus for the Council's service delivery over the coming years. Adopted in late 2016, it is our plan to make the Adelaide Hills a *place for everyone!*



The Strategic Plan doesn't include everything we do, but it helps us focus on those areas which need new or renewed attention to address emerging community needs and trends. There are four community goal areas in the plan, plus an organisational sustainability commitment. You can access a copy of the Strategic Plan at ahc.sa.gov.au.

Goal 1

People and Business Prosper

The Adelaide Hills is a unique region, where people live among working vineyards, on viable agricultural land and in village townships and settlements. The country lifestyle and natural surrounds are key attractors for residents and visitors. Living and doing business are entwined.

The Hills is known for its quality food and beverage offerings, with creative producers finding niche markets at home and overseas. We operate in an environment free of genetically modified crops. There are opportunities to leverage the 'clean and green' brand and help producers tap in to interstate and overseas markets.

With close proximity to Adelaide, short-stay experience tourism works well for the Adelaide Hills. Affordable and unique experiences in a natural setting are highly sought after.

Active lifestyles are synonymous with the Hills and we recognise the role we play in supporting health and recreation. The State Government has identified the region as an international mountain biking destination and more needs to be done to make this a reality. There is a network of iconic walking trails and there are opportunities to connect these with key destinations.

Playing in nature is important for the young and young at heart. Both residents and visitors alike enjoy opportunities to spend time and explore in nature.

It can be difficult for people to buy their first house or secure affordable rental properties in the Hills. We know that many people leave the district in their later years as they look for smaller properties closer to public transport and services. For people to prosper in the Hills, we need to make it liveable for all ages.

What success looks like:

Thriving businesses that uniquely say “Adelaide Hills”
Healthy and happy people



Key activities this year

SP1.3 – We will work towards making the Adelaide Hills the favoured tourism destination in the State.

We will continue to invest \$50,000 per annum for the next two years in visitor information servicing in the Adelaide Hills, bringing the total investment in Adelaide Hills Tourism to \$100,000 for each of the next two years. With a big emphasis on digital technology, we will work with Adelaide Hills Tourism and Mt Barker District Council to ensure visitors to our region know what is on offer and how to get there.

SP1.5 We recognise that small and micro business is the backbone of our regional economy and will work with stakeholders to make it easier to do business in the Hills

May Business Month is an initiative of the Adelaide Hills Council and Mount Barker District Council to raise awareness within the region of the services and training opportunities available to small business and to encourage participation as good business practice. Through workshops, seminars and networking events the month long program provides opportunities for businesses to network, learn new skills and update their knowledge.

Both councils are dedicated to encouraging and supporting business growth and new investment into their respective council areas, and it made sense that the councils combined their efforts in providing a program that would provide cross-regional benefits at the local level.

SP1.10 – We will use the amended Development Plan to encourage more housing opportunities for first home buyers and those wishing to age in our community.

The Council's Development Plan has now been amended to allow for a wider variety of housing opportunities in the district. We will be commencing with the conversion of our Development Plan into the new State Planning & Design Code over the next two years to assist with the transition to the new State Planning System. This will also include the roll out of an electronic Development Application system by the State Government in order to streamline assessment processes and improve processing efficiencies for new homes.

SP1.11 – We will embrace nature play concepts in play space developments.

Following the success of the Bridgewater Playground redevelopment in 2016, we've made an allocation for play space developments in other parts of the district. Areas of greatest need will be identified and natural play elements will be incorporated to ensure play spaces have the right mix of fun, risk and adventure.

Other highlights

- We will continue to work with our Rural Land Management Advisory Group to identify what barriers exist to the region achieving 'pest free' accreditation.
- We will continue to progress the World and National Heritage bids for the Mt Lofty Ranges Region as a working agrarian landscape.
- We will work with the State Government to change the development policies to make farming easier and allow for value adding activities such as food tourism and on farm shops.
- The Federal Government has announced funding to upgrade roads to establish a
- B-Double freight route from Murray Bridge to Lobethal. We will work with the State and Federal Governments to ensure community needs are identified and addressed through this process and that the upgrade supports economic development and job growth in the region.
- With other partners, we will progress a scoping study for a northern freight train bypass.
- We will continue to provide advice and opportunities for businesses to network and grow in the district.

Goal 2

Activities and opportunities to connect

In an increasingly fast-paced and technological world, opportunities to connect are crucial. Connection can be with a place, people, activities or ideas. A connected community is inclusive and welcoming, engaged, empowered and dynamic. Its members are confident and resilient.

The Hills community values learning and sees it as a lifelong pursuit. Technology has enabled people to connect with communities of interest beyond their local area, bringing new ideas and expectations.

People wish to be heard and involved in making decisions which affect them. Opportunities for active citizenship and community led approaches exist through Advisory Groups, working parties, forums and volunteering, but more can be done to strengthen community based leadership.

The Adelaide Hills has nearly twice the level of volunteering than the greater Adelaide area and this needs to be fostered. Creative pursuits provide people with an opportunity to connect with each other and their surrounds on a more meaningful and thoughtful level. Art is often said to be an expression of culture. It demonstrates community identity, provides an important outlet for expression and is a valuable educational tool and can encourage business investment.

We need to do more to recognise and respect the region's first people. Both the Peramangk and Kaurna people have connections with the Hills and we can learn by connecting with them.

The Adelaide Hills is a place for everyone. To be welcoming and respecting of individual uniqueness we must strive to understand, accept and value differences.

What success looks like:

A welcoming and inclusive community where people support, respect and celebrate each other for their differences as much as for their shared values



Key activities this year

SP2.1 – We recognise and respect Aboriginal culture and the descendants of our first people. We will implement a Reconciliation Action Plan.

Our initial focus is on reflecting on the past, developing a better understanding of Aboriginal culture and making better connections with Aboriginal people. This year we will invite Aboriginal people and their representatives to be part of a working/reference group.

SP2.2 – We recognise diversity in the community is one of our greatest strengths and we will support and promote opportunities for social inclusion.

We'll pursue activities arising from our multi-cultural action plan to make the district more welcoming to people from diverse backgrounds. We will enhance the profile of the Harmony Picnic and roll out cultural diversity awareness programs for young people through our libraries.

SP2.3 – We will establish a community leadership program to help unlock the potential of people in the community to improve the community.

We will further refine our Community Leadership Workshop Series to support community leaders and groups to reach their full potential.

SP2.4 – We will implement the Adelaide Hills Business and Tourism Centre (Old Woollen Mill) Masterplan to stimulate local job creation, boost tourism and create a vibrant cultural hub.

We are committed to creating the district's first Arts and Heritage Hub at the Old Woollen Mill in Lobethal as part of an overall economic and social improvement plan for the precinct. The Business Development Framework will be implemented, commencing with development of an evaluation framework, the appointment of a heritage officer to work on a plan for the heritage collection and the design of capital improvements for the Hub.

We will continue to attract investment in Lobethal by implementing the Adelaide Hills Business and Tourism Centre divestment strategy. The growing total employment trend at the site is expected to continue as businesses purchase and invest in elements of the site. The precinct will also incorporate the Arts and Heritage Hub.

SP 2.5 – We will support opportunities for learning in our community to increase the confidence, wellbeing and health of our citizens.

Reliance on digital technologies and online services is a modern reality. We're investing more in digital literacy services through our libraries, with a focus on enabling people of all ages to be confident 'digital citizens'. We continue to align children's school holiday programs with school curriculum trends around science, technology and innovation.

SP 2.6 – We will seek to bring events to our district that have social, cultural, environmental and economic benefits.

We hope to grow our involvement in the Women's Tour Down Under, while continuing our proud involvement in the Men's Tour. We are investing more in supporting small community events and will continue to develop sustainable event waste management practices.

SP2.8 – We will improve the engagement and participation of younger people in our district.

We will review the Youth Advisory Committee for effectiveness and relevance to ensure young people can actively participate in Council processes.

We will have a bigger focus on developing young people as the leaders of tomorrow through a new youth leadership development program.

Other highlights

- We will review library services, including the mobile library, to ensure service provision is meeting the needs of the community effectively and efficiently.
- We will continue to develop library collections and programs that promote and support social inclusion.
- We will undertake a volunteer engagement survey and review volunteer management processes to increase the effectiveness of recruitment, support and recognition.

Goal 3

Places for people and nature

What makes the Adelaide Hills special is its unique landscape and places. From native vegetation and productive farming land to village townships and community facilities, the region comprises a blend of land use which allows people and nature to thrive.

Good facilities provide places for people to meet, connect and participate. These range from fields for organised sport to spaces for meeting friends in the main street.

A unique 'sense of place' can be created with input from people who spend time or do business in an area. Communities know what a place needs, who will use it and how it can be enhanced.

Built spaces like libraries, community centres and halls provide hubs for people to come together, learn and interact. These spaces should constantly evolve to meet new and changing needs. They should also incorporate sustainable design principles.

The native flora and fauna of our region contribute to the character of the Adelaide Hills and are essential to our productivity, economy, health and sense of wellbeing.

Our plants and wildlife face a number of challenges including weed invasion, habitat fragmentation, bushfires and climate change. Through responsible management and supporting community based activities, we can work together to improve biodiversity and enable ecosystems to thrive.

The environment is continually changing - influenced by climate, economic considerations and human impacts. We need to empower our community with the knowledge and capacity to adapt to change and secure a sustainable future.

Council plays an important role in mitigating the risks posed by natural hazards such as fire, flood and extreme weather events. When such events do occur, we respond and assist the community in recovery.



What success looks like:

Vibrant places which contribute to increased wellbeing
Thriving ecosystems



Key activities this year

SP3.1 – We will work with our community to encourage sustainable living and commercial practices.

We're striving for carbon neutrality and encouraging our community to do likewise, so we're putting more money aside to develop a Carbon Neutrality Plan, and continuing our investment in sustainability incentive grants.

We are investigating water reuse opportunities and designing and implementing various Water Sensitive Urban Design initiatives where they are possible, including creek restoration and bio-filtration.

We are also undertaking research and analysis in relation to a Community Energy Program across the region through the Resilient Hills and Coasts Climate Change Adaptation Project Group.

SP3.3 – We will complete the road reserves and reserve assessments Native Vegetation Marker System (NVMS), leading the nation in conservation and biodiversity management practices.

We will complete the road reserves and reserve assessments, leading the nation in conservation and biodiversity management practices.

We recognise the importance of remnant native vegetation on roadsides and reserves. Accordingly, we have increased our investment in the Native Vegetation Marker System. These sites will receive ongoing monitoring and active management to protect and conserve areas of high biodiversity value.

SP3.5 – We will take a proactive approach, and a long term view, to infrastructure maintenance and renewal.

We continue to invest heavily in renewing the assets we already have before they deteriorate below a serviceable standard. Examples include:

- Upgrading retirement villages to replace old fit-outs and making units and grounds more age-friendly
- We are developing business workflows in our Asset Management System to enable real time defect information against Council Assets to be logged in the field as they are discovered.
- Delivering Community and Recreation Facility Grant Funding
- Developing guiding frameworks for Strategic investment across Sport and Recreation Assets

SP3.6 – We will reduce the impact of cats on native flora and fauna.

In light of the review of our Animal Management Plan, and considering feedback received from the community, we will complete a review of our Cats By-law and consider what changes, if any, are required to reduce the impact of cats on our environment and biodiversity.

SP3.7 – We will drive further reduction in waste consigned to landfill

We are exploring the potential for soft plastic recycling within the Council area, in conjunction with East Waste and in line with Council's Waste and Resource Management Strategy.

We will be undertaking kerbside bin audits and exploring opportunities for further recycling services within prominent public places, with the aim to reduce waste to landfill and maximize recycling.

SP3.9 – We will encourage community-led place making approaches to enhance townships and public spaces.

At the heart of Mt Torrens is the Mt Torrens Heritage Reserve, and completion of this redevelopment will occur this year. The local community has been heavily involved in this important collaborative project.

We will continue to work with the Gumeracha community to develop a masterplan for the Gumeracha main street and surrounds. The focus will be on creating a precinct conducive to business, tourism and social activities.

Other highlights

- A comprehensive review of our Biodiversity Strategy 2013-18 will occur, which will benefit from community consultation in 2018 and a new Strategy to be released in 2019.
- We continue to work with the State Government to complete the Amy Gillett Bikeway from Mt Torrens to Birdwood and Mt Pleasant in the Barossa. Additionally, we are exploring opportunities for a broader Inter-regional Cycle Network, to create linkages between key economic and tourist offerings across South Australia.
- We will undertake community education around mandatory dog and cat microchipping and desexing requirements, while supporting the introduction of the new Dogs and Cats Online system for dog registrations.
- We will offer food safety training to food businesses and community organisations.
- We will finalise the review of Council by-laws.

Goal 4

Explore ideas and work with others

Our community is full of ideas and potential. We seek community input for important decisions and to help us set directions.

The community needs the Council to be easy to work with and to act in its interest.

Today's norm was yesterday's innovation. Creative communities are vibrant and members have outlets to express themselves. We need to foster creativity in the community and embrace it as an organisation.

Community-led approaches can achieve great community outcomes. Everyone should have the opportunity to participate and influence decisions that affect them and be empowered to create change.

Two heads are better than one. Working together with community, business and other levels of government will create better outcomes and allow for knowledge sharing and learning from one another.

To meet changing community expectations the Council needs to be agile. Our strategies, policies, processes and systems must be current and relevant to community needs. We must embrace flexibility and be prepared to change. In recognising and realising opportunities, we manage risks so that we can achieve our objectives.

As the world changes around us, the Council needs to be aware of the impacts on its community and advocate accordingly.



What success looks like:

Council working with our community and others to pursue new ideas and address emerging needs



Key activities this year

SP4.1 – We will embrace contemporary methods of engagement so it's easy for everyone to have their say.

We will improve and grow our existing digital communication channels including the website, social media and continue to explore new channel opportunities. We will continue to explore opportunities for the community to participate in decision-making through a variety of 'traditional' communication methods and on-line engagement processes.

We will undertake reviews of the Community Consultation Policy and the Community Engagement Framework to ensure alignment of both documents and that community engagement approaches reflect contemporary practice.

SP4.2 – We will explore the opportunities that emerging technologies present to people living, working, visiting or doing business in our district.

An Internet of Things (IOT) Network has been established in the Council district and now there are opportunities for us to utilise sensors connected to this technology. The initiative will see a trial of a range of IOT sensor technologies to evaluate the usefulness of the information collected to improve decision making.

SP4.3 – We will offer greater access to services and realise business efficiencies through online services.

We are investigating the potential to publish our cemetery maps online for customers to be able to search and geospatially locate specific graves and internments.

Customers are increasingly interacting with us through our website. We'll improve customer service and business efficiency by improving the way customers raise requests through our website and the way those requests are assigned and actioned.

SP4.4 – We will foster creativity in the community and embrace it as an organisation.

We will continue to encourage public art and placemaking through the provision of community grants.

Other highlights

- We'll lead by example by purchasing more efficient vehicles with enhanced safety features (all fleet vehicles now 5 star ANCAP rated)
- We'll continue to explore and actively promote online channels of enquiry and self-service.

Organisational Sustainability

Local Government is a highly regulated and scrutinised sector. People need to be able to trust us. We place great value on being open, transparent and responsive. We strive for accountable and strategic decision-making and we pursue excellence and equity in service delivery.

We have defined commitments outlined in our Strategic Plan in the following areas:

- Our organisation
- Work health and safety
- Financial sustainability
- Customer service commitment
- Risk and responsibility
- Collaboration on public policy setting
- Governance

Key activities this year

- We will implement initiatives identified through our Corporate Plan through the following elements:
 - Leadership
 - People
 - Strategy and Policy
 - Partnerships and Resources
 - Processes, systems and customer service
 - Results
- We will continue to develop our work health and safety (WHS) management practices with the use of the integrated safety management system.
- We will review our performance in 3 WHS procedures through an internal audit process and the development of improvement plans from the findings.
- We will improve the usability of our digital platforms including the website and social media to enhance community awareness of council services and activities.
- We will develop an organisation wide project management framework to improve consistency and quality of project delivery across the organisation.
- We will develop the corporate planning and performance reporting functions through the consolidation of the strategic, corporate and annual business plans organisationally and we will develop and report on a suite of corporate indicators to assist in monitoring the performance of Council's key plans, strategies, projects, risks and services.

Long Term Financial Plan Context

The *Local Government Act 1999* requires the Council to prepare a Long Term Financial Plan (LTFP) as part of its strategic management plans, and to update it on the same basis. This means that members of the public are to be given a reasonable opportunity to be involved in the development and review of the Council's plan.

Prior to the development of the Annual Business Plan and Budget a detailed review of the LTFP was undertaken in consultation with the community. The LTFP is to be considered for adoption at Council's 24 April 2018 meeting.

The key objective of our LTFP is financial sustainability in the medium to long term, while still achieving the objectives outlined in our Strategic Plan and Corporate Plan. At the same time the LTFP ensures that there is an understanding of the impact of decisions made today on future sustainability. This means ensuring the cost effective delivery of works and services, and the appropriate maintenance and renewal of our asset base in a financially sustainable manner. A copy of the LTFP can be found at ahc.sa.gov.au

In addition, the LTFP has been used to set the context and targets for the development of the 2018-19 budget.

Key conclusions drawn from the LTFP

Importantly the current LTFP demonstrates that the Council is financially sustainable over the 10 year term of the LTFP, whilst achieving the objectives outlined in the Strategic Plan. This includes:

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

Financial sustainability has been demonstrated through adherence to the agreed target ranges in all of the following three key ratios:

1. Operating Surplus Ratio, target range 0% to 10%
2. Net Financial Liabilities Ratio, target range 0% to 100%
3. Asset sustainability Ratio, target range 90% to 110%

In achieving these targets, there is a level of certainty provided to the community that financial sustainability will be maintained.

Financial Summary

The Annual Business Plan for 2018-19 has been prepared in accordance with the priorities of Adelaide Hills Strategic Plan, Corporate Plan and functional strategies, while ensuring the financial targets adopted by Council at its Council Meeting in February 2018 are met.

Key financial information for 2018-19 is summarised below:

- General Rate Increase 3.30%
- Rates Growth (new rateable properties and improvements) 0.75%

Budget Summary	\$'000
General Rates Income	34 121
All Other Operating Income	10 076
Total Operating Income	44 197
Operating Expenses excluding Initiatives	43 113
New Operating Initiatives (Net)	832
Operating Surplus	252
Total Gross Capital Expenditure	15 535
Estimated New Borrowings	3 900
Repayment of Borrowings	216

Outcome: Council will raise sufficient income to cover its operating expenses and undertake repayment of its debt.

Key Financial Targets for 2018-19

Indicator	Adopted Target	2018-19 Budget
Operating Surplus Ratio	0 - 10%	0.6%
Net Financial Liabilities Ratio	0 - 100%	63 %
Asset Sustainability Ratio	90 – 110%	91 %

Impact on ratepayers

It is proposed that the overall amount existing ratepayers will pay in general rates will increase on average by 3.3%. For a residential property of average value, this equates to an increase in general rates of approximately \$63 for the 2018-19 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.

Significant Influences for the 2018-19 Budget

A number of factors have influenced the preparation of Council's 2018-19 Annual Business Plan and Budget. These include:

- Local Government Price Index increases on relevant goods and services, which in recent years has tracked above CPI.
- Provision for Enterprise Bargaining Agreements for most staff which determine conditions of employment and provide for annual salary and wages increases.
- Maintaining asset management (renewal) expenditure at a sufficient level to ensure long term maintenance of Council infrastructure, property and IT assets.
- Increased maintenance requirements due to an increase in capital works and construction of new assets over recent years.
- Ensuring key strategies from Council's Strategic Plan and Functional Strategies are costed appropriately.
- The impact of China mandating and enforcing stringent quality requirements for imported recycled materials (China Sword) has resulted in a significant financial impact on Council's budget including income reduction of \$110k and increased expenditure of \$228k.
- State Government budget decisions including a significant waste levy increase of over \$70k for 2018-19 and a required \$36k contribution from council for a planning portal.
- Grant funding including a reduction of \$656k in Council's Roads to Recovery grant income for 2018-19 as a result of the timing of Commonwealth Government payments.
- The divestment of the southern side of AHBTC resulting in reduced rental and reimbursement income but offset by reduced operating costs.
- The activation of an Arts and Heritage Hub resulting in a net cost of \$255k in 2018-19.

In response to the cost imposts on Council and to minimise the burden on ratepayers, Council has continued its work and review of saving strategies including service sustainability.

Saving strategies identified as part of the 2018-19 Budget preparation include organisational initiatives, service reviews, contract management efficiencies and savings, infrastructure and work planning actions as well as people management initiatives. These reviews have already identified savings in contracting budgets across the corporation which have been realised in building the 2018-19 budget.

Sources of revenue and application of expenditure

Revenue

Rate revenue is the Council's primary source of income (84%) with grants, fees and charges making up the remainder. We continue to pursue grant income and partnerships with external funders where possible to minimise the requirement for revenue via rates.

Expenses

Thirty-seven percent of the Council's costs are attributable to the payment of salaries and wages and around 42% is applied to materials, contracts and other expenses. Depreciation represents the rate at which assets such as roads, buildings, footpaths, IT equipment and plant deteriorate. Budgeting for depreciation ensures we can afford to renew assets as and when they need it.

Fees and Charges

Section 188 of the *Local Government Act 1999* provides the legal context:

- fees and charges are determined by resolution of council either as a direct resolution or by by-law or via delegation
- a council is unable to fix or vary fees or charges prescribed under other Acts
- in respect of fees for the use of facilities, services or works requests a council need not fix fees or charges by reference to the cost of the council
- council is required to keep the list of fees and charges on public display and provide updates where fees and charges are varied during the year.

Council reviews its fees and charges each year, in conjunction with the development of the annual budget. As in previous years, a comprehensive review has been undertaken to ensure that the fees proposed:

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

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

Borrowings for the 2018-19 Financial Year

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

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

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

Borrowing	\$'000
Forecast Opening Balance of Borrowings July 2018	17,671
Estimated Borrowing for 2018-19	3,900
Repayment of principal repayments for 2018-19	(216)
Forecast Closing Balance of Borrowings June 2019	21,355

Operating Budget by Directorate \$'000

The following table provides a summary of the budget with each Directorate of the organisation. A detailed breakdown by program within each of these Directorates is included at Appendix 1.

	2018-19 Proposed \$'000s	2017-18 Annual Budget \$'000s	Variation to 2017-18 Budget \$'000s
Income			
Community & Customer Service	1,531	1,517	14
Corporate Services	37,838	36,712	1,126
Engineering & Assets	1,886	3,222	(1,335)
Strategy & Development	2,942	2,925	16
Income Total	44,197	44,376	(179)
Expenses			
Community & Customer Service	6,442	6,074	(368)
Corporate Services	11,036	10,901	(135)
Engineering & Assets	16,626	15,817	(809)
Strategy & Development	9,842	9,598	(244)
Expenses Total	43,945	42,390	(1,555)
Operating Surplus (Deficit)	252	1,986	(1,734)

New Initiatives

The Annual Business Plan has been developed with the inclusion of a large number of new programs and initiatives. Importantly these new programs and initiatives, which total in \$1.67 million for 2018-19 have been provided for whilst still meeting the targets for both operating and capital expenditure as set out within the Long Term Financial Plan. The table below also displays proposed projects in the following financial years.

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
PEOPLE AND BUSINESS PROSPER						
589	International Mountain Bikes LG Contribution	This forms our contribution as a Member Council of the Adelaide & Mt Lofty Ranges as an International Mountain Bike Destination project. Each council contributes towards the project in this manner.	Operating	10,000	7,500	5,000
590	Key Walking & Cycling Trails	Capital Investment in delivering on improved Walking and Cycling trails in the Adelaide Hills Council Area.	Capital	150,000	150,000	75,000
591	Wellbeing Measures	Undertake community wellbeing and resilience initiatives and investigate and implement wellbeing measures.	Operating	0	30,000	30,000
592	Regional Health Planning	Undertake regional public health planning, monitoring and reporting.	Operating	0	30,000	30,000
593	Disability Planning	Develop a Disability Inclusion Action Plan as required by new legislation (year 1) and resource support for inclusion strategies (year 2 and beyond).	Operating	15,000	15,000	15,000
594	Community Wellbeing & Resilience - Materials	Materials and costs associated with the development of initiatives and measures relating to wellbeing and resilience.	Operating	0	10,000	10,000
595	Guardrail Roadside Hazard Protection	Provision of guardrail protection across the Adelaide Hills Council. Year 1 - Pfeiffer Road near creek adjacent road, Millar/ Lower Hermitage new guardrail.	Capital	100,000	100,000	100,000
596	Shoulder Sealing Program	Undertake targeted shoulder sealing across Council's sealed road network.	Capital	0	0	200,000
ACTIVITIES AND OPPORTUNITIES TO CONNECT						
597	Reconciliation Action Plan	To increase existing funding for Aboriginal cultural recognition from \$5,000 per year to \$10,000 from 2020-21 onwards.	Operating	0	0	5,000

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
598	Aboriginal Cultural Centre support	Support for an Aboriginal Cultural Centre in the Adelaide Hills (funding may recognise lost rental income through provision of space. This has been earmarked in the Arts & Heritage Hub Business Development Framework).	Operating	0	0	10,000
599	Public Art Acquisition	Increase the level of community and public art adding value to cultural and placemaking strategies. Reflects outcomes of community consultation in this area.	Operating	2,500	2,500	15,000
600	Arts and Heritage Hub - Operating	Establish and operate an Arts and Heritage Hub at the Old Woollen Mill, Lobethal.	Operating	254,500	237,000	258,000
601	AHBTC Activation - Capital	Undertake physical works required to establish an Arts and Heritage Hub in the Old Woollen Mill, Lobethal.	Capital	80,000	221,000	590,000
602	AHBTC Capital Divestment - Forecast Sales Revenue	Division and sale of new allotments for the various tenancy areas of the AHBTC site (except the identified Arts & Heritage Hub) - this project reflects the forecast revenue from the sales of the new allotments.	Capital	(2,195,000)	(1,165,000)	0
603	AHBTC Capital Divestment - Capital Cost	Division and sale of new allotments for the various tenancy areas of the AHBTC site (except the identified Arts & Heritage Hub) - this project reflects the cost of undertaking the service separations/upgrades, land divisions and sales.	Capital	1,865,000	495,000	150,000
604	Digital Literacy Services	Resource a dedicated part time Digital Training Officer to enable the Library Service to meet the gap in services occasioned by closure of the federally funded Digital Hub and meet Council's Strategic Plan to 'support opportunities for learning in our community (Connect Goal item 2.5). With the rapid increase in digital devices and resources, there is an accompanying increasing need and demand for training both in the use of such devices and in accessing e-Resources available to the community. Since Digital Hub funding for digital literacy training ended, such training has been very limited.	Operating	39,000	39,000	39,000

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
605	Equipment to Support Digital Service Delivery Equipment	Procure digital devices and to renew as necessary thereby allowing people participating in digital training to experience such devices and assist them in future personal purchasing. The opportunity for 'hands on' training, especially for older members of the community, is invaluable.	Capital	8,000	2,000	0
606	Women's Tour Down Under	Grow Council's involvement in the Women's Tour Down Under	Operating	10,000	10,000	10,000
607	Support for Small Events	Additional capacity to support small community based events	Operating	10,000	10,000	10,000
608	Youth Advisory Committee (YAC) Review	Establish whether the current YAC model meets the youth development program objectives. A different model under a new name and with a new brand may refresh the program's appeal to the target demographic (Council residents 12 -25 years of age). These changes will be consistent with further development of a Youth Leadership Program as outlined in further initiatives, for which a revamped YAC is intended to act as a flagship.	Operating	5,000	0	0
609	Youth Advisory Committee (YAC) Recruitment Drive	Undertake a YAC recruitment drive to raise awareness of YAC and increase numbers of participants with a more equitable representation across the district, and to ensure a steady flow of new participants into the program. It will also increase community awareness of Council's commitment to youth participation and development.	Operating	3,000	3,000	3,000
610	Removal of Playford Trust Scholarship	A review of the Playford Trust Scholarship has suggested that alternative use of the budget for the Scholarship may benefit a broader cross section of the community. Removal of the Scholarship would help fund other, more inclusive initiatives, such as the Youth Leadership Series.	Operating	0	0	0

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
611	Youth Leadership Series 4 day Course	Provide a professionally facilitated course which will provide young leaders across the district with enhanced leadership skills and employability. The course is to be run bi-annually, and will include such subjects as problem solving, collaboration and negotiation, goal setting, project and event management, and consultation techniques. The program will be open to young people across the district, with opportunities for synergies with the revamped YAC program (as per item 608)	Operating	0	12,000	0
612	Youth Leadership Series - Workshop	Run in alternating years with the Youth Leadership Course (item 611), these workshops will consist of presentations by, and facilitated talks with, successful Hills young people. These workshops will be again be open to young people with an interest in Leadership Development across the district, through highlighting and acknowledging the success of their peers - and learning from them.	Operating	7,000	0	7,000
PLACES FOR PEOPLE AND NATURE						
613	Electrical Vehicle Charging Station Review	There are currently four electric charging stations within the district - two are in private ownership and accessible to the community and Council has two which are not accessible to the community. A review is required to determine future locations, ongoing management and availability of the charging stations. In addition a possible network of electric bicycle charging stations to complement the vehicle station locations.	Operating	10,000	0	0

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
614	Smart Living Workshops	These workshops are being rolled out across Adelaide in partnership with The Adelaide & Mt Lofty Ranges Natural Resource Management Board using the Smart Living approach. a workshop was held at The Summit in 2017 and the intention is to have another workshop within the southern Council area in 2018. These workshops are aimed at community members and go through sustainable living requirements (eg energy management).	Operating	3,000	3,000	3,000
615	Solar PV Promotion/ Administration	The Resilient Hills and Coasts Local Government Consortia has recently released a Request for Proposal for a Community Energy Program (CEP) that will require each council to contribute to the promotion and administration of the implementation of the CEP	Operating	5,000	0	0
616	Bulk buy PV Panel Specialist	Related to 616, due to the complexity of the energy sector further technical and specialist advice will be required to enable an informed decision about the next steps for the CEP.	Operating	5,000	0	0
617	Promotion Plan & Website Update	Promotion of the CEP (see 615) to community and contribution to the establishment of a Resilient Hills and Coasts website.	Operating	0	10,000	3,000
565	Stirling Business District Master Plan	The Stirling Business District has the potential for upgrade and, in doing so, create opportunities for mixed use development in keeping with the strategic intent of Council and the community. This is especially the case in the precinct between Merrion Terrace and Pomona Road. This also has the potential to improve car parking amenity and Council's own precinct to improve civic, community and administration facilities in the area. Partnering and engaging with private property owners, the community and other stakeholders is a mainstay of this master plan development	Operating	30,000	0	0
571	Steam Weeding	Use of Steam Weeding in place of traditional weed management methods	Operating	30,000	30,000	30,000

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
618	Installation of further EV Stations	On completion of the Electric vehicle charging stations review (item 613), it is highly likely that new or upgraded stations will be required to ensure an effective network.	Capital	0	15,000	15,000
619	Carbon Neutrality Employee Costs	Additional resources will be required to implement and manage the intent to strive towards carbon neutrality to ensure that this goal is achieved.	Operating	0	0	100,000
620	Carbon Neutrality Plan	Prepare a plan to strive towards carbon neutrality including actions, targets, responsibility and resources.	Operating	25,000	0	0
621	Actions from Carbon Neutrality Plan	On completion of the Carbon Neutrality Plan (item 621) there will be numerous actions identified for implementation.	Capital	0	50,000	150,000
622	Incorporate Scope 3	Council is currently able to report on the majority of Scope 1 and 2 emissions (e.g. use of electricity, fuel use) through Trellis, the online data reporting system. Council has not at this stage been reporting on Scope 3 (e.g. paper use, flights) and require further investigation into the incorporation of Scope 3 emission data within the Trellis system.	Capital	0	25,000	0
623	LED Street Lighting	Investigation and installation of LED lights for street lights throughout the Council district.	Capital	15,000	40,000	40,000
624	Purchase of EV Cars for Fleet	Investigate and purchase electric vehicles as light fleet cars concurrently with the installation of EV charging stations throughout the hills.	Capital	0	0	60,000
625	Solar PV Panels on Summit Community Centre	Design and installation of solar PV panels on the roof of the Summit Community Centre, Norton Summit.	Capital	30,000	0	0
626	Mt Torrens to Birdwood Amy Gillett Bikeway	Completion of Stage 4 of the State Government initiated Amy Gillett Bikeway.	Capital	500,000	0	0
627	Birdwood to Mt Pleasant Amy Gillett Bikeway	Completion of Stage 5 of the State Government initiated Amy Gillett Bikeway.	Capital	0	0	500,000
628	Works Planning and Quick Response coordination	Role to coordinate Works planning and quick response across the Council area.	Operating	100,000	100,000	100,000
629	Feral Cat Study and Action Plan	To study and investigate the effects feral & semi-owned cats pose on native flora and fauna within the Council area.	Operating	0	0	30,000

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
630	Landfill Waste Reduction	<p>As part of its Waste & Resources Management Strategy 2016 - 2021, Council aims to divert as much waste as possible from landfill. In order to understand residents waste disposal habits, kerbside bin audits are to be undertaken on a regular basis.</p> <p>The results of the audits will then inform whether or not further community education is required to prevent waste which could be recycled or reused being diverted from landfill.</p>	Operating	0	10,000	10,000
631	Implementation Federation Park & Oval Masterplan	Council has commenced a process to prepare a masterplan for the Gumeracha Precinct - Federation Park and oval area. The next stage of this approach is to implement the action plan prepared along with the masterplan.	Capital	0	50,000	50,000
632	Gumeracha Stage 2 Residents win	The Gumeracha Main Street Working Group applied for and received an initial Residents Win grant funding to undertake a design framework for the main street. A further grant application has resulted in further funds being made available to undertake design documentation and the installation of 'quick wins'. Funding will be required in the future to implement other projects within the design framework to ensure that the community's vision is achieved.	Capital	0	0	100,000
633	Undergrounding PLEC Contribution	A contribution towards undergrounding of the powerlines within either Gumeracha, Lobethal or Woodside	Capital	0	500,000	0
634	Piccadilly Masterplan	Prepare a masterplan for the Piccadilly town principally along the main road section inclusive of the sporting precinct.	Operating	0	20,000	0
635	Crafers Masterplan	Preparation of a masterplan and priority action list for the Crafers town and main street.	Operating	20,000	0	0
636	Off Grid Power Opportunities	Investigate through the Resilient Hills and Coasts group the opportunities for off grid applications and other energy security applications.	Operating	15,000	0	0

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
EXPLORE IDEAS AND WORK WITH OTHERS						
638	Update Website CMS	Procure a new content management system (CMS) for the Council's website.	Capital	0	100,000	0
503	Boundary Reform Provision	To develop/respond to proposals for the realignment of the Council boundaries.	Operating		20,000	20,000
639	Online Customer Portal - annual licence	Annual licence fee associated with the Online Customer Portal (item 637)	Operating	0	0	30,000
640	Update Website CMS - Annual Licence	Annual licence fee associated with the website content management system (item 638)	Operating	0	0	30,000
641	Cemetery Maps Online	Investigate the possibility of publishing our cemetery maps online for customers to be able to search and geospatially locate specific graves and internments.	Capital	25,000	0	0
ORGANISATIONAL SUSTAINABILITY						
637	Online Customer Portal	Establish a system which enables customers to 'self serve' and access records of their own interactions with the Council (like MyGov)	Capital	0	200,000	0
642	Compliance Staff for new Regulations	Additional resources required to undertake waste control system inspections and to implement the State Government's Environment Protection (Air Quality) Policy, the Local Nuisance and Litter Control legislation and Council's Burning Permit Policy.	Operating	0	30,000	30,000
643	Sky Trust Implementation	Skytrust (WHS system) is being implemented to improve the way we centrally manage our WHS safe systems of work and to provide greater access to information organisationally.	Operating	0	0	0
644	CRM Integration	Integrate the Customer Relationship Management System with other enterprise systems including Confirm (asset management) and Lync (call management).	Capital	50,000	0	0
645	Broadcasting Council Meetings	Purchase of equipment to enable the capture and broadcasting of Council and Committee meetings via the website.	Capital	0	30,000	0
646	Strategic Plan Review	Consultancy services to review the Strategic Plan in accordance with legislative requirements and the new Council's policy agenda	Operating	0	30,000	0
647	Advertorial in Community Newsletter	Increasing our presence in community based channels including local newsletters and events.	Operating	5,000	5,000	8,000

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
648	Website Development	Improve the accessibility, useability and relevancy of our website.	Operating	10,000	10,000	10,000
649	Videography across communication s channels	Utilise video as a medium for communicating more effectively with our community.	Operating	15,000	15,000	15,000
650	Capital - Communication s and Marketing Plan	Establish roadside signage at key points throughout the district, which will be used to promote local events, Council consultations, seasonal reminders, etc.	Capital	25,000	15,000	25,000
652	Corporate Plan Review	Review the Corporate Plan in its third year of implementation	Operating	0	0	5,000
653	Performance Benchmarking	Conduct of the LG Professional Performance Excellence Benchmarking Program.	Operating	10,000	10,000	10,000
654	Project Management Framework	Development of an organisation-wide Project Management Framework	Capital	15,000	15,000	0
655	Preparedness Consumables	Purchase of consumables to support the activation of the Emergency Management Plan in the Response Phase.	Operating	10,000	10,000	5,000
656	Preparedness Consultancy	Consultancy services to enhance Council's Bushfire Action Planning for facilities and personnel.	Operating	30,000	0	0
657	Business Continuity Consumables/C apital	Purchase of consumables to support the activation of the Business Continuity Plan in response to a disruption event.	Capital	0	20,000	20,000
550	2018 Council Member Induction Training	Engaging providers to deliver induction training for Council Members following the 2018 Local Government election.	Operating	20,000	0	0
554	Customer Experience Survey	Conducting a survey of a sample of people who have dealt with us to determine their level of satisfaction and opportunities for improvement. The survey looks at omni-channel interactions with the Council. A number of SA councils participate in a group survey scheme and results can be benchmarked against each other.	Operating	25,000	0	0
ECONOMIC DEVELOPMENT STRATEGY						
658	Additional Economic Development Resources	Additional resourcing to support the implementation of the Economic Development Strategy.	Operating	0	0	100,000
BIODIVERISTY STRATEGY						
659	Bird Surveys - bird impact on post burn sites	Surveying to assess impact on bird life on post burn sites	Operating	4,000	6,000	6,000

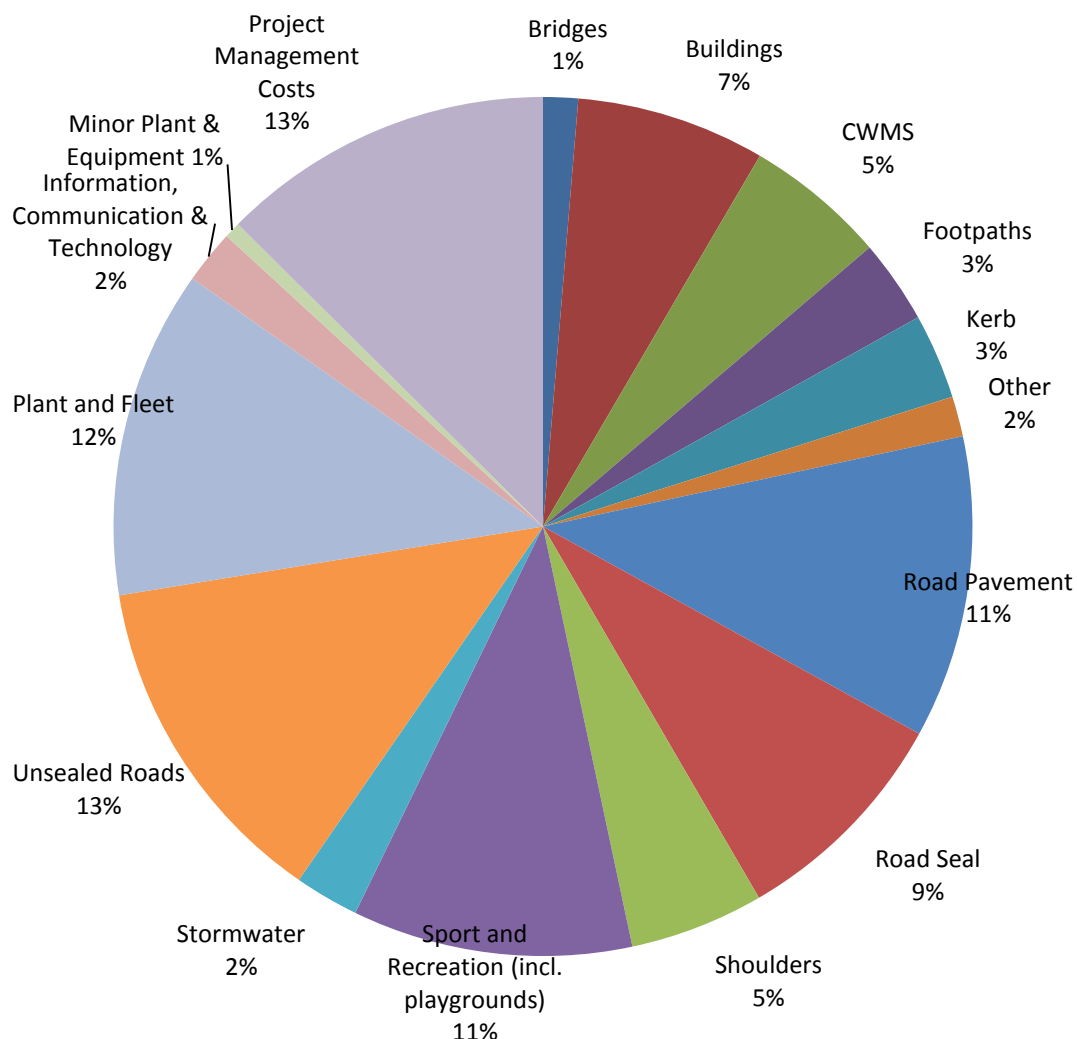
ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
660	Weed Control - Post Burn on 6 BMAP sites	Undertaking weed control on 6 post burn sites in line with the Bushfire Management Area Plan	Operating	25,000	30,000	35,000
661	Heritage Agreements	Funds to cover assessment and statutory (state government) costs (i.e. land rededication)	Operating	4,000	10,000	4,000
662	Capital - Erosion & Reshaping Works	Undertaking reshaping of the Montacute creek line, and priority erosion control works within the Michael Moran Reserve area.	Capital	22,000	0	0
New	Roadside Marker Program Implementation	Funding to progress the implementation of initiatives to protect roadside areas identified through the Roadside Marker Program	Operating	20,000	20,000	20,000
CLIMATE CHANGE ADAPTATION PLAN						
663	Landscape Conservation	Investigation into local climate change implications for biodiversity conservation and revegetation.	Operating	10,000	10,000	10,000
664	Infrastructure Assets	Incorporation of climate change adaptation requirements into infrastructure projects to increase resilience	Capital	100,000	100,000	100,000
665	Climate Ready Buildings	Investigate and improve policy to incorporate climate ready building design and materials for new buildings, renovation and upgrade of existing buildings.	Capital	0	0	20,000
WATER MANAGEMENT PLAN						
666	Turf & Irrigation Design & Management Plan	Preparation of irrigations designs to improve efficiencies or water re-use opportunities to decrease reliance on mains and bore water.	Operating	40,000	40,000	40,000
667	Water Audits on Buildings/Facilities	Undertake water audits on council owned buildings and facilities to understand current use and where savings maybe made.	Operating	0	0	40,000
669	Incorporate Water Usage into Trellis (not captured)	Investigate water meters not currently within data collection and Trellis. These facilities are possibly sites that are paid for by community groups and then reimbursed by Council.	Operating	5,000	0	0
670	Water Sensitive Urban Design (WSUD) Training	Investigate and undertake WSUD training in liaison with Water Sensitive SA for Council officers planning, designing and installing stormwater infrastructure	Operating	0	10,000	0

ID	Project Name	Project Description	Type	2018-19	Intended 2019-20	Intended 2020-21
671	Woodside Recreation Ground (WRG) Water reuse-design & implementation	Planning, design and implementation of water reuse from the Bird in Hand CWMS for the Woodside Recreation Ground ovals and pitches.	Capital	25,000	200,000	200,000
672	WSUD implementation for WRG	There are opportunities to incorporate WSUD initiatives across the WRG to improve water quality before entry into the Onkaparinga River. These initiatives include regrading, erosion control and revegetation of the creek and biofiltration areas.	Capital	25,000	50,000	20,000
673	Implement Irrigation Systems	Planning, design and implementation of irrigation systems to improve water use and management on ovals and pitches.	Capital	0	100,000	100,000
674	Investigate & Implement Central Irrigation Control System	The central management of Council irrigation systems will result in improved water efficiencies and reduced resource requirements. Investigation into the feasibility of these systems is required as an initial step.	Capital	15,000	50,000	150,000
TOTAL				1,687,000	2,198,000	3,806,000
Capital Initiatives				855,000	1,363,000	2,665,000
Operating Initiatives				832,000	835,000	1,141,000

Capital Budget 2018-2019

The 2018-19 Capital Budget continues to focus on the renewal of infrastructure. The Council has in excess of \$ 504m (Current Replacement Values) of infrastructure assets that it manages, to ensure that the current and future community have access to the ongoing services these assets provide for community benefit. This year our capital investment program will include \$10.408m on the renewal of our existing asset and \$ 2.077m in providing additional assets for capacity improvements to our infrastructure to meet service level demand.

The total of \$12.485m for the Capital Investment Program (excluding New Capital Initiatives) is much less than the 2017-18 financial year. However, this level of capital investment is slightly higher than the Long Term Financial Plan target of \$ 12.136m by \$0.349m and considered to be the appropriate level of sustainable investment to meet the Council strategic goal to have a proactive long term view regarding the renewal and maintenance of its infrastructure.



Capital Program by Asset Class

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

Following a detailed review of transport asset classes, including seals, pavements, footpaths, shoulders and unsealed road, we have made considered adjustments to the investment levels across some asset classes, to ensure infrastructure and key assets continue to support the development of the region and the needs of our community. Leading into this year, Council has identified additional renewal expenditure is required for its Sport and Recreational facilities and has subsequently increased this area of investment for this year and subsequent years. The proposed investment in the Sport and Recreation assets is \$ 1.044m in 2018-19. This will deliver much needed court resurfacing, oval surface improvement and playground upgrades.

This is the second year of projecting a 3 year rolling Capital program initiative that was introduced in the 2017-18 Annual Business Planning process. The detailed Capital Works Program is in Appendix 2 and you will see that we have not only included the planned budget for 2018-19, but also some intended budget amounts where projects have been identified for 2018-19 and 2019-20. These intended budget allocations for the subsequent years are indicative and pending the adoption from the usual annual budget processes, but will assist Council in planning, scoping and project delivery of future projects and programs.

Council's additional new capital investment is primarily in the areas of footpath/ cycle networks and stormwater infrastructure. These two areas account for the majority of the additional new investment in the Capital Program and the overall \$ 1.296m additional expenditure above the LTFP target for 2018-19. These additional new investment projects are considered high priority and Council has decided to offset the additional new capital expenditure with reductions in our LTFP targets for renewal of seals, footpaths, kerb and unsealed assets for this financial year. The reduction in renewal expenditure against the LTFP target is \$ 0.947m.

ASSET CATEGORY	2018-19 BUDGET RENEWAL (\$'000)	LTFP TARGET RENEWAL (\$'000)	VARIATION TO LTFP (\$'000) Fav/(Unfav)
Bridges	130	130	0
Buildings	705	705	0
CWMS	527	527	0
Footpaths	313	580	267
Kerb	318	500	182
Other (Guardrail /Retaining Walls /Cemeteries /Furniture /Traffic Cont)	150	150	0
Road Pavement	1,128	1,128	0
Road Seal	852	1,200	348
Shoulders	500	500	0
Sport and Recreation (including Playgrounds \$200k)	1,044	1,044	0
Stormwater	240	310	70
Unsealed Roads	1,269	1,500	231
Plant and Fleet (net)	1,225	1,225	0
Information, Communication & Technology	200	200	0
Minor Plant & Equipment (including Library fittings)	60	60	0
Project Management Costs	1,246	1,095	(151)
NET RENEWALS	9,907	10,854	947
Revenue (Heavy and Light Fleet)	501	501	
GROSS RENEWAL EXPENDITURE	10,408		

ASSET CATEGORY	2018-19 ALLOCATION NEW/ UPGRADE (\$'000)	LTFP TARGET NEW/ UPGRADE (\$'000)	VARIATION TO LTFP (\$'000) Fav/(Unfav)
Bridges	250	250	0
Buildings	82	100	18
CWMS		0	0
Footpaths	1015	200	(815)
Kerb		0	0
Other (Guardrail /RetWalls /Cemeteries /Furniture /Traffic Cont)		0	0
Road Pavement		0	0
Road Seal	130	81	(49)
Shoulders		0	0
Sport and Recreation		0	0
Playgrounds		0	0
Stormwater	600	150	(450)
Unsealed Roads		0	0
Plant and Fleet		0	0
Information, Communication & Technology		0	0
Minor Plant & Equipment (including Library fittings)		0	0
Project Management Costs		0	0
SUB TOTAL	2,077	781	(1,296)
RENEWAL and CAPACITY/ UPGRADE TOTAL	12,485	12,136	(349)
GROSS NEW CAPITAL INITIATIVES TOTAL		(Refer to New Initiatives Detailed Description)	
TOTAL GROSS CAPITAL BUDGET			
GROSS INITIATIVES CAPITAL TOTAL		(Refer to New Initiatives Detailed Description)	
Revenue			
NET NEW CAPITAL INITIATIVES			

Rating Policy Setting

In setting the rates for 2018-19 Council proposes to continue with its current method of rating, which is two differential rates with a fixed charge, applied against the capital value of properties. Council considers this to be a fair and equitable method of rating for the Adelaide Hills Council.

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

The 2018-19 Budget provides for a general rate increase of 3.3% over that of the current year with a further estimated increase of 0.75% from growth. Growth represents new development, capital improvements to existing properties and changes to value as a result of land divisions and will be confirmed by the Valuer-General as part of completing the valuation of the Council area.

As highlighted in the following table the 3.3% general rate increase incorporates estimated inflation (CPI) of 2.3% and 1.0% for additional capital renewal works as identified within the Long Term Financial Plan.

The table below provides a summary of the average rate increases that have been applied in recent years as well as the increase for 2018-19.

Description	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
To meet inflation (CPI)	3.0%	2.6%	2.8%	2.5%	1.7%	1.5%	1.25%	2.3%
To fund increased capital renewal	2.5%	1.0%	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%
Additional maintenance - Stormwater	1.25%	-	-	-	-	-	-	-
Sampson Flat Bushfire (one year only)	-	-	-	-	1.0%	(1.0%)	-	-
TOTAL INCREASE	6.75%	3.6%	3.8%	3.4%	3.7%	1.5%	2.25%	3.3%

Summary Basis of Rating (Rating Policy)

A full copy of the 2018-19 Rating Policy can be viewed at Attachment 3.

Key elements of the Policy include:

- A fixed charge rating structure that includes a fixed charge applying to all properties. This charge is to increase from \$613.50 to \$634 which represents a 3.3% increase in line with the average increase highlighted in the above table.
- The same rate in the dollar, based on capital value, being applied to all categories of ratepayer, except commercial and industrial ratepayers who pay a 15% premium.
- Primary production ratepayers genuinely in the business of primary production but not benefitting from a notional capital value for their property can apply for a 10% rebate.
- A separate rate for businesses in Stirling that generates approximately \$85k that is distributed to the Stirling Business Association to promote Stirling as a destination, the "Gateway to the Hills".
- A separate rate to provide for the sealing in 2014-15 of the northern end of Verrall Road, Upper Hermitage. This rate is levied on those properties that actually adjoin this section of road.

Rate Statistics

Council has nearly 18 400 assessments split by land use as follows:

- Residential: just under 13 000 assessments
- Commercial and Industrial differential rate category: approximately 715 assessments
- Primary production assessments: approximately 3,100
- Vacant: over 620 assessments
- Other: just under 200 assessments
- Non-rateable: over 800 assessments

Rates Modelling

The valuation of the Council area by the Valuer- General is ongoing and information provided to date reflects an increase of 2% in valuation for existing properties. This valuation information is still being updated as well as subject to Valuer-General and internal quality assurance processes and revisits during the consultation period.

Analysis to date indicates that:

- Residential properties, representing over 70% of the overall valuation, had an average valuation increase of just over 2.2%
- Primary production properties, being 17% of total assessments, have an average valuation increase of less than 1%
- The remaining non-residential properties, including commercial, had an average valuation increase of 2.9%.

The Budget has been formulated on the basis of retaining differential rates for all categories of ratepayer, including commercial and industrial ratepayers at the appropriate rate in the dollar to provide an overall increase in rates of 3.3% excluding growth.

Valuation Method

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

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

In determining how rates are applied, and in determining the rate in the dollar, Council uses the following options.

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.

Differential Rates

Section 153 of the Act allows councils to 'differentiate' rates based on the use of the land, the locality of the land, the use and locality of the land or on some other basis determined by the council.

The application of a Differential General Rate is generally intended to alter the amount payable by particular land uses.

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

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

Natural Resource Management Levy

The Adelaide Hills Council area largely falls within the Central Group of the Adelaide and Mount Lofty Ranges Natural Resource Management (NRM) Board but does have a small number of assessments falling in the area of the SA Murray-Darling Basin Natural Resource Management Board (SAMDB).

Council is required, under the *Natural Resources Management Act 2004*, to contribute towards the funding of the NRM Board and operates as a revenue collector for the Board by imposing a levy against properties.

Council has been advised that the indicative amount to be paid to the Mount Lofty Ranges NRM Board in 2018-19 is \$960k compared to \$914k in 2017-18. This represents an increase of 5%. Council has yet to receive advice from the SAMDB Natural Resource Management Board, noting that in 2017-18 Council was required to pay \$6k to this Board on behalf of ratepayers.

Council does not retain this revenue or determine how the revenue is spent.

Community Wastewater Management System

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

Following a detailed assessment of the cost of providing CWMS services, in accordance with the guidelines set by the Essential Services Commission of South Australia (ESCOSA*), it has been identified that current charging is below the levels necessary to achieve full cost recovery. As such charging for CWMS services are to be increased by 10% in 2018-19 as part of an incremental step towards full recovery over a three year period.

**ESCOSA is an independent economic regulator whose objective is the protection of the long term interests of South Australian consumers with respect to the price, quality and reliability of essential services. These essential services include water, waste water (sewerage), gas and electricity. The Commission ensures that consumers of regulated services are adequately protected and that entities such as councils are accountable for the essential services they operate. Council is required to abide by ESCOSA's guidelines with regard to the delivery of CWMS services to parts of our community.*

Appendix 1

Operating Budget Detail

Including service area budgets and staffing

Adelaide Hills Council 2018-19 Proposed Budget Community & Customer Service Income by Function			
	2018-19 Proposed Budget \$'000s	2017-18 Annual Budget \$'000s	Variation to 2017-18 Budget \$'000s
Arts & Heritage Hub	8	-	8
Communications & Events	4	5	(1)
Community Consultation	-	-	-
Community Development	-	-	-
Cultural Development	-	-	-
Customer Service	-	-	-
Director's Office - Community & Customer Service	-	-	-
Grants & Partnerships	-	-	-
Hills Connected Community Program	61	46	15
Library Services	346	344	2
Positive Ageing (Collaborative)	100	98	2
Positive Ageing Services & Programs (Home Support)	954	953	2
Service Strategy & Innovation	-	-	-
The Summit Community Centre	12	16	(4)
Torrens Valley Community Centre	43	52	(10)
Volunteering			
Youth Development	4	4	-
Income Total	1,531	1,517	14

Adelaide Hills Council 2018-19 Proposed Budget Community & Customer Service Expenditure by Function			
	2018-19 Proposed Budget \$'000s	2017-18 Annual Budget \$'000s	Variation to 2017-18 Budget \$'000s
Arts & Heritage Hub	262	-	(262)
Communications & Events	530	522	(8)
Community Consultation	119	120	1
Community Development	246	329	83
Cultural Development	143	143	
Customer Service	534	-	(534)
Director's Office - Community & Customer Service	289	299	10
Grants & Partnerships	261	256	(5)
Hills Connected Community Program	61	45	(17)
Library Services	2,119	2,573	454
Positive Ageing (Collaborative)	93	97	5
Positive Ageing Services & Programs (Home Support)	1,033	1,021	(12)
Service Strategy & Innovation	207	185	(23)
The Summit Community Centre	161	182	21
Torrens Valley Community Centre	162	160	(2)
Volunteering	61		(61)
Youth Development	162	144	(18)
Expenditure Total	6,442	6,074	(368)

Arts and Heritage Hub

Overview

The Arts and Heritage Hub being established in the former Lobethal Woollen Mill will provide artists and other creatives with the opportunity to create, exhibit and sell work, while the Woollen Mill Heritage Experience will showcase the stories of the Mill and its workers. An Aboriginal cultural element will also feature in the site. The Hub will drive increased visitation to the region and boost creative industries development.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	8	0	8	
Expenditure *	262	0	(262)	
NET Cost/(Rev)	255	0	(255)	This is a new initiative.
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1.6		1.6	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Establish an Arts and Heritage Hub	Establish a vibrant Arts and Heritage hub at the former Lobethal Woollen Mill site. The hub will provide an opportunity for artists and other creatives to create, exhibit and sell works, while also celebrating the stories of the Mill and its workers.
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Artist studio space	Studio rental space occupancy.	N/A	25%
Arts programs and exhibitions	Number of public exhibitions held.	N/A	6

Communications & Events

Overview

This function works to ensure communication from the Council to the community is accurate, relevant and engaging through multiple communication channels. It also works with government, community groups and commercial operators to stage and support events that help build social cohesion and attract economic activity.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	4	5	(1)	
Expenditure *	530	522	(8)	Additional expenditure to pay for new initiatives listed below, which are largely offset by reductions in newsletter costs.
NET Cost/(Rev)	527	517	(10)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	3	3	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Events	Attract and deliver events that align to our strategic plan goal to bring events to our district that have social, cultural, environmental and economic benefits.
Digital and Social Media	Improve and grow existing digital communications channels including the website, e-newsletters, social media and exploration of other digital opportunities.
Channel Strategy	Prepare a strategy to improve effectiveness and engagement through all our communication channels and explore new channel opportunities.
Crisis communication plan	Develop a crisis communication plan to complement the Council's emergency management plan.
Women's Tour Down Under	Grow the Council's involvement in the Women's Tour Down Under.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Digital Communications	Growth of social media community (i.e. followers) across Facebook, Twitter, Instagram and LinkedIn.	6356	15% increase 7309
Digital Communications	Number of subscribers to regular electronic communications.	7679	8500
Events Attraction & Delivery	Number of community and other external events supported.	83	85
Events - External	Percentage of event applications acknowledged within 5 days.	80%	80%

Community Consultation

Overview

This area is responsible for promoting and supporting effective community engagement across the organisation. It includes the management of Council's online engagement portal, with associated training and support.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	119	120	1	
NET Cost/(Rev)	119	120	1	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	0.8	0.8	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Review Community Consultation Policy and Community Engagement Framework	Undertake periodic review of the Community Consultation Policy and review the Community Engagement Framework to ensure alignment of both documents and that community engagement approaches reflect contemporary practice.
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Community Engagement	Percentage of consultations undertaken online (in addition to other methods where applicable) with outcomes also published online.	100%	100%

Community Development

Overview

The Community Development Management Function provides leadership, support and policy development for the Community Development Department, including Community Centres, Home Support Program, Positive Ageing, Youth Development, volunteering, Arts and Cultural Development. It also manages Community Grants and Partnerships and is responsible for community leadership, community wellbeing and disability access and inclusion. This function is responsible for a number of regional programs including regional health planning, Hills Community Transport, Hills Connected Consortium, Hills Volunteering and partnerships with organisations such as The Hut Community Centre.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	246	329	83	Some expenditure to new 'volunteering' function. Additional expenditure savings also made.
NET Cost/(Rev)	246	329	83	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1	1.5	(0.5)	FTE moved to another function

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Disability Access & Inclusion	Develop a new Disability Access and Inclusion Plan, and coordinate organisation wide initiatives and priorities arising from the Plan. Establish a community reference group of people living with disability and their advocates.
Regional Health Planning Initiatives	Integrate requirements of the second State Public Health Plan into the Regional Health Plan and prepare section 52 report to advise the State Government on progress toward public health goals.
Community Leadership	Build on the development of a Community Leadership program designed to support community leaders and groups to reach their full potential.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Community Leadership Program	Number of community leadership training opportunities provided	8	10
Provision of Community Buses	Community Buses Provided for programs	4	4

Cultural Development

Overview

Community cultural development seeks to build social capital and community capacity through arts and culture. This function focusses on cultural diversity, Aboriginal respect and recognition, the arts and grants giving.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	143	143	0	
NET Cost/(Rev)	143	143	0	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1	1	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Multicultural Action Plan	Promote the cultural diversity of the Hills through images and information. Celebrate cultural diversity through events and activities. Participate in Harmony Day and Refugee Week. Foster strong working relationships with cultural groups in our area.
Reconciliation Action Plan (RAP)	Establish a Reconciliation Working Group of key stakeholders. Identify and partner with agencies and groups that support Aboriginal communities across the Hills. Undertake cultural awareness training for staff and elected members. Celebrate Aboriginal culture through events and activities. Participate in Reconciliation Week and NAIDOC Week. Support the Just Too Deadly awards.
Arts Action Plan	Build Council's role in relation to supporting a vibrant culture of visual, literary and performing arts through the implementation of an Arts Action Plan (under development in March 2018). Continue the development of the Arts & Heritage Hub at Lobethal. Investigate other venues across the area that may suit Arts activities. Investigate an Arts register.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Reconciliation and Aboriginal Culture	Number of staff & Council Members receiving cultural awareness training	NA	35
Cultural Diversity & Social Cohesion	Number of community events developed to celebrate cultural diversity	2	2

Customer Service

Overview

Frontline customer contact is provided through service centres integrated with libraries at Stirling, Woodside and Gumeracha and a central phone contact centre. Customer Service Officers are cross-skilled, providing whole-of-Council services and program delivery in libraries, and rotate regularly through the service points. Officers aim to resolve enquiries at the first point of contact where possible, but employ a Customer Relationship Management system to manage cases which need to be referred on to other staff. Customer Service Officers also process payments, dog registrations and development applications through the service points. The resources listed below are for nominal non-library related customer service.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	534	0	(534)	Frontline services for Council & Library split from specialist library services
NET Cost/(Rev)	534	0	(534)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	6	0	6	Function divided into two - % of staff moved from Library Services

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Online services	Continue to explore and actively promote online channels of enquiry and self service.
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Contact Centre	Calls answered within 30 seconds.	75%	75%
Contact Centre	Customer contact details updated within 5 days	87%	80%

Director's Office - Community and Customer Service

Overview

The Community and Customer Service Directorate delivers library services, customer services, ageing and home support services, youth development, community capacity programs, cultural development, events support and Council communications to the community.

The Director's Office is the executive section of the Directorate and consists of the Director and an Executive Assistant. The role of the Director's Office is to provide leadership for, to represent, and to monitor the performance of, the directorate. The Director's Office also strives to enhance and improve the ability of the team to deliver services efficiently and effectively and thereby improve community benefit.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	289	299	10	
NET Cost/(Rev)	289	299	10	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1.7	1.7	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Grants & Partnerships

Overview

Grants are used to support community based initiatives designed to achieve positive community development outcomes. Partnerships are formed with other stakeholders to deliver regional or local outcomes. Partnerships include those with The Hut, Hills Volunteering, Hills Community Passenger Network and include activities such as Volunteer Movie Day

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	261	256	(5)	
NET Cost/(Rev)	261	256	(5)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	0	0	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

External volunteering support	Review ways in which the Council supports volunteering in the community (outside of Council) to ensure approaches are effective and contemporary.
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Community Grants	Number of grants made to community groups	20	25
Hills Community Passenger Network	Number of trips conducted by HCPN	N/A (expect 1100)	1150

Hills Connected Communities Program

Overview

The Hills Connected Communities Project is a regional program externally funded by the State Government with a consortium approach across AHC Community Centres (The Summit and Torrens Valley Community Centre), Mount Barker Community Centre and The Hut Community Centre. This program works in the Results Based Accountability space, measuring community wellbeing and how people are better off from being involved in our programs. This program attracts external funding for us to work collaboratively within our region to develop and implement targeted strategies and programs.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	61	46	15	Increased external funding allocation
Expenditure *	61	45	(16)	Based on increased external funding allocation
NET Cost/(Rev)	0	(1)	(1)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	0.6	0.3	0.3	Related to increased external funding allocation

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Results based accountability	Develop a model for the inclusion of 'results based accountability' approaches in reporting outcomes achieved by Community Centres.
Supporting volunteers	Review training needs for volunteers to enable them to run and develop programs sustainably.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Program delivery	Participants with increased social connections	95%	95%

Library Services

Overview

The Library Service comprises the Coventry Library at Stirling, branches at Woodside and Gumeracha, a mobile library that reaches across all parts of the district, and a home service vehicle that reaches those unable to access a static library. It provides safe, relaxed, versatile and welcoming environments through which services developing an educated and literate community are delivered. It ensures all community members, regardless of age, gender, financial status, or any other such factor, have access to information, entertainment and resources, both traditional and digital. It actively supports and promotes lifelong learning through free access to computers and technology; through early literacy program and digital training sessions; and through workshops and exhibitions that encourage imagination, whether in crafts, arts or in alignment with STEAM principles. It encourages intergenerational interaction; collaborates and partners with community groups and local businesses; welcomes the skills of volunteers; and supports access to local history and content which may not be available elsewhere.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	346	344	2	
Expenditure *	2119	2573	454	Single function now divided into two - costs for frontline Council services moved into second function. Additional cost for digital services provision.
NET Cost/(Rev)	1773	2229	456	Single function now divided into two - costs for frontline Council services moved into second function. Additional cost for digital services provision.
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	19.2	24.6	(5.4)	Frontline staff FTE transferred to new function

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Digital literacy	Address increasing community demand for an understanding of digital devices and for digital literacy skills that enable access to e-resources.
Mobile Library project	Replace the Mobile Library Service vehicle with one configured for greater community use and adaptable service delivery.
Library Services Review	Review current model of services and service delivery to identify opportunities for improvement, ensure their effectiveness, and enable development of a strategic plan.
Social inclusion project	Continue to develop collections and programs that promote and support social inclusion e.g. children with special needs, learning difficulties such as dyslexia, the LGBTIQ community, homelessness, and independent youth.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Library programs	Number of program attendees	16,092	16,500
Digital literacy support	Number of program attendees	202	250
Library borrowing and advice services	Respond to requests to purchase new library materials within 10 days.	100%	80%
Homework help	Number of hours of homework help provided online, free of charge	149	150

Positive Ageing (Collaborative)

Overview

The Hills Positive Ageing Collaborative Project is a Commonwealth and Council joint funded project which aims to support aged care services and service users in the local government areas of Adelaide Hills, Mt Barker and part of Alexandrina (Strathalbyn) to implement aged care reforms. Reporting to a Regional Executive Committee, the project leads innovative, responsive and collaborative projects that facilitate the development of positive ageing initiatives across the Hills. Adelaide Hills Council hosts and manages the project in lieu of contributing funds.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	100	98	2	
Expenditure *	93	97	5	
NET Cost/(Rev)	(8)	(1)	7	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	0.6	0.6	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Dementia Friendly Communities Project	Foster and promote tourism, social and retail destinations that are dementia friendly. The project will support Adelaide Hills businesses to demonstrate awareness, respect and responsiveness to people living with dementia. The project will be a collaboration between the Hills Inclusive Tourism (HIT) group and the Hills Dementia Action Group (HDAG).
Wellbeing and Reablement Training	Assist aged care service providers to understand and implement wellness and reablement within current government frameworks and best practice guidelines.
The Brain Hub	Develop and provide opportunities to increase and assist community members understand brain health and memory loss by providing information, valuable resources and information collections in easily accessible locations.
Resilience Workshop	Host workshops which aim to help aged care service providers and community members to understand key principles and practices of wellbeing and resilience and to develop practical strategies and responses how these can be applied.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target

Positive Ageing Services & Programs (Home Support)

Overview

The Hills Home Support Program (which incorporates Positive Ageing Programs) plays an important role in supporting, maintaining and building capacity in the lives of older residents of the Adelaide Hills Council area. The program is predominantly externally funded by both the State and Commonwealth Governments.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	954	953	2	Uncertainty around Federal Funding levels for 18/19 agreement (agreements have not yet been released by the Federal Government)
Expenditure *	1033	1021	(12)	
NET Cost/(Rev)	79	68	(11)	Small increase in bottom line program cost due to grant income not yet set by Federal Government, but increased need for assistance continues to be experienced by the ageing community of the Adelaide Hills
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	6	5.6	0.4	Increased need and complexity in coordinating services required by our ageing community is necessitating more staff time to complete. This is fully funded by the Commonwealth.

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Building Wellbeing & Wellness	Expand the reach and accurately capture the use of wellbeing, wellness and reablement initiatives with the client group.
Increasing online presence	Expand the visibility and access to the Positive Ageing Programs by embracing and using online technology.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Home Support (Domestic Assistance)	Number of hours of service provided to clients.	5,489 hours (16/17 Actual)	4,620 hours
Community Transport (for over 65s)	Number of trips provided to clients.	2,478 trips (16/17 Actual)	2,760 trips
Home Support (Home Maintenance & Home Modifications)	Number of hours of service provided to clients.	2,222 hrs (16/17 Actual)	1,836 hrs
Social Support (for Over 65's)	Number of hours of service provided to clients (total client hours).	25, 617 hours (16/17 actual)	21,228 hours

Service Strategy & Innovation

Overview

This function works collaboratively across Council departments to improve service delivery to our customers and the community. Key areas of focus include improving the customer culture throughout the organisation, delivering initiatives and projects to improve the customer experience, oversight of functionality of the Customer Relationship Management system and driving organisational improvement through a continuous improvement approach.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	207	185	(23)	Additional budget added for 2018-19 only to undertake a customer experience survey.
NET Cost/(Rev)	207	185	(23)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1.6	1.6	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

CRM Integration	Integrate the Customer Relationship Management system with other enterprise systems, including Confirm (asset management) and the call centre system.
Customer Experience Survey	Conduct a customer experience survey to determine levels of customer satisfaction from those who have interacted with the Council and identify opportunities for improvement.
Customer Channel Management	Develop a customer channel management approach that plots how customers access our services and how we can guide them to use the channels where we can provide the best service.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Customer Experience	Percentage of Tier 1 Service Standards for which reporting is in place	94%	100%
Continuous Improvement Program	Number of completed continuous improvement activities/projects	6	8

The Summit Community Centre

Overview

The Summit Community Centre at Norton Summit exists to deliver community development outcomes both on site and at outreach locations, predominantly in the eastern and central parts of the district. Through a range of services and programs, people are able to engage with their own community, improve health and wellbeing, participate in lifelong learning, share their skills and experience, and contribute to their community through volunteering. A range of community driven opportunities are provided and include parent support groups, nature play activities, painting groups, an annual Sala exhibition and the delivery of opportunities through the Red Shed based in Uraidla.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	12	16	(4)	Income prediction reduced based on experience.
Expenditure *	161	182	21	Reduced to reflect actual staff costs.
NET Cost/(Rev)	149	166	17	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1.6	1.6	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Community Development	Support programs that build community leadership skills and promote inclusion. Engage community leaders to inform program development.
Outreach programs	Run more programs where they need to be and link with other services to form partnerships in service and program development. Connect more with local groups and community members.
The Uraidla Red Shed	Grow this program to include more programs and interaction with other locals. Network and build relationships with other sheds to assist with program development.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Provision of Community Programs	Number of regular programs, short courses or workshops per term	115	125
Provision of Community Programs	Number of different types of services offered ie: transport, JP (of varied frequency each term)	11	12

Torrens Valley Community Centre

Overview

The Torrens Valley Community Centre at Gumeracha exists to deliver community development outcomes both on site and at outreach locations, predominantly in the northern parts of the district. Through a range of services and programs, people are able to engage with their own community, improve health and wellbeing, participate in lifelong learning, share their skills and experience, and contribute to their community through volunteering. The centre volunteers run a community op shop, a gardening program and assist community at the front counter of the Gumeracha Civic Centre. The Green Shed volunteers run a number of activities and work with local schools to provide support for younger members of the community. Shopping transport is also provided through the centre.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	43	52	(10)	Income prediction reduced based on experience.
Expenditure *	162	160	(2)	
NET Cost/(Rev)	119	108	(11)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1.6	1.6	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Community Development	Support programs that build community leadership skills, and promote inclusion. Engage community leaders to inform program development.
Outreach programs	Run more programs where they need to be and link with other services to form partnerships in service and program development. Connect more with local groups and community members.
The Gumeracha Green Shed and Op Shop	Work with these programs to consolidate on previous achievements and consider future goals. Network and build relationships with other sheds to assist with program development.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Provision of Community Programs	Number of regular programs, short courses or workshops per term	175	190
Provision of Community Programs	Number of different types of services offered ie: transport, JP (of varied frequency each term)	14	15

Volunteering

Overview

The volunteering function provides organisational-wide support for volunteering programs. Through volunteering, the Council seeks to inspire people to take action and contribute to building stronger, more connected individuals and communities. This is achieved by providing meaningful and innovative opportunities for volunteers to engage. Best practice support, quality management practices and effective systems are delivered by skilled volunteer management professionals.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	61	0	(61)	New budget function resulting from split of volunteering costs from the 'community development' function.
NET Cost/(Rev)	61	0	(61)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	0.5		0.5	FTE moved from another function.

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Volunteer Engagement	Review volunteer management systems and processes to increase effectiveness of recruitment, support and recognition.
Volunteer Management Capacity and Capability	Provide further staff training to develop capability and capacity to support volunteers in a systematic and strategic way.
Culture of Volunteering	Undertake a volunteer engagement survey to ascertain the status of the volunteering culture and identify opportunities for further education, recognition and branding.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Volunteer Induction and Training	Number of volunteer recognition events held.	2	2
Provision of volunteer management resources and support	The percentage of volunteers who are actively engaged within 20 days of application.	N/A	70%

Youth Development

Overview

Youth Development supports young people in a period of their life in which they go through a range of transitions, ultimately becoming thriving, productive and connected adults. This includes youth participation and leadership development, and direct service delivery to young people by building resilience, engagement and skill development through involvement in programs and events, as well as working at a strategic level on the planning and provision of services to young people in the region. Key services include Council's Youth Advisory Committee (YAC) and its various projects and programs, Youth Leadership Series (new), school holiday activities, youth-led programs such as XiTH LAN parties and Woodside Jams, and regular young drivers awareness courses.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	4	4	0	
Expenditure *	162	144	(18)	New youth initiatives including youth leadership and once-off youth program rebranding.
NET Cost/(Rev)	158	140	(18)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	1	1	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Review Youth Advisory Committee	Review the Youth Advisory Committee for effectiveness and relevance of the current model. Revamp and rebrand the program in synergy with the development of the (new) Youth Leadership Series program.
Youth Leadership Series	Develop a Youth Leadership Series program. In alternating years there will be a focus on formal learning with development of leadership and professional skills. In the intermediate years the program will consist of Youth leadership Workshops, focussing on exploration and celebration of achievements of Hills Young People, peer education and facilitated discussion.
Youth Action Plan 2019-2022	Develop a 3 year Youth Action Plan based on a community and stakeholder consultation and a review of existing services, activities and strategic priorities.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Youth Drivers Awareness Course	Number of youth participating in courses	19	26
Youth Leadership Series	Number of workshops delivered and number of participants	N/A	4 workshops, 30 participants

Adelaide Hills Council
2018-19 Proposed Budget
Corporate Services Income by Function

	2018-19 Proposed Budget \$'000s	2017-18 Annual Budget \$'000s	Variation to 2017-18 Budget \$'000s
Adelaide Hills Business & Tourism Centre (AHBTC)	579	892	(313)
Cemeteries	179	172	7
Director's Office - Corporate Services	3	3	
Financial Services	36,560	35,130	1,430
General Property	63	109	(46)
Governance & CEO Office	-	45	(45)
ICT	-	-	-
Information Systems	-	-	-
Organisational Development & Work Health & Safety	-	-	-
Retirement Villages	454	362	92
Income Total	37,838	36,712	1,126

Adelaide Hills Council
2018-19 Proposed Budget
Corporate Services Expenditure by Function

	2018-19 Proposed Budget \$'000s	2017-18 Annual Budget \$'000s	Variation to 2017-18 Budget \$'000s
Adelaide Hills Business & Tourism Centre (AHBTC)	365	592	227
Cemeteries	207	221	14
Director's Office - Corporate Services	304	310	6
Financial Services	2,646	2,471	(174)
General Property	2,690	2,490	(200)
Governance & CEO Office	1,456	1,516	59
ICT	1,329	1,162	(167)
Information Systems	1,258	1,238	(20)
Organisational Development & Work Health & Safety	461	562	101
Retirement Villages	320	340	20
Expenditure Total	11,036	10,901	(135)

Adelaide Hills Business & Tourism Centre

Overview

The Adelaide Hills Business & Tourism Centre (AHBTC) is located at the former Onkaparinga Woollen Mills site at Lobethal and is managed by the Adelaide Hills Council. The site has evolved from a business incubator and currently has a diverse group of commercial and community tenants. Through these business activities, the site currently provides employment for over 155 people.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	579	892	(313)	Revenue reduced following divestment of the south side of the site
Expenditure *	365	592	227	Expenditure reduced following divestment of the south side of the site and subsequent lower depreciation value
NET Cost/(Rev)	(214)	(300)	(87)	Revenue and Expenditure adjusted to take into account the divestment of the southern side of the AHBTC site prior to 1 July 2018
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	1	1	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Masterplan	Progression of recommendations from the AHBTC Masterplan
Management of Commercial Tenancies	Management of tenancies in accordance with lease agreements and commercial principles.
Asset Divestment Strategy	Progression of the division and divestment of the identified areas of the AHBTC site.
Economic Activity	Support tenants to maintain economic activity and increase employment opportunities

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Management of Commercial Tenancies	Separate tenancy areas under management	44	24
Management of Commercial Tenancies	Number of commercial tenants	16	6
Management of Commercial Tenancies	Number of community group tenants	5	5
Management of Commercial Tenancies	Value of rent for community group occupation		

Cemeteries

Overview

Property Services are responsible for ongoing maintenance and management of 17 cemeteries within Adelaide Hills Council boundaries. Council functions include the issuing and renewal of Interment Rights, facilitating interments, attending funerals, ordering plaques, approving memorial applications and ensuring legislative compliance with the requirements of the Burial & Cremation Act 2013.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	179	172	7	Increase in revenue from standard fee increases
Expenditure *	207	221	14	Expenditure reduced due to lower depreciation value
NET Cost/(Rev)	28	49	21	Increase in revenue from standard fee increases and expenditure reduced due to lower depreciation value
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	0.5	0.5	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Cemetery Review	Progression of the review of Council's cemetery operations and procedures
Stirling Masterplan	Development of a masterplan for the Stirling Cemetery to map out expansion areas and native vegetation protection zones.
Survey and aerial mapping of cemeteries	Undertake survey and aerial mapping to compliment spreadsheet data for implementation into Cemetery Management System
Cemetery Management System	Implementation of management system to electronically hold all cemetery records and provide workflows for all cemetery administrative functions

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Cemetery Management	Number of Interment Rights Issued	68 YTD	70
Cemetery Management	Number of interments	112 YTD	120

Director's Office - Corporate Services

Overview

The Corporate Services Directorate provides a wide range of key services to both the organisation and the broader community. These services include finance, rates, property management and compliance, AHBTC oversight, Information Services (including records), governance and risk management. The Director's Office is the executive section of the Directorate and consists of the Director and an Executive Assistant. The role of the Director's Office is to provide leadership for, to represent, and to monitor the performance of the directorate. The Director's Office also strives to enhance and improve the ability of the Team to deliver services efficiently and effectively and thus improve Community benefit.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	3	3	0	
Expenditure *	304	310	6	
NET Cost/(Rev)	301	307	6	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1.8	1.8	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Financial Services

Overview

The Financial Services function provides accounting and financial operations activities including payment of invoices, collection of rates and recovery of debt, treasury management, procurement support as well as financial decision making required for Council's operations, including statutory reporting obligations.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	36560	35130	1430	Increases due to Rates including growth, NRM levy increase and Net Gain from Subsidiaries
Expenditure *	2646	2471	(174)	Increases to interest expense and NRM levy paid offset by increased capitalisation of Project Manager salaries into capital
NET Cost/(Rev)	(33914)	(32658)	1256	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	7.5	7.5	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Annual Financial Statements	To complete the Annual Financial Statements in accordance with the agreed timelines for inclusion in the Annual report for 2017-18
Development of 2019-20 Long Term Financial Plan	Development of 2019-20 Long Term Financial Plan
Budget Development including rating strategy and fees and charges consideration	To develop the budget for 2019/20 in accordance with agreed timelines for inclusion in the Annual Business Plan
Development of Strategic Financial Framework	Development of Strategic Financial Framework that provides appropriate parameters and targets to assist Council to link Councils LTFP to Council Strategies & Plans.
Sale of Land	To undertake further Sale of Land for non-payment of rates process, under Section 184 of the Local Government Act
Procurement Framework	To develop a Procurement Framework and tools to support Council's adopted Procurement Policy

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Financial Operations	Payment of invoices within 30 days of the End of Month	95%	95%
Financial Operations	Issuance of monthly financial reports	10 Working Days	7 Working Days
Revenue (Rates & Accounts Receivable)	Processing of Section 187 Certificates within 3 days	90%	90%
Revenue (Rates & Accounts Receivable)	Process requests of change of address to Rates Notices within 3 days	80%	80%
Financial Operations	Meet all financial legislative timeframes		100%

General Property

Overview

Property Services is responsible for the ongoing maintenance and management of Council's real estate assets including management of Council's unmade roads (including rentals and closures/sales), Outdoor Dining Permits, Roadside Trading Permits and Mobile Food Van Permits. This includes some 390 land titles and 186 buildings owned and managed by Adelaide Hills Council Property Services Department, many of which are leased to sporting and community groups. The portfolio includes service centres and operational sites that have a much higher operational cost than sites that are occupied for sport, recreation or community use.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	63	109	(46)	Revised revenue allocations to correct some duplications and lower rental projections for some sites
Expenditure *	2690	2490	(200)	Increase in office accommodation costs and inclusion of project officer costs to be capitalised against various projects
NET Cost/(Rev)	2627	2381	(246)	Lower revenue from hired premises and reimbursements and increase in office accommodation costs and inclusion of project officer costs
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	4.6	3	1.6	Contract project officer costs for various projects to be capitalised against projects

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Community & Recreation Facility Framework	Continue to develop a Community & Recreation Facility Framework for all of Council's community and sporting/recreation facilities
Community Land Register and Management Plans	Review existing and develop new management plans for Council's community land
Crown Land Review	Review the 77 Crown Land parcels dedicated to Council to determine occupation and consistency with dedicated purpose and strategic value to the community and Council with recommendations to Council where changes are seen as appropriate.
Unmade Road Review	Review Council's unmade road network and create a register determining current occupation and use, encroachments, strategic value to the community and Council as possible future road network including walking trail and native vegetation purposes or that are suitable for closure and sale.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Maintenance of Council Owned/Controlled Facilities	Number of Crown Land Parcels dedicated to Council	77	60
Maintenance of Council Owned/Controlled Facilities	Number of reserves owned and maintained by Council	133	133
Maintenance of Council Owned/Controlled Facilities	Number of buildings managed and maintained by Council for community and operational use	185	185

Governance & CEO Office

Overview

The Governance area incorporates both the CEO Office and the Governance and Performance function from a budget perspective. The CEO Office provides executive support for the CEO and the Mayor in the discharge of the roles and responsibilities set out in legislation; to support the leadership of the Council and the Administration; and the achievement of the Strategic Plan. Consultation, advocacy and liaison with federal state and other local government members and entities, community and business groups and members of the public are key functions of the CEO Office. The Governance function provides civic governance services for the elected Council and the community and corporate governance services for the organisation. Civic governance services include: secretariat for Council, Council Committees and informal gatherings; Council Member support, advice and professional development; coordination of elections and representation reviews; liaison with inquiry agencies; and oversight of community requests for Section 270 reviews for escalated complaints. Corporate governance services include: corporate risk management, internal audit and review activities; strategic, corporate and business planning; emergency and business continuity planning; coordination of legislative policies, codes, delegations and authorisations; and corporate performance reporting.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	45	(45)	Removal of revenue and expenditure associated with the 2017 Australian Council CEO Forum held in the Adelaide Hills.
Expenditure *	1456	1516	59	Increases in peak body and regional subsidiary memberships, audit fees, allowances and Council Member training. Reductions in contractors, legal advice and the CEO contingency.
NET Cost/(Rev)	1456	1471	15	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	5	5	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

2018 Local Government Election	Facilitate the Council-related Election processes associated with encouraging enrolment, the nomination of candidates and the casting of votes for the election. Following the Election, induct and orientate the new Council to undertake their individual and collective roles and obligations to serve and represent the Adelaide Hills community.
Business Performance Reporting	Coordinate the development and reporting of a suite of corporate indicators to assist in monitoring the performance of Council's key plans, strategies, projects, risks and services.
Corporate Planning	Establish the corporate planning function through the consolidation of the strategic, corporate and annual business planning functions across the organisation.
Leadership	Provide leadership, influence and direction in the management and allocation of human, physical and financial resources.
Emergency Management Planning	Procuring consumables and consultancy services to support Council's Emergency Management Planning activities.

Key Service Levels/Stats/Facts			
Service Name	Description	2017/18 Actual	2018/19 Target
Council & Committee Agendas	Council agendas are produced and distributed in accordance with Code of Practice for Meeting Procedure timeframes	TBC	75%
Corporate Reporting	Corporate Performance Report is provided for Council	N/A	Quarterly
Risk Management	Strategic risks reassessed and reported	Quarterly	Quarterly
Internal Audit Services	Number of internal audits per annum	5	5
Policy Framework	Policies reviewed on or before review date	TBC	80%
Council Member Support	Number of professional development sessions delivered	TBC	18

ICT

Overview

ICT (Information, Communication and Technology) is a critical function to the operation of Council services and service improvement initiatives. The department is responsible for providing a range of technology services for both internal and external service provision. The ICT team supports over 1300 technology devices, 250 system users & 100 public access devices for Libraries and Community Centres. Its key objectives are the delivery of ICT Operational & Capital Works programs, Technology Helpdesk Support, ICT Systems Security, ICT Asset Maintenance & Renewal Programs.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	1329	1162	(167)	Increased provision for depreciation of \$200k offset by operational savings.
NET Cost/(Rev)	1329	1162	(167)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	4	4	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

ICT Business Continuity - Telecommunications	Conduct a review of the telecommunications services in place and evaluate alternative solutions. This will add value to Council by building better redundancy and resilient telecommunication services to critical core systems infrastructure.
Mobile Device Renewal	Continue with a rolling capital works program for the renewal of mobile fleet devices. This initiative will ensure an up to date fleet using current software in line with systems and security recommendations.
Internet of Things (IOT)	Recently an IOT Network has been established in the AHC district and now there are opportunities for Council to utilise sensors connected to this technology. The initiative will see a trial of a range of IOT sensor technologies to evaluate the usefulness of the information collected to improve decision making.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Technology Maintenance of ICT Assets	Number of Devices Supported	1342	1400
Technology Support	Number of supported network users	180	250
Technology Support	Number of Technology Service (help) Desk tickets (12 month period March 2016 - March 2017)	1403	1350
Technology Operations	Technology systems availability (12 month period March 2017 - March 2018)	99.97%	99.5%
Technology Support	Number of helpdesk tickets closed out within one business day (Average of all categories) (12 month period March 2017 - March 2018)	65%	75%

Information Systems

Overview

The Information Management function is responsible for the capture, dissemination, storage, security, accessibility and management of information that is both received and generated by the Council. The function manages digital information, (digital documents, databases, line of business systems, corporate software etc.) and information in hard copy formats. The function guides and supports the various internal and external facing service areas of Council to support best practice information management. The function also undertakes a variety of externally facing services including the processing of Section 7 Certificates; the collation and management of Freedom of Information Requests; management of requests for documents subject to copyright. The function also assumes responsibility for corporate software systems maintenance and management including procurement. There are currently over 80 individual software line of business systems supported.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	1258	1238	(20)	Additional costs associated with licencing for EngageHQ, Trapese and Objective Connect that have been partially offset by operational savings
NET Cost/(Rev)	1258	1238	(20)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	6.8	7	(0.2)	Relates to resourcing for the implementation of the Information Management System (Refer to capital Project)

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Implementation of Organisational Information Management System	A new enterprise organisational information management system has been developed on a contemporary technology platform. The solution will be implemented across the organisation, on a rolling basis one department at a time. The Information Systems team will support each team as they begin using the system and migrate essential information from legacy systems.
Destruction of hard copy records	The Information Management team will focus on reviewing and destroying hard copy records that are due for destruction under the Legislative rules of the General Disposal Schedule.
Hard Copy Records digitisation	Hard Copy records that have been identified as "at risk of deterioration" will be scanned and captured electronically. This project will focus on historical waste water records and building records.
Information Management System Integration	Integrating corporate line of business systems into the Enterprise Information Management system, to ensure documents created in these systems are saved inside the enterprise system. This includes our Development, Environmental Health, CRM and Asset Management systems.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Information Management	Section 7 Searches completed within legislative timeframe	100%	100%
Information Management	Proportion of Freedom of Information Requests completed within legislated timeframes	100%	100%
Information Management	Hard Copy & digital customer requests received and digitised into line of business system within one day	24000	25500
Technology Operations	Ensure all 'core' software line of business systems are within test environment for UAT following release	80%	90%

Organisational Development & Work Health and Safety

Overview

The Organisational Development (OD) Department provides a range of services internally (including OD, human resource management, work health and safety and payroll) to enable the effective management and leadership of our employees. This is achieved through the provision of frameworks, policy, procedure and supporting documents for People Leaders (those who manage employees) and employees to use. More specifically this includes the whole of the employment lifecycle: recruitment, induction, performance, development, industrial relations, work health and safety and exit. OD team members provide advice, guidance and support across the organisation.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	461	562	101	Anticipated savings, including a reduction in overtime and leave accruals, from across the organisation
NET Cost/(Rev)	461	562	101	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	3.7	3.9	(0.2)	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Work Health and Safety	Undertake internal audit of 3 WHS procedures and develop an action plan from results received
Diversity and Inclusion	Research and develop a Diversity and Inclusion Policy/Procedure
Leadership Development	Commence the quarterly People Leader sessions (including development and education)

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Work Health and Safety	Number of Lost Time Injuries (LTI) per year	1	3
Work Health and Safety	% of WHS KPI Action Plan outcomes completed each year	96%	95%

Retirement Villages

Overview

Adelaide Hills Council owns and operates 6 retirement villages across the Council area comprising 63 independent living units. Council's functions include negotiation and issuing of occupation agreements, management and maintenance of the villages and ensuring compliance with the Retirement Villages Act 2016.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	454	362	92	Reflecting greater occupancy rates and increases in rent and maintenance contributions
Expenditure *	320	340	20	Adjusted to reflect changes to depreciation values and water use costs
NET Cost/(Rev)	(135)	(22)	113	Reflective of anticipated revenue increase through greater occupancy rates and reduced expenditure
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	0.5	0.5	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Unit refurbishments and upgrades	Undertake upgrades to the retirement villages to replace old fitouts and make the units and grounds more age-friendly
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Retirement Village Maintenance	Number of units upgraded	5	5
Retirement Village Management	Number of units vacant for greater than 4 months	4	1

Adelaide Hills Council			
2018-19 Proposed Budget			
Engineering & Assets Income by Function			
	2018-19 Proposed Budget \$'000s	2017-18 Annual Budget \$'000s	Variation to 2017-18 Budget \$'000s
Civil Services	1,856	3,192	(1,336)
Director's Office - Engineering & Assets	-	-	-
Open Space Biodiversity	-	-	-
Open Space Operations	28	27	
Open Space Sport & Recreation Planning	2	2	-
Sustainability	-	-	-
Sustainable Assets	-	-	-
Income Total	1,886	3,222	(1,335)

Adelaide Hills Council			
2018-19 Proposed Budget			
Engineering & Assets Expenditure by Function			
	2018-19 Proposed Budget \$'000s	2017-18 Annual Budget \$'000s	Variation to 2017-18 Budget \$'000s
Civil Services	11,034	10,343	(691)
Director's Office - Engineering & Assets	309	314	6
Open Space Biodiversity	455	458	2
Open Space Operations	3,046	3,012	(33)
Open Space Sport & Recreation Planning	886	975	89
Sustainability	325	237	(87)
Sustainable Assets	573	478	(94)
Expenditure Total	16,626	15,817	(809)

Civil Services

Overview

The Civil Services Department maintains a significant portion of Council's infrastructure including sealed and unsealed roads, signage, stormwater drainage, and rapid response activities. The department is also accountable for the Project Management of the majority of Council's capital works program. This includes delivery of the annual renewal work plan for civil asset classes such as bridges, community wastewater management system, sealed and unsealed roads, kerbs and footpaths, and stormwater infrastructure. It also includes new or upgrade projects within those same classes, as well as road safety improvement projects.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	1856	3192	(1336)	This reduction is due to changes to the Roads to Recovery allocation and the 2017/18 revenue from the National Disaster Recovery Funding following the September 2016 Storm Event.
Expenditure *	11034	10343	(691)	353k of variation arises out of Depreciation realignment as per Long Term Financial Plan. Staff movements from Civil Services and Project Officer resources to be Capitalised, in conjunction with CPI increase reflect the additional expenditure outlined.
NET Cost/(Rev)	9177	7150	(2027)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	46	41	5	2 FTE from Open Space, 2 Capitalised Project Delivery roles comprise the bulk of the additional FTE shown. Actual increase is the 1 FTE Work Group Leader role.

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Project Management Manual	As per Council's Corporate Plan, develop a Project management Manual suitable for use Council wide. An important element of the manual will be that it is scalable for use across projects of varying size.
Online Maintenance Program	Continue to refine Council's Planned Maintenance Program and enhance its online presence.
Capital Project Delivery	Delivery of the civil component of 2018/19 Capital Works Program, whilst enhancing reporting capability.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Civil Project Delivery	Total actual expenditure vs total budgeted expenditure.		90 %
Development Engineering	Designs will be reviewed with in 2 weeks of receipt	Not collected	80%
General Civil Maintenance	We will respond and make safe hazardous footpath issues within 24 hrs.	80 %	80 %
Sealed Road Maintenance	We will respond and make safe hazardous road and pothole issues within 24 hrs	80%	80%
Unsealed Road Maintenance	We will respond and make safe hazardous road and pothole issues within 24 hrs	80%	80%
Stormwater Maintenance	We will respond and make safe hazardous stormwater and flooding issues within 24 hrs	80%	80%
Quick Response and Illegal Dumping	We will remove illegally dumped rubbish wihtin 3 days.	79%	80%

Street Sweeping	We will ensure all kerbed roads are swept at least twice a year	100%	100%
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Director's Office - Engineering and Assets

Overview

The Engineering and Assets Directorate delivers a wide range of key services to the Community, including civil and open space related maintenance; engineering and design; sustainability initiatives, capital works, including asset renewal and other construction projects; sport and recreation planning and natural resources management.

The Director's Office is the executive section of the Engineering and Assets directorate and consists of the Director and an Executive Assistant. The role of the Director's Office is to provide leadership for, to represent, and to monitor the performance of the directorate. The Director's Office also strives to enhance and improve the ability of the Team to deliver services efficiently and effectively and thus improve Community benefit.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	309	314	6	
NET Cost/(Rev)	309	314	6	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	2	2	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Open Space Biodiversity

Overview

Our district boasts a wide range of habitats, including our iconic Stringybark and Candlebark forests, Red Gums and sedges of our waterways and the specialist vegetation of our wetland systems. The native flora and fauna of our region contributes to the character of the Adelaide Hills, and many of the ecosystems and the services they provide are essential to our productivity, economy, health and sense of wellbeing. Our plants and wildlife face a number of challenges. The area contains a significant proportion of the state's remaining native vegetation, and all are vulnerable to a number of threats including weed invasion, habitat fragmentation, exotic pests, risk of bushfire, and climate change. Council's response to help mitigate these threats is the Biodiversity Strategy, detailing activities the Council will be undertaking over the following years to both conserve and improve local biodiversity on Council managed land. These include weed management, habitat conservation and expansion, improving our knowledge about how we can best manage our local biodiversity and supporting the community in their activities to protect and support biodiversity. Staff from the Open Spaces team together with Council Members, community groups, government agencies, non-government organisations and industry professionals work to improve local biodiversity and to support ecosystems and the services they provide to enable them, and ourselves, to thrive. The Biodiversity Budget supports the delivery of the Biodiversity Strategy.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	455	458	2	
NET Cost/(Rev)	455	458	2	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	2	2	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Biodiversity Monitoring and Management	Council reserves of conservation value are monitored using the BushRAT method and attributed a biodiversity value. This dataset enables regional prioritisation of works across all sites. Sites are reassessed every 5 years to determine efficacy of works undertaken at each site. The dataset has also enabled development and implementation of the Sensitive Sites Register and the resulted in the proposal of entering several sites in to Heritage Agreements.
Community capacity building	Allocate funding to the Council Community Grants Scheme under the 'Environment' category. Contracted works to support volunteer activity on sites of conservation value. Support community conservation projects by funding signage, flyers/brochures and 'citizen science' initiatives (i.e. wildlife monitoring). Continue to develop Council brochures/booklets to educate the local community.
Native Vegetation Marker System Program	The Adelaide Hills Council Native Vegetation Marker System sites assessed and monitored using the BushRAT methodology (utilised by Native Vegetation Council - DEWNR) to determine condition and attribute a biodiversity value. Data used to determine priority works and feeds into a collaborative Roadside Vegetation Work Plan co-funded by Natural Resources Adelaide Mount Lofty Ranges (DEWNR). Specialist contractors then engaged to use minimal disturbance techniques to preserve, maintain and improve sites. AHC recently became a finalist in the LG Leadership Excellence Awards for development and implementation of this Program as a benchmark for best practice.
Biodiversity Strategy Review	The current Biodiversity Strategy covers 2013 - 2018. A new one is due in 2019. Consultation and development will take place over 2018, with the new Strategy planned for release early 2019.
Bird monitoring of prescribed burn sites	Several Council sites have been identified under the CFS Bushfire Management Area Plan for 'treatment' to reduce fuel load. For a number of sites, this will take the form of a prescribed burn. AHC will be implementing a biannual bird monitoring program undertaken in spring and Autumn pre and post burn to ensure that impacts to bird populations on site managed responsibly.

Key Service Levels/Stats/Facts			
Service Name	Description	2017/18 Actual	2018/19 Target
Biodiversity and habitat conservation	Native Vegetation Marker System BushRAT Assessments	91	75
Biodiversity and habitat conservation	BushRAT assessment of High Biodiversity Reserves	14 sites	10 sites
Biodiversity and habitat conservation	Minimal Disturbance Bushcare works	10 sites	10 sites
Biodiversity and habitat conservation	Bush For Life and AHC Partnership and Funding Agreement servicing 28 sites	28 sites	28 sites
Biodiversity and habitat conservation	Collabortaive annual review and implementation of the NRAMLR/AHC Roadside Vegetation Work Plan.	273 sites	273 sites
Biodiversity and habitat conservation	Woody Weed Control Program - fuel reduction undertaken in sites of high biodiversity value.	17 sites	17 sites

Open Space Operations

Overview

The Open Space Department maintains a significant portion of Council's parks and reserves, biodiversity, sport and recreation sites, trees, horticulture, building projects, cemeteries & fire breaks/tracks. The Open Space Department carries out capital upgrade works, in particular relating to buildings and open space projects, including playgrounds. Additionally, the department is responsible for the purchase and maintenance of Council vehicle fleet and heavy plant and equipment to enable our Service Provision activities.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	28	27	1	
Expenditure *	3046	3012	(33)	Expenditure increase less than CPI.
NET Cost/(Rev)	3018	2985	(33)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	20.8	23.3	(2.5)	2 FTE Reduction due to realignment of reporting structure, with offsetting increase in Civil Services. 0.5 accounted for twice in 2017/18, now corrected.

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Elm Leaf Beetle Treatment	To manage the detrimental impacts caused to Elm trees as a result of Elm Leaf Beetle infestation, council engages contactors to undertake systemic insecticide treatments to selected high value Elm trees.
Veteran Tree Management	Undertake proactive veteran tree management pruning principles to high value large trees within prominent urban locations and areas of high public significance.
Workflow process improvements	Migration of current operational workflow practices to mobile GIS based electronic system.
Playground in-field technology	Continue to develop the electronic capture of data live in the field using the asset management system for customer requests and risk assessments
Asset protection zones	Review all asset protection zones in conjunction with the Mount Lofty Ranges Bushfire Management Area Plan
Fleet & Plant Management	Lead by example in purchase of more efficient vehicles with enhanced safety features (all fleet vehicles now 5 star ANCAP rated)

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Arboriculture Maintenance	We will respond and make safe hazardous tree issues within 24 hours	80%	80%
Arboriculture Maintenance	We will resolve other tree issues in accordance with our general maintenance program	N/A	N/A
Playground Maintenance	We will investigate and make safe high risk/hazardous playground enquiries as a matter of priority	80 %	80 %
Reserve Maintenance	We will process all Works on Road Reserve applications in a reasonable timeframe	20 Days	20 days

Open Space Sport & Recreation Planning

Overview

Sport and Recreation Planning plays a key role in ensuring that Adelaide Hills Council makes informed and consistent decisions to enhance the quality of Sport and Recreation opportunities available to our Community and its visitors. The Sport and Recreation Planner is responsible for leading the Council's Sport and Recreation Strategy and associated initiatives across the District. Our focus is to continue to guide the strategic planning, management and utilisation of the Council's sport, recreation and open space assets; while also supporting the clubs and community who utilise these spaces.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	2	2	0	
Expenditure *	886	975	89	Expenditure reduction due to double grants round in 2017/18.
NET Cost/(Rev)	884	973	89	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1	1	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Community & Recreation Facility Grants	Deliver the Community & Recreation Facility Grant Funding round.
Sport & Recreation Masterplanning Projects	Continue to develop and implement the various Sport & Recreation Masterplanning Projects.
Play Space Upgrades	Plan and deliver Play Space Upgrades based upon Council's endorsed upgrade program.
Club Development Workshops	Provide capacity building, networking & development opportunities for sport & recreation clubs in our region.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Sport & Recreation Planning & Delivery	Deliver Club Development Workshops	2	3
Sport & Recreation Planning & Delivery	Deliver Community & Recreation Facility Grant Funding Round	1	1

Sustainability

Overview

Energy efficiency, water management, sustainable landscapes, community resilience, climate change mitigation and adaptation are all sustainability directives for the Adelaide Hills Council (AHC). Whilst AHC is undertaking monitoring and evaluation of energy use for the main AHC facilities and buildings the emphasis is now on providing the community with opportunities to reduce energy use. Sustainability criteria was included in the sport and recreation and community grant programs to enable the community to install energy efficiency measures for community buildings and facilities. An investigation into a Community Energy Program has commenced as part of the Regional Climate Change Adaptation Steering Group (along with Yankalilla, Mt Barker, Alexandrina, Victor Harbor and Kangaroo Island Councils) and following on from the evaluation of proposals the program will commence. The Council has also undertaken investigation into water reuse from the Bird in Hand Community Wastewater Management Scheme (CWMS) for irrigation purposes at the Woodside Recreation Ground (WRG). In addition numerous Water Sensitive Urban Design (WSUD) initiatives such as creek restoration and biofiltration areas will be implemented at the WRG.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	325	237	(87)	Significant new investment towards reducing water use, battery storage, electric vehicle station viability, landscape conservation and carbon neutrality objectives as per Climate Change Adaptation Plan
NET Cost/(Rev)	325	237	(87)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	1	1	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Community Energy Program	Research and analysis of a Community Energy Program across the region through the Resilient Hills and Coasts Climate Change Adaptation Project Group.
Investigate water reuse for Woodside Recreation Ground irrigation	Investigate and analyse the feasibility of using reuse from the Bird in Hand Community Wastewater Treatment Scheme for irrigation of ovals and pitches at the Woodside Recreation Ground.
Design and implement WSUD initiatives at the Woodside Recreation Ground	Undertake design development, documentation and implementation of Water Sensitive Urban Design (WSUD) initiatives, including creek restoration and biofiltration areas at the Woodside Recreation Ground.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Master Planning	Preparation of Master Plans	1	1
Community Engagement	Working with communities to facilitate community-led approach	1	1

Sustainable Assets

Overview

The Sustainable Assets team develops and refines Asset Management Plans, plans for future Capital Works programs, and provides organisational support for the Geographical Information and Asset Management Systems. Council owns infrastructure assets that have a replacement value of over \$504 million dollars. The ongoing management, maintenance and planning for replacement of assets ensures that public infrastructure is safe and appropriate for current and future community needs..

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	573	478	(94)	Position which was vacant during 17/18 now to be filled.
NET Cost/(Rev)	573	478	(94)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	4	3.6	0.4	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Confirm Asset System	Develop the business workflow to capture real time operational data defects against asset classes with the asset management system
GIS Integration	Update the GIS version and restructure the GIS data management to ensure full integration with Confirm Asset Management
Asset Management Plan Review	Review asset management plans prior to Long Term Financial Plan update in February 2019.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Asset Condition Inspection	30 % of Unsealed Road network condition rated		100%
Asset Information Management	Confirm Enterprise Wide Asset Management System		80% of asset classes fully operational within system
Asset Condition Inspection	Kerb and Gutter Condition Audit Completed		100 %

Adelaide Hills Council 2018-19 Proposed Budget Strategy & Development Income by Function			
	2018-19 Proposed Budget \$'000s	2017-18 Annual Budget \$'000s	Variation to 2017-18 Budget \$'000s
Animal Management	425	393	32
Community Wastewater Management System (CWMS)	1,632	1,505	127
Director's Office - Strategy & Development	-	-	-
Economic Development	87	87	
Fire Prevention	12	13	(1)
Mt Lofty Waste Control Project	63	63	
Parking and By-Laws	60	44	16
Planning & Development	465	471	(6)
Policy Planning	-	-	-
Public Health	128	112	16
Waste	69	236	(167)
Income Total	2,942	2,925	16

Adelaide Hills Council 2018-19 Proposed Budget Strategy & Development Expenditure by Function			
	2018-19 Proposed Budget \$'000s	2017-18 Annual Budget \$'000s	Variation to 2017-18 Budget \$'000s
Animal Management	398	379	(19)
Community Wastewater Management System (CWMS)	948	1,023	76
Director's Office - Strategy & Development	312	328	16
Economic Development	403	400	(3)
Fire Prevention	400	426	26
Mt Lofty Waste Control Project	62	62	()
Parking and By-Laws	145	140	(4)
Planning & Development	1,859	1,886	27
Policy Planning	175	173	(2)
Public Health	563	540	(23)
Waste	4,577	4,241	(336)
Expenditure Total	9,842	9,598	(244)

Animal Management

Overview

The Regulatory Services Team promote responsible dog and cat ownership under the provisions of the Dog and Cat Management Act 1995, Council's Dog & Cat Animal Management Plan and the Dog and Cat By-laws. The Team provide a number of animal management services including:

- Establishment and monitoring of dog off-leash areas which provide an appropriate venue for owners and dogs to enjoy the freedom of the off-leash environment while minimising the risk to native animals and members of the public
- General dog management services including investigation of barking dog complaints and dog harass/attack matters reported to Council
- Eradication of European Wasp nests via a callout service which helps to protect the amenity and safety of the district (note that funding to assist with the provision of this service has been withdrawn by the State Government)
- Responding to nuisance and hazards caused by other animals including poultry complaints and wandering stock
- Undertaking education and encouragement activities in the first instance followed by enforcement action if required.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	425	393	32	Increased revenue due to increased enforcement activities
Expenditure *	398	379	(19)	Increase in expenditure due to adjustments in salary allocations within the department
NET Cost/(Rev)	(27)	(15)	12	Increased costs due to adjustment in FTE for this service
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	2.9	2.6	0.3	Increase in FTE to this service due to review and adjustment of existing FTE levels

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

DCAMP Implementation	Implement objectives, strategies & key performance indicators identified in the Dog and Cat Animal Management Plan 2018-19 (DCAMP). Key objectives for 2018/19 include ensuring the plan is monitored and assign responsibility for implementing the plan to a nominated officer. Ensure council systems will accommodate new requirements (DACO), and educate the public about mandatory microchipping and desexing.
Dogs & Cats On Line (DACO)	Transition to DACO state wide dog registration system

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Dog Management	Total Number of dogs impounded	70	60
Dog Management	Attend reports of currently occurring dog attacks within 2 hours	85%	90%
Dog Management	Respond to reported dog attacks within 24 hours	90%	80%
European Wasp Nest Eradication	Investigate and action reported European wasp nests within 7 days	80%	80%
Dog Management	Total Dog Registrations	7600	8000
Cat Management	Respond to cat nuisance complaints within 24 hours	No data	80%

Community Wastewater Management System (CWMS)

Overview

Council owns, operates and maintains Community Wastewater Management Systems (CWMS), including associated infrastructure, in Birdwood, Mt Torrens, Kersbrook, Charleston, Verdun, Woodside and Stirling. Each connected property has a septic tank which is desludged on a four yearly basis by Council's contractor. The CWMS Team is responsible for the management and operation of the CWMS.

Council holds a Water Retail Licence under the Water Industry Act 2012 to provide CWMS services, and the CWMS Team ensures compliance with the regulatory, economic and consumer protection framework overseen by the Essential Services Commission of SA (ESCOSA). Additionally, the CWMS Team manages the Council's compliance requirements with a wide range of regulatory and legislative obligations to meet under various Acts, regulations, standards, codes and guidelines in relation to the operation and management of the CWMS.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	1632	1505	127	Scheduled 10% increase on CWMS service charge for full cost recovery purposes pursuant to ESCOSA requirements
Expenditure *	948	1023	76	Variation a result of depreciation reduction resulting from independent revaluation of CWMS assets undertaken in July 2017
NET Cost/(Rev)	(685)	(482)	202	Variation a result of moving to full cost recovery
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	0.6	0	0.6	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Asset management	Complete maintenance and upgrade works across the network to continue to provide safe, reliable and effective wastewater collection and disposal, as per Council's Asset Management Plan 2012
Legislative and Regulatory Compliance	Progress actions identified in Council's CWMS Safety Reliability Maintenance Technical Management Plan Provide a reliable CWMS service and manage the system in accordance with legislative and regulatory obligations to ensure the sustainability of the CWMS business
CWMS Review	Continue review of CWMS management and operations to maintain or improve service levels, lower maintenance and operating costs, ensure compliance with the regulatory environment and reduce risks to Council Transition to full cost recovery in compliance with ESCOSA's price determination and pricing principles
Septic Tank Desludge Program	Continue to desludge septic tanks connected to the CWMS on a scheduled four yearly frequency so as CWMS infrastructure and assets are maintained and protected
Supply of recycled water	Continue supply agreements for the provision of treated wastewater for community and private reuse schemes and explore new opportunities as they arise

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Septic Tank Desludge Program for CWMS	Number of septic tanks desludged annually	374	383

Director's Office - Strategy & Development

Overview

The Director's Office is the executive section of the Strategy & Development Directorate and consists of the Director and an Executive Assistant. The role of the Director's Office is to provide leadership for and to monitor the performance of the directorate. The Director's Office also strives to enhance and improve the ability of the Team to deliver services efficiently and effectively and thus improve Community benefit. The Director represents Council on a number of internal and external bodies, project groups and regional subsidiaries such as the Adelaide Hills Regional Waste Management Authority (AHRWMA) and the Gawler River Floodplain Management Authority (GRFMA).

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	312	328	16	Reduction to reflect savings based on actual expenditure for 2017/18
NET Cost/(Rev)	312	328	16	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	2	2	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Economic Development

Overview

This area is responsible for implementing the Council's Economic Development Strategy to support a strong, diverse and sustainable local economy. The Strategy aims to develop a better understanding of local business issues in our region through both direct action and funding support of regional business development organisations. This will enable Council to provide networking opportunities, coordinate local development efforts, promote branding and tourism initiatives, identify options to lessen regulatory impact, and be useful advocates to other levels of government to support projects and investments that will benefit the local economy.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	87	87	0	
Expenditure *	403	400	(3)	
NET Cost/(Rev)	316	313	(3)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1	1	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Regional Development Australia	Funding support provided (by all 3 spheres of government) to identify economic opportunity and challenges for the region – and manage and coordinate ways to address them
Adelaide Hills Tourism	To provide funding support to Adelaide Hills Tourism in order to encourage a vibrant, sustainable and visitor focussed tourism industry in the Region
UNESCO World Heritage Bid	To provide in-kind and funding support for the progression and preparation of the World Heritage bid nomination for the Mt Lofty Ranges Region
Business Month in May	Undertake a month long program to raise awareness within the region of the services and training opportunities available to small business and to encourage participation as good business practice.

Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Business Support	Number of attendees at Business Month in May events	350	400
Business Support	Number of E-newsletter subscriptions	3497	3600

Fire Prevention

Overview

The Regulatory Services Team is responsible for a range of functions under the Fire and Emergency Services Act 2005. Council currently has five qualified Fire Prevention Officers to undertake the various roles as outlined in the legislation. The responsibilities include, assessing the extent of bushfire hazards within the Council area, assisting in providing advice and information to the Bushfire Management Committee, and providing advice to land owners in respect of bushfire prevention and management.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	12	13	(1)	
Expenditure *	400	426	26	Variation accumulative effect of a number of small budget reductions across various account lines
NET Cost/(Rev)	388	413	25	Net favourable change a result of forecast revenue reduced by \$1,000 whilst expenditure reduced by \$26,000
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1.2	1.3	(0.1)	Minor decrease in FTE due to reallocation of resources

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Review of Council Fire Prevention & Mitigation Activities	The Bushfire Mitigation Operation Group will be reviewing all aspects of Council's current operations, including private property and Council land. Review will include reviewing Council's community education and private property inspection programmes along with our open space and roadside vegetation management (woody weeds) works programmes.
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Fire Prevention Burning Permits	Number of 105f notices issued for fire prevention hazard reduction on private land	481	450
Fire Prevention Property Inspections	Number of private property inspections undertaken (first round and follow up after Section 105f notices issued) by 30 November each year	700	720
Fire Prevention Education	Investigate reported illegal burning complaints within 24 hours	87%	80%

Mt Lofty Waste Control Project

Overview

The Mt Lofty Ranges Waste Control Project has been operating since 2001 focusing on the identification and rectification of failing wastewater systems. The project is undertaken collaboratively with major funding partners SA Water and the Adelaide Mt Lofty Ranges NRM Board. Council manages the project as an in kind contribution and also contributes some funding through the wastewater application fees generated by the project. The Project Officer works with property owners to ensure failing waste control systems are either upgraded or replaced.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	63	63	0	
Expenditure *	62	62	0	
NET Cost/(Rev)	(1)	(1)	0	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	0.5	0.5	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Investigate Potentially Catchment Impact	In conjunction with other project partners, investigate and survey onsite wastewater systems potentially impacting the water catchment.
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
On-site Wastewater Application Assessment	Number of failed wastewater systems approved for upgrading annually as identified for review as part of the Mt Lofty Waste Control Project	42	50

Parking and By-Laws

Overview

The Regulatory Services Team undertake regulatory functions to ensure the safety of the community is maintained and improved. In doing so, the team enforce a wide range of legislation including the Local Government Act 1999, Australian Road Rules and Environment Protection Polices under the Environment Protection Act 1993. The Team also enforces Council's By-laws in relation to activities on Local Government land, moveable signs, roads and bird scaring devices. Parking enforcement is aimed at maximising the safety of the road environment for all road users and pedestrians. In addition, the Team monitors parking controls which ensures shop traders, customers, event organisers and attendees have appropriate access to such facilities.

The Team also assist with events such as the Tour Down Under, local Christmas Pageants, Mt Lofty Botanic Gardens Autumn Festival, the monthly Stirling Market and the Gumeracha Medieval Fair. To ensure community safety is provided for over the weekends, the Team provide a Weekend Ranger Service from 8.30am to 5.00 pm on Saturdays and Sundays. An after hours emergency callout service is also provided by the Team.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	60	44	16	Increased income due to increased Ranger enforcement activities
Expenditure *	145	140	(4)	Increased expenditure due to CPI increases
NET Cost/(Rev)	85	96	11	Decrease in costs as a result of the projected increased income
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	1.2	1.2	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

By-Law Review	Council's current suite of seven By-Laws is due for review and expires 1 January 2019. The By-Laws will be reduced from seven to six as the bird scaring By-Law is no longer relevant as it is now covered by provisions within the <i>Local Litter & Nuisance Control Act 2016</i> . The remaining six By-Laws will be reviewed and the required community consultation will be undertaken as part of the process.
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Nothing identified			

Planning & Development

Overview

This function fulfills Council's statutory responsibilities to undertake assessment of development applications and manage compliance of development activities within the district. Some of these activities result in appeals of decisions and enforcement cases in the Environment, Resources and Development Court which need to be defended by Council. Council also has a responsibility for reviewing fire safety of buildings with public access (which includes commercial, industrial and accommodation buildings). As the new development legislation (Planning, Development and Infrastructure Act [PDI Act] 2016) is rolled out in stages, changes to our development assessment service will begin to occur with a greater focus on electronic information systems including electronic lodgement of development applications and electronic approvals.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	465	471	(6)	Decrease in predicted income based on actual income for 2017/18
Expenditure *	1859	1886	27	Reduction to reflect savings based on actual expenditure for 2017/18
NET Cost/(Rev)	1393	1415	21	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	15.7	15.3	0.4	Slight increase as a result of temporary staff to improve application processing efficiencies

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Electronic Development Assessment	Further implementation of the Electronic Development Assessment System with improved reporting capabilities Enhancement of development information on the Council's website and improving processing efficiencies to assist in making it easier to do business in the district
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Planning Assessment Services	Decision on planning consent within 12 weeks, on average, of the application	16.2 weeks	12 weeks
Building Compliance and Building Inspections	All new approved swimming pools inspected within one week of notification of completion of the pool	100%	90% compliance
Planning Assessment Services	Approve fast track Development Applications within 28 days	89%	80%

Policy Planning

Overview

Planning Policy undertakes large scale policy and research projects such as Development Plan Amendments (DPA) and a variety of Strategic Policy work, as well as Council policies, responses and submissions to government planning policy proposals, and support functions for the Rural Management Advisory Group, and associated research and analysis work. A major piece of work in the next couple of years will be the conversion of the Council's Development Plan into the State's new Planning & Design Code.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	0	0	0	
Expenditure *	175	173	(2)	
NET Cost/(Rev)	175	173	(2)	
Description	2018/19 Budget	2017/18 Revised Budget	Increase/ (Decrease)	Variation Explanation
FTE	1	1	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Conversion of Council's Development Plan	As a result of the roll out of the State's planning reforms, Council will need to convert its Development Plan into the new Planning and Design Code of the next two years.
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Nothing identified			

Public Health

Overview

Council has responsibilities under various Acts with regard to public health within its area (e.g. SA Public Health Act 2011, Food Act 2001, Safe Drinking Water Act 2011 and Local Litter & Nuisance Control Act 2016). The functions identified by the legislation include to preserve, protect and promote public health, identify risks and to take remedial action to reduce or eliminate adverse impacts. The majority of the functions are legislative and require actions to be undertaken such as inspections of food businesses, assessment and inspection of the collection, treatment and disposal of on-site wastewater, inspection of public swimming pools, monitoring of high risk manufactured water systems, etc.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	128	112	16	Favourable variation a result of forecast additional income from inspection fees as a result of increase in FTE level
Expenditure *	563	540	(23)	Increase in expenditure a result of once off increase in FTE level for 2018/19 financial year
NET Cost/(Rev)	435	428	(7)	Variation a result of increase in FTE level largely offset by increased revenue
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	4.5	4.5	0	

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Food Safety Training	Food Safety Training Program will be offered to Food Businesses and Community Organisations in order to provide an understanding of food safety and food handling practices.
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Key Service Levels/Stats/Facts

Service Name	Description	2017/18 Actual	2018/19 Target
Food Complaint Investigation	Investigate/respond to food safety complaints within 24 hours	100%	80%
Food Premises Inspections	Number of Food Businesses Inspected Annually	345	320
Wastewater Application Assessment	Number of Wastewater Applications assessed annually	180	180
Legionella	Number of High Risk Manufactured Water Systems inspected annually	26	26

Waste

Overview

To reduce costs to ratepayers and environmental impact Council continues to minimise waste to landfill and maximise recycling through the provision of waste and recycling services and implementation of Council's Waste and Resource Management Strategy 2016 - 2021.

The Adelaide Hills Council provides kerbside waste collection services to over 16,500 properties across the district. Subject to location, a three bin service is provided comprising waste, recycling and green organics (townships only). Residents who are not in the green organic kerbside collection area are eligible to receive two organic waste vouchers, per financial year, for use at the Heathfield Resource Recovery Centre (HRRRC). Free green organic drop off days are available to all Council residents at Heathfield, Gumeracha and Woodside throughout the year.

Council also operates the HRRRC. This facility offers a multi stream waste and recycling service where material is sorted into different streams to maximise recycling and minimise residual waste to landfill. The HRRRC offers many free waste disposal options including X-ray's, electronic waste (TV's, computers printers etc.), steel, newspapers, cardboard and vehicle oil. A free 'at call' kerbside hard waste collection service is also available to residents as an alternative to the HRRRC.

Resource Summary (\$'000)

Description	2018/19 Budget	2017/18 Revised Budget	Variance Fav/(Unfav)	Variation Explanation
Revenue	69	236	(167)	Decrease in revenue due to loss of recycling rebate and 2017/18 East Waste end of year reconciliation adjustment
Expenditure *	4577	4241	(336)	Variation a result of increase in EPA Waste Levy applied to material disposed to landfill, and loss of recycling rebate
NET Cost/(Rev)	4508	4004	(503)	Reduced revenue due to loss of recycling rebate and increased levy costs
Description	2018/19 Budget	2017/18 Revised Budget	Increase/(Decrease)	Variation Explanation
FTE	1.2	1.3	(0.1)	Minor decrease in FTE due to reallocation of resources

* Expenditure includes Operating Costs, Program Costs, Salaries & Wages

Key Initiatives

Kerbside Bin Audits	Undertake kerbside bin audits with the aim to reduce waste to landfill and maximise recycling in accordance with Waste and Resource Management Strategy
Public place recycling	Pursuant with Council's Waste and Resource Management Strategy consider recycling services within prominent public places with the aim to reduce waste to landfill.
Soft Plastic Recycling	Investigate the feasibility of implementing soft plastic recycling within the Council area, in conjunction with East Waste and Council's Waste and Resource Management Strategy
Domestic Kerbside Collection	Provide a kerbside waste, recyclables, green organics and hard waste collection service.
Green Organic Drop Off Days	Continued provision of free green organic drop off days to assist with bushfire fuel reduction for fire prevention

Key Service Levels/Stats/Facts			
Service Name	Description	2017/18 Actual	2018/19 Target
Domestic Kerbside Waste, Green Organics and Recycling Collection	Total Bins lifts (Waste, Recyclables, Green Organics) per year = 1,547,000	1,547,000	1,567,000
Domestic Kerbside Waste, Green Organics and Recycling Collection	Number of vehicles through gates on free green organic drop off days	3872	3950
Domestic Kerbside Waste, Green Organics and Recycling Collection	Number of Kerbside Hard Waste collections taken up by residents	970	980
Domestic Kerbside Waste, Green Organics and Recycling Collection	Diversion rate of recyclable material away from landfill	47%	48%
Waste Education	Undertake a minimum of 4 community wide advertising and education campaigns annually promoting the waste and recycling management services provided by Council and community education information.	6	4
Domestic Kerbside Waste, Green Organics and Recycling Collection	Collect missed domestic bins within 2 days	94%	80%
Domestic Kerbside Waste, Green Organics and Recycling Collection	Action requests for bin repair or replacement within 7 days	99%	80%
Waste Education	Reduction of the kerbside recycling contamination rate	13.44%	12.5%

Appendix 2

Capital Budget Detail

Projects for new and renewed assets

Bridge Renewal					
Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Avenue Road Bridge	Undertake proactive bridge corrosion protection to maintain bridge integrity. Renew lighting.	Stirling			
Concrete Patch and Repair	Proactive Major Maintenance Renewal	Regionwide			
Forreston Road Bridge, Gumeracha	Replace guardrail and Bridge rails	Gumeracha			
Bridgewater Oval Footbridge	Design, replace and lift above flood levels				
	PROGRAM PROPOSED	Totals ('000)	\$130	\$55	\$40
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$0	\$178
	LTFP ADOPTED	Totals ('000)	\$130	\$55	\$218
Bridge New/Upgrade					
Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Pedestrian Footbridge - Oakbank	Footbridge northern end of Oakbank, Onkaparinga Valley Road	Oakbank	\$ 50		
Pedestrian Footbridge - Balhannah	Footbridge near Park, Onkaparinga Valley Road	Balhannah	\$ 50		
Sires Road Floodway	Upgrade of Ford to improve accessibility	Kersbrook	\$ 150		
	PROGRAM PROPOSED	Totals ('000)	\$250	\$0	\$0
	YET TO BE ALLOCATED/ (OVER-ALLOCATED)	Totals ('000)	\$0	\$0	\$0
	LTFP ADOPTED	Totals ('000)	\$250	\$0	\$0

Building Renewal

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Retirement Villages	Regionwide - Refurbishment	Regionwide			
Gumeracha Op Shop	Ramp	Gumeracha			
Bushland Park	Ceilings	Lobethal			
Balhannah Soldiers Memorial Hall	Roof, external painting	Balhannah			
Nairne Road Office	Roof and Stormwater Drainage	Woodside			
Lenswood Park Toilets	System Replacement	Lenswood			
Stirling East Hall	Roof Replacement	Stirling			
Bradbury Hall	External Stone Walls and Drainage	Bradbury			
Bradbury Hall	Gutter renewal	Bradbury			
Crafers Hall	Main Door Replacement	Crafers			
Asset Management	Workflow System Development	Regionwide			
Lobethal Centennial Hall	Internal Walls Paint	Lobethal			
Stirling Office	Access Ramps Replacement (Compliance)	Stirling			
Gumeracha Retirement Village Roof	Renewal of full Roof	Gumeracha			
Aldgate Oval Building	Asbestos Removal	Aldgate			
Retirement Villages	Regionwide - Refurbishment	Regionwide			
Ashton Hall	Hall - floor	Ashton			
Heathfield Oval	Toilets - replacement	Heathfield			
Asset Management	Workflow System Development	Regionwide			
Gumeracha Depot	Roofing at Gumeracha Depot	Gumeracha			
Retirement Villages	Regionwide - Refurbishment	Regionwide			
Woorabinda Reserve	Toilets - internal walls	Stirling			
Woorabinda Reserve	Main Building - internal walls	Stirling			
Stirling Council Offices	Stirling Transportable - air conditioning	Stirling			
Stirling Council Offices	Stirling Transportable - floor covering	Stirling			
	Replacement of Retaining Wall at rear of Crafers Retirement Village				
Crafers Retaining Wall		Crafers			
	PROGRAM PROPOSED	Totals ('000)	\$705	\$453	\$338
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$127	\$733
	LTFP ADOPTED	Totals ('000)	\$705	\$580	\$1,071

Building New

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Mt Torrens Heritage Reserve	Mount Torrens Building Upgrade		\$ 52		
Piccadilly Netball/ Tennis Clubrooms	Contribution to New Building		\$ 30		
	To be determine through consultation				
	To be determine through consultation				
	PROGRAM PROPOSED	Totals ('000)	\$82	\$0	\$0
	NOT ALLOCATED/ (OVER-ALLOCATED)	Totals ('000)	\$18	\$100	\$100
	LTFP ADOPTED	Totals ('000)	\$100	\$100	\$100

CWMS Renewal

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Birdwood Rising Main	Main Renewal from Pump Station at Church Street in Birdwood to Treatment Lagoons	Birdwood			
Flowmeter	Flowmeter	Birdwood			
Dosing Pump 1	Dosing Pump 1	Birdwood			
Dosing Pump 2	Dosing Pump 2	Birdwood			
Turbidimeter	Turbidimeter	Birdwood			
Chlorine analyser	Chlorine analyser	Birdwood			
Woodside Gravity Main	Capacity replacement - Woodside Rec Ground to Nairne Road	Woodside			
Pump 1	Pump 1	Birdwood			
Filter Skid	Filter Skid	Birdwood			
Irrigation pump	Irrigation pump	Birdwood			
Birdwood Gravity Main	Capacity replacement - line behind Motor Muesuem	Birdwood			
Pumps	13 Pumps	Regionwide			
	PROGRAM PROPOSED	Totals ('000)	\$527	\$450	\$560
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$28	\$52
	LTFP ADOPTED	Totals ('000)	\$527	\$478	\$612

CWMS New

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
NIL PROPOSED					
NIL PROPOSED					
NIL PROPOSED					
		Totals ('000)	\$0	\$0	\$0

Footpath Renewal

[illegible]

Footpath New					
Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Frick Street	New asphalt footpath	Lobethal	\$ 50		
Terlinga Road	New footpath from Sinkinson Court to Townsend Street including kerbing and footbridges	Mount Torrens	\$ 150		
Sturt Valley Road	Extension of footpath along narrow steep section of road.	Stirling	\$ 250		
Amy Gillet Tiers/ Onkaparinga Road, Woodside, connection	Extension from Bowling Club to Station Road	Woodside	\$ 220		
Crafers to Stirling	Bikeway between Crafers and Stirling	Crafers	\$ 125		
Rostrevor Road Stairs	Installed Stairs for safe access	Stirling	\$ 75		
Longwood Road Heathfield	New refuge and footpath from School to Bus Stop	Heathfield	\$ 65		
Wembley Road	Extension of Footpath to Charlton (missing link)	Bridgewater	\$ 30		
Talunga Street Footpath Upgrade	Upgrade to Asphalt Footpath	Birdwood	\$ 50		
Balhannah Main Street	Upgrade and Complete Paving of Main Street	Balhannah		\$ 40	
Junction Road	Kurla to Onkaparinga Valley Way Upgrade to Asphalt Footpath	Balhannah		\$ 45	
Torrens Valley Road	End of Footpath to Big Rocking Horse	Gumeracha		\$ 20	
North East Road - Inglewood Footpat	New footpath and kerb to extend footpath to Murray Road (includ	Inglewood		\$ 35	
Golflinks Road	Provide footpath safety area through curved section	Stirling		\$ 30	
Kidney Street	Days Road to Swamp Road	Uraidla			\$ 41
Post Office Road	No 4 Post Office Road to Main Street	Lobethal			\$ 8
Onkaparinga Valley Road	Library to Footpath end	Woodside			\$ 21
Post Office Road	Side No 26 Mill Road to No 8 Post Office Road	Lobethal			\$ 5
Victoria Street	McLaren Street to Albert Street	Gumeracha			\$ 8
Bridge Street	Main Street to No 3 Bridge Street	Balhannah			\$ 16
John Fisher Avenue	Albert Street to Murray Street	Gumeracha			\$ 30
	PROGRAM PROPOSED	Totals ('000)	\$1,015	\$170	\$129
	YET TO BE ALLOCATED/ (OVER-ALLOCATED)	Totals ('000)	\$(815)	\$30	\$71
	LTFP ADOPTED	Totals ('000)	\$200	\$200	\$200

Kerb Renewal

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Murray Street	Kerb Renewal associated with footpath renewal	Gumeracha			
Wellington Street	Kerb Renewal associated with footpath renewal	Gumeracha			
Mount Barker Road	Pine Street to Twin Street Kerb Renewal associated with footpath renewal	Stirling			
Mount Barker Road	Twin Street to Caltex Kerb Renewal associated with footpath renewal	Stirling			
Townsend Street kerb	Various kerb replacement in main street associated with fotpath renewal	Mount Torrens			
Kerb Renewals 2018/19	Various Kerb Renewals associated with footpath and reseal program still to be allocated (\$100k)				
Moffett Street Kerbing	Onkaparinga Valley Road to Robert Street	Woodside			
No projects allocated at this time					
	PROGRAM PROPOSED	Totals ('000)	\$318	\$35	\$0
	YET TO BE ALLOCATED/ NOT ALLOCATED	Totals ('000)	\$182	\$265	\$300
	LTFP ADOPTED	Totals ('000)	\$500	\$300	\$300

Kerb New

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
NIL PROPOSED					
Newman Road Reconstruction	Newman Road reconstruction and kerbing	Charleston		\$ 180	
NIL PROPOSED					
	PROGRAM PROPOSED	Totals ('000)	\$0	\$180	\$0
	YET TO BE ALLOCATED/ (OVER-ALLOCATED)	Totals ('000)	\$0	\$(180)	\$0
	LTFP ADOPTED	Totals ('000)	\$0	\$0	\$0

Other Renewal (Guardrail/ Retaining Walls/ Traffic Controls/Cemeteries)

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Heathfield Oval - retaining wall north of the club	Heathfield Oval - retaining wall north of the club	Heathfield			
Heathfield Oval - southern end retaining wall	Heathfield Oval - southern end retaining wall	Heathfield			
Street Litter Bin Replacement	Ongoing cage replacement	Regionwide			
Cemetery Upgrade Program	Upgrade cemeteries to meet legislative requirements. Community expectations and safety.	Regionwide			
William St Birdwood Street Furniture	The construction of a piece of street furniture and installation in William Street Birdwood, in the vicinity of where the trees will be removed, provided suitable timber is available from those trees.	Birdwood			
Osterley Avenue	Retaining Wall Replacement	Bridgewater			
Street Litter Bin Replacement	Ongoing cage replacement	Regionwide			
Cemetery Upgrade Program	Upgrade cemeteries to meet legislative requirements. Community expectations and safety.	Regionwide			
Bus Shelter Replacement	Replace 2 bus shelters	Regionwide			
Onkaparinga Road	Guard fence Replacement	Bridgewater			
Street Litter Bin Replacement	Ongoing cage replacement	Regionwide			
Bus Shelter Replacement	Replace 2 bus shelters	Regionwide			
Guard fence Replacement	Peacocks Road and Martins Road	Regionwide			
PROGRAM PROPOSED	Totals ('000)		\$150	\$150	\$70
YET TO BE ALLOCATED	Totals ('000)		\$0	\$0	\$80
LTFP ADOPTED	Totals ('000)		\$150	\$150	\$150

Other New

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Roundabout Landscaping Upgrade - Regionwide	3 Sites - Verdun, Crafers (one near Cafers Hall) and Piccadilly roundabouts landscaping proposed to commence in September 2018 and completed by the end of December (DPTI have advised that there are some logistical and methodology elements, which also involved SA Water, which will not enable it to occur before this time)	Regionwide	\$ 120		
Fence Reserve Avenue Lobethal	Fencing of reserve adjacent Kindergarten for Nature Play	Lobethal	\$ 10		
NIL PROPOSED	Subject to consultation				
NIL PROPOSED	Subject to consultation				
PROGRAM PROPOSED	Totals ('000)		\$130	\$0	\$0
YET TO BE ALLOCATED/ (OVER-ALLOCATED)	Totals ('000)		\$(130)	\$0	\$0
LTFP ADOPTED	Totals ('000)		\$0	\$0	\$0

Pavement Renewal

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Frick Street	Mt Torrens Road to Kumnick Street	Lobethal			
Deviation Road	Northern End	Basket Range			
Mattner Road	Junction Road to End of Seal	Balhannah			
Lower Hermitage Road	Widening and reconstruction from Millar to Milbrook	Lower Hermitage			
Millar Road/ Lower Hermitage Road	Junction renewal	Lower Hermitage			
Asset Management	Workflow System Development	Regionwide			
Newman Road	Reconstruction of Road Pavement in Charleston Township - Onkaparinga Valley Road to Jocelyn Avenue (Current scope requires \$ 500k in new stormwater, kerbing and pavement car parking)	Charleston			
Asset Management	Workflow System Development	Regionwide			
Tiers Road	Vickers to Kumnick Hill	Lenswood			
Tiers Road	Baldocks to Woodroofe	Woodside			
	PROGRAM PROPOSED	Totals ('000)	\$1,128	\$475	\$645
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$150	\$312
	LTFP ADOPTED	Totals ('000)	\$1,128	\$625	\$957

Pavement New

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
NIL PROPOSED					
Newman Road Reconstruction	Charleston pavement widening and car parking areas	Charleston		\$ 250	
NIL PROPOSED					
	PROGRAM PROPOSED	Totals ('000)	\$0	\$250	\$0
	YET TO BE ALLOCATED/ (OVER-ALLOCATED)	Totals ('000)	\$0	\$(250)	\$0
	LTFP ADOPTED	Totals ('000)	\$0	\$0	\$0

Seals Renewal

Proposed Project Name	Project Description		2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Ridge Road	Rose Street to Wattle Street	Lobethal			
Ridge Road	Reserve Rd to Bartholomew Av	Lobethal			
Ridge Road	Bartholomew Av to Jungfer Rd	Lobethal			
Ridge Road	Wattle Street to Church Street	Lobethal			
Burfords Hill Road	Woodlands Road to Rural Property Address 270	Kenton Valley			
Eves Place	Hender Road to End of Road	Heathfield			
Tregarthen Road	Greenhill Road to Bickles Road	Summertown			
Gilburn Court	Norton Summit Road to End of Seal	Teringie			
Spring Street	High Street to Glover Street	Kersbrook			
Old Mount Barker Road	Gould Road to Pepper Avenue	Stirling			
Carey Gully Road	Princes Highway (Northern side On/Off Ramps) to Fowler Road (middle of bridge)	Mount George			
Rose Street	Union Street to Vine Street	Lobethal			
Pioneer Avenue	Main Street to End Pioneer Avenue	Lobethal			
Oliver Street	Schocroft Avenue to Spring Gully Road	Crafers			
Wakefield Place	Emma Street to End of Cul de sac	Kersbrook			
Castle Close	Hillcrest Avenue to End of Road	Crafers West			
Parkgate Place	Parkgate Court to End of Seal	Upper Sturt			
Morialta Lane	Norton Summit RD to Start of Private Rd (i.e. After 1st 30m)	Norton Summit			
Oakbank Street	Milan Terrace to Johnston Street	Stirling			
Fleet Street	Avoca Avenue to Omrah Street	Bridgewater			
Forreston Road	Quinns Road to Alexander Forrest Road	Forreston			
Lenton Lane	Birch Rd to End of Road	Stirling			
Monarto Rd	Kanmantoo Road to Sunny Spring Glen Rd	Aldgate			
Rudiba Gr	Sunny Spring Glen Rd to End of Seal	Aldgate			
Schirmer Av	Arcoona Ave to Marola Av	Rostrevor			
St Marks Drive	Onkaparinga Valley Road to Start Pavers (90M East Of Clayfield Ct)	Woodside			
Sunnyspring Glen Rd	Monarto Rd to Rubida Grove	Aldgate			
Tay Crescent	Tay Rd to Tay Rd	Woodforde			
Weemala Crescent	Marola Av to T Junction	Rostrevor			
Weemala Crescent	T Junction to End of Road	Rostrevor			
Lower Hermitage Road	Rural Property Address 385 to Millbrook Rd	Lower Hermitage			
Paracombe Road	Murphy Rd to Pitt Road	Paracombe			
Paracombe Road	Pitt Road to Murray Rd	Paracombe			
Pitt Rd	Paracombe rd to End of seal	Paracombe			
Miller Road	Schapel Road to Staffords Rd	Lobethal			
Juers Road	Graebbers Road to Jungfer Road	Charleston			
Brettig Rd	Kenton Valley Rd to end of seal	Lobethal			
Woodland Way	Alpine Place to Teringie Dr	Teringie			
Woodland Way	Swiss Place to Alpine Place	Teringie			
Alpine Place	Woodland Way to Cul-de-sac	Teringie			
Teringie Dr	18 Teringie Drive to Woodland Way	Teringie			
Boyle Swamp Road	Rural Property Address 44 to Rural Property Address 154	Mylor			
Georgina Avenue	Piccadilly Road to End of Seal	Crafers			
Hawker Road	Penola Road to End of Road	Aldgate			
Wattle Street	Oratava Avenue to Osterley Avenue	Bridgewater			
Oak Avenue	Osterley Avenue to Ophir Avenue	Bridgewater			
Wycombe Road	Ludgate Hill Road to Ashenden Road	Aldgate			
Moffett Street	Onkaparinga Valley Road to Robert Street	Woodside			
Teringie Drive	25 Metres West of Woodland Way to 50 Metres East of Woodland Way at Seal Change	Teringie			
Teringie Drive	Norton Summit Road to 18 Teringie Drive	Teringie			
Meet Street	Copeland Avenue to End of Road	Lobethal			
Penola Road	Hawker Road to Wilpena Terrace	Aldgate			
Harvey Road	Hurst Road to End of Seal	Paracombe			
Exeter Road	Kingsland Road to Suffolk Road	Aldgate			
Ridge Road	John Street to Jacaranda Drive	Woodside			
Ridge Road	Elizabeth Street to John Street	Woodside			
Newman Road	Rural Property Address Number 242 to Rural Property Address Number 270	Charleston			
North Street	First Street to Hill Street	Mylor			

Wissell Street	Wembley Avenue to End of Road	Bridgewater			
Sheoak Road	Princes Avenue to Albert Avenue	Crafers West			
Jacaranda Drive	Onkaparinga Valley Road to Allendale Grove	Woodside			
Tatiara Grove	End of Road to Weemala	Rostrevor			
Glover Street	Emma Street to Smithers Court	Kersbrook			
Garrod Place	Garrod Crescent to End of Road	Stirling			
Lesley Crescent	Old Mount Barker Road to Kalmia Avenue	Crafers			
Pepper Avenue	Braeside Road to Dell Road	Stirling			
Sneddon Avenue	Bradshaw Avenue to End of Road	Crafers			
Wilpena Terrace	Arkaba Road to Conifer Close	Aldgate			
Scott Creek Road	After RA 178 to Morgan Road	Heathfield			
Wilpena Terrace	Conifer Close to Penola Road	Aldgate			
Willow Lane	Mount Barker Road to End of Road	Stirling			
Banksia Drive	Hill View Road to Shannon Court	Bridgewater			
Glover Street	Scott Street to Emma Street	Kersbrook			
Shurdington Road	Mount Street to James Street	Crafers			
Curtis Close	Piccadilly Road to End of Seal	Piccadilly			
Prairie Road	Gorge Road to End of Seal	Cudlee Creek			
Carroll Road	Devonshire Road to End of Seal	Heathfield			
High Street	Scott Street to Spring Street	Kersbrook			
Knoll Crescent	Valley Road to End of Road	Teringie			
Basket Range Road	Range Road to Nicols Road	Basket Range			
Glen Street	Hill Street to End of Seal	Crafers West			
Magpie Avenue	Riley Street to School Road	Lobethal			
Hillcrest Avenue	30m from Heather Road (fork junction) to End of Road	Crafers West			
Lesley Crescent	Kalmia Avenue to Old Mount Barker Road	Crafers			
Waverley Court	Howard Drive to End of Road	Stirling			
Snows Road	Mount Barker Road to Pirralilla Place	Aldgate			
Kanmantoo Road	Yappo Road to Monarto Road	Aldgate			
Riley Street	Magpie Avenue to Mill Road	Lobethal			
Wembley Avenue	Charlton Street to Rosenthal Road	Bridgewater			
Vista Terrace	Vista Tce service lane to Alta Crescent	Stirling			
Parkgate Court	Parkgate Place to End of Road	Upper Sturt			
Reserve Terrace	Mount Barker Road to Sharon Court	Aldgate			
Wycombe Road	Strathalbyn Road to Ludgatehill Road	Aldgate			
Maxton Street	Onkaparinga Road to Shannon Court	Bridgewater			
Baroota Avenue	Werona Place to Marola Avenue	Rostrevor			
Shurdington Road	Near South Eastern Freeway to Mount Street	Crafers			
Jones Road	Johnson Road to Pain Road	Balhannah			
Jones Road	Junction Road to Rural Property Address 94	Balhannah			
Jones Road	Rural Property Address 94 to Johnson Road	Balhannah			
Neudorf Road	Lobethal Road to Post Office Road	Lobethal			
Pound Road	Marble Hill Road to Osborne Road	Ashton			
Levett Road	Smith Road to End of Seal (Length 999.38m)	Kersbrook			
Allumba Drive	Ironbank Road to Pimpala Road	Ironbank			
Maidstone Road	South Para Road to End of Seal	Kersbrook			
Quintin Avenue	Greenhill Road to Yarrabee Road	Greenhill			
	Henry Street to Rural Property Address 52 (End of Sealed section)				
Naughtons Road		Woodside			
Coleman Road	Kenton Valley Road to End of Seal	Gumeracha			
Ridge Road	Woodside Road to Reserve Avenue	Lobethal			
Ridge Road	Jungfer Road to Rose Street	Lobethal			
Bagshaw Road	Kersbrook Road to End of Seal	Kersbrook			
Paracombe Road	Lower North East Road to Rural Property Address 93	Paracombe			
Tiers Road	Baldocks Road to Woodroffe Road	Woodside			
Tiers Road	Rural Property Address 143 to Bonython Road	Lenswood			
Gall Road	Paracombe Road to End of Seal	Paracombe			
Kerria Place	Emmett Road to End of Road	Crafers West			
Old Carey Gully Road	Nara Road to Golflinks Road	Stirling			
Deviation Road	Boundary Road to Ranns Road	Carey Gully			
Range Road South	Rural Property Address 29 to Amberdale Road	Houghton			
Corkscrew Road	Corkscrew Deviation Road to Montacute Road	Montacute			
Erica Road	Longwood Road to Heathfield Road	Heathfield			
Fowler Road	Carey Gully Rd to Tee Junction of 2nd Segment	Mount George			
Oakwood Road	Elizabeth Street to Onkaparinga River Bridge	Oakbank			
Mawson Drive	Mount Lofty Summit Road to End of Road	Crafers			
Leslie Creek Road	Porteus Road to Longwood Road	Longwood			
Weemala Crescent	T Junction to Around Island	Rostrevor			

Old Mount Barker Road	Yappo Road to Kain Avenue	Aldgate			
Swiss Place	Woodland Way to End of Road	Teringie			
Hollidays Road	Greenhill Road to Rural Property Address 51 (End of Road)	Summertown			
Parkgate Place	Upper Sturt Road to Parkgate Court	Upper Sturt			
	PROGRAM PROPOSED	Totals ('000)	\$852	\$1,187	\$779
	YET TO BE ALLOCATED/ NOT ALLOCATED	Totals ('000)	\$348	\$13	\$421
	LTFP ADOPTED	Totals ('000)	\$1,200	\$1,200	\$1,200

Seals New

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Hartley Vale Sealing	Sealing of 300m of Hartley Vale Road to Cherry Farm - include the extension of culvert	Gumeracha	\$ 110		
Winton Road Sealing Design	Investigation and Design	Gumeracha	\$ 20		
Winton Road Sealing	Sealing of section to Torrens Valley Cherries, stormwater upgrade and possible kerbing required (approx 350m will remain unsealed)	Gumeracha		\$ 70	
	PROGRAM PROPOSED	Totals ('000)	\$130	\$70	\$0
	YET TO BE ALLOCATED/ (OVER-ALLOCATED)	Totals ('000)	\$(130)	\$(70)	\$0
	LTFP ADOPTED	Totals ('000)	\$0	\$0	\$0

Shoulder Renewal

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Paracombe Road Sholders	Identified priority segments	Paracombe			
Juers Road Shoulders	Full Length	Charleston			
Ironbank Road Shoulders	Identified priority segments	Ironbank			
Carey Gulley Road Shoulders	Identified priority segments	Mount George			
Morgan Road Shoulders	Full Length	Ironbank			
	To be determined following grading program and updated condition audit				
	To be determined following grading program and updated condition audit				\$500
	PROGRAM PROPOSED	Totals ('000)	\$500	\$500	\$500
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$0	\$0
	LTFP ADOPTED	Totals ('000)	\$500	\$500	\$500

Shoulder New/Upgrade

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
NIL PROPOSED					
NIL PROPOSED					
NIL PROPOSED					
	PROGRAM PROPOSED	Totals ('000)	\$0	\$0	\$0
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$0	\$0
	LTFP ADOPTED	Totals ('000)	\$0	\$0	\$0

Sport and Recreation (including Playgrounds) Renewal

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Paracombe Hall Playspace	Local Playspace Upgrade	Paracombe			
Birdwood Oval Playspace	Local Playspace Upgrade	Birdwood			
Heathfield Oval Drainage	Oval Drainage Renewal	Heathfield			
Stirling Oval Drainage	Oval Drainage Renewal	Stirling			
Stirling Oval Carpark / Driveway	Oval Carpark Renewal	Stirling			
Gumeracha Tennis / Netball Courts	Contribution to Court Resurfacing (20% of total cost & will be used as matched funding / leverage for ORS grant application)	Gumeracha			
Cherryville Courts	Court Resurfacing (Council owned, community courts, no lease)	Cherryville			
Montacute Courts	Court Resurfacing (Council owned, community courts, no lease)	Montacute			
Yarrabee Road Reserve Courts	Court Resurfacing (Council owned, community courts, no lease)	Greenhill			
Recreation Precinct Carpark / Driveways / Drainage	To be determined by new Framework position	Regionwide			
Oval / Pitch Drainage & Irrigation	To be determined by new Framework position	Regionwide			
Court Resurfacing	To be determined by new Framework position	Regionwide			
Mount Torrens Oval Playspace	Local Playspace Upgrade	Mount Torrens			
Charleston Centennial Park Playspace	Local Playspace Upgrade	Charleston			
Bradbury Oval / Pitch Drainage	Oval Drainage Renewal	Bradbury			
Bridgewater Oval Drainage	Oval Drainage Renewal	Bridgewater			
Recreation Precinct Carpark / Driveways / Drainage	To be determined by new Framework position	Regionwide			
Oval / Pitch Drainage & Irrigation	To be determined by new Framework position	Regionwide			
Court Resurfacing	To be determined by new Framework position	Regionwide			
Federation Park Gumeracha Playspace	Regional Playspace Upgrade	Gumeracha			
Recreation Precinct Carpark / Driveways / Drainage	To be determined by new Framework position	Regionwide			
Oval / Pitch Drainage & Irrigation	To be determined by new Framework position	Regionwide			
Court Resurfacing	To be determined by new Framework position	Regionwide			
	PROGRAM PROPOSED	Totals ('000)	\$1,044	\$270	\$500
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$955	\$628
	LTFP ADOPTED	Totals ('000)	\$1,044	\$1,225	\$1,128

Sport and Recreation New Projects

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
	PROGRAM PROPOSED	Totals ('000)	\$0	\$0	\$0
	YET TO BE ALLOCATED/ (OVER-ALLOCATED)	Totals ('000)	\$0	\$0	\$0
	LTFP ADOPTED	Totals ('000)	\$0	\$0	\$0

Stormwater Renewal					
Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Junction Road Stormwater	Renewal existing network - associated with upgrade works	Balhannah			
Renown Avenue Crafers	Investigate system and identify replacements	Crafers			
Mill Road	Install new pipe network to reduce flooding and erosion	Lobethal			
Minor Stormwater Projects	Unspecified allocation for small stormwater issue that a	Regionwide			
Kumnick Street Stormwater	Repair back of block drain at no. 30-32 and addiitonal pit at no. 22-24	Lobethal			
Heather Avenue Stormwater	Replace damaged box culvert near number 29.	Woodforde			
Renown Avenue Crafers	Undertake renewal to ensure minimum service level	Crafers			
Minor Stormwater Projects	Unspecified allocation for small stormwater issue that a	Regionwide			
Henry Street Stormwater	Investigate and design of back of block drin replacement	Woodside			
Henry Street Stormwater	Replace back of block stormwater	Woodside			
Minor Stormwater Projects	Unspecified allocation for small stormwater issue that arise during the year. Typical value of individual project \$ 5k to \$ 20k)	Regionwide			
	PROGRAM PROPOSED	Totals ('000)	\$240	\$85	\$100
	YET TO BE ALLOCATED/ NOT ALLOCATED	Totals ('000)	\$70	\$205	\$140
	LTFP ADOPTED	Totals ('000)	\$310	\$290	\$240
Stormwater New					
Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Junction Road Stormwater	Upgrade of network to improve capacity -associated with renewal of adjacent network.	Balhannah	\$ 100		
Spring Street, Kersbrook, Culvert	Stage 2 - Upgrade Creekline to minimise flooding	Kersbrook	\$ 385		
Mill Street	Install new pipe network to reduce flooding and erosion	Lobethal	\$ 15		
Grivell Road	Install new stormwater pipes and pits	Verdun	\$ 60		
Kiln Crt Stormwater	Design for upgrade of new system from Norton Summit out fall to Kiln Crt	Woodforde	\$ 20		
Church Street Stormwater Detention	Extend detetion basin and upgrade outlet	Birdwood	\$ 20		
Kiln Crt Stormwater	Construction of new system from Norton Summit out fall to Kiln Crt	Woodforde		\$ 100	
Spring Street, Kersbrook, Culvert	Stage 3 - Install larger culvert under Spring to minimise flooding	Kersbrook		\$ 195	
Stormwater Masterplanning	High level review of exisitng infrastructure to ensure minimum service stards are met.	Regionwide		\$ 25	
Lower Hermitage Road Stormwater	Design of Pipe crossing upgade near 375 Lower Hermitage			\$ 20	
North East Raod - Inglewood Footpath	Extend stormwater to allow footpath extension	Inglewood		\$ 25	
Newman Road Reconstruction	New stormwater system			\$ 80	
Lower Hermitage Road Stormwater	Replace existing 900mm pipe with 1500mm to deliver service level capcity upgade.				\$ 130
	PROGRAM PROPOSED	Totals ('000)	\$600	\$445	\$130
	YET TO BE ALLOCATED/ (OVER-ALLOCATED)	Totals ('000)	\$(450)	\$(295)	\$(130)
	LTFP ADOPTED	Totals ('000)	\$150	\$150	

Unsealed Renewal						
Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)	
Hirthe Road	End seal to Maidment Road	Mount Torrens				
Coleman Road	Gumeracha / Lobethal Road to Fire Track	Gumeracha				
Kersbrook Forest Road	End seal to Car Park	Kersbrook				
Stone Quarry Road	Little Para Road to Morgan Road	Kersbrook				
Stone Quarry Road	Morgan Street to Wattle Road	Kersbrook				
Welsh Road	Smith Road to End Road	Kersbrook				
Orana Drive	Bradbury Road to End Road	Mylor				
Harrison Road	Dump Access Road to Pfeiffer Road	Woodside				
Mundoo Lane	Vicks Road to Gate - Mundoo house	Ironbank				
Woolshed Road	Watts Gully Road to Lot 15 -RPA 117	Kersbrook				
Woolshed Road	Lot 15- RPA 117 to End Road	Kersbrook				
Watts Gully Road	Power line to Rocky Creek Road	Forreston				
Watts Gully Road	Rocky Creek Road to Synbank Road	Forreston				
Bagshaw Road	Adelaide Gully Road to Gate Lot 103, RPA 157	Kersbrook				
Bagshaw Road	Gate Lot 103, RPA 103 to Gate 021-489	Kersbrook				
Debneys Road	End of Seal to Pull off area	Ashton				
Debneys Road	Pull off area to Marble Hill Road	Ashton				
Raymonds Road	Pipe Crossing to end RPA 149	Basket Range				
Lewis Road	Teakle Road to Newman Road	Charleston				
Retreat Valley Road	Gorge Road to Gate 058-426, RPA 379	Gumeracha				
Retreat Valley Road	Gate 058-426, RPA 379 to O'Dea Road	Gumeracha				
Retreat Valley Road	O'Dea Road to House, RPA 113	Gumeracha				
Bonython Road	Tiers Road to Kumnick Hill Road	Lenswood				
Sprigg Road	Gores Road to Mt Lofty Summit Road	Piccadilly				
Days Road	Nairne Road to End Road	Woodside				
Head Road	Murphy Road to end of Road	Paracombe				
Cromer Road	Section to Council Boundary	Birdwood				
Woolshed Road	Junction with Priavte Road and Drainage Modificaitons	Mount Torrens				
Pfeiffer Road	End seal - Harrison road to Five Lane Road	Woodside				
Jungfer Road	Shoenthal Road to Onka Valley Road	Charleston				
High Street	End Of Seal to End Road Gun Club	Stirling				
Reefton Road	Bird in Hand Road to Pfeiffer Road	Woodside				
Mylkappa Road	Angas Creek Road to end of road	Birdwood				
Magarey Road	Burttons Road to End Road	Birdwood				
Magarey Road	Cyanide Road to End Road	Birdwood				
Gurr Road west	Cemetery Road to End of Road	Bradbury				
Cranwell Road	Ridge Road to End Road	Greenhill				
Mattners Road	End of seal to Daniels Road	Balhannah				
Mattners Road	Daniels Road to Dust Sign	Balhannah				
Mattners Road	End of Seal Junction Road end to Downing Road	Balhannah				
Size Road	End of seal to End of road	Oakbank				
Onkaparinga Road	Grivel Road to End Road	Verdun				
Baldocks Road	Tiers Road to End Road	Woodside				
Banksia Court	Murray Road to End Road	Woodside				
Bonython Road	Tiers Road to Kumnick Hill Road	Woodside				
Burnley Road	Bird In Hand Road to Sandy Waterhole Road	Woodside				
Pedare Park Road North	Burns Road to End Road. note end Burns private Road	Woodside				
Pedare Park Road South	Tiers Road to End Private Road	Woodside				
Scottsburn Road	End Seal (Donoghue Road End) to Gate Lot 4, RPA 107	Woodside				
Scottsburn Road	Gate Lot 4, RPA 107 to Gate Taminga, RPA 214	Woodside				
Scottsburn Road	Gate taminga, RPA 214 to Gate Scottsdale	Woodside				
Scottsburn Road	Gate Scottsdale to Burnley Road	Woodside				
Willow View Road	Harrison Road to End of seal	Woodside				
Wuttke Road	MuRoadoch Hill Road to End of Road	Woodside				
Watts Gully Road	Synbank Road to Deloraine Road	Forreston				
Watts Gully Road	Deloraine Road to Gate 078-541, RPA 328	Forreston				
Watts Gully Road	Gate 078-541, RPA 328 to Gate, RPA 250	Forreston				
Watts Gully Road	Gate, RPA 250 to Woolshed Road, RPA 124	Forreston				
Berry Hill Road	Langley Road to End resheet, RPA 505	Gumeracha				
Berry Hill Road	End resheet, RPA 506 to Ferndale Road	Gumeracha				
Berry Hill Road	Ferndale Road to Reservoir Road	Gumeracha				
Berry Hill Road	Reservoir Road to Fire gate, RPA 61	Gumeracha				
Grivell Road	Onkparinga Valley Road to Beaumont Road	Verdun				
Kayannie Road	Quarry Road to Naughton Road	Woodside				
PROGRAM PROPOSED			Totals ('000)	\$1,269	\$931	\$551
YET BE BE ALLOCATED/ NOT ALLOCATED			Totals ('000)	\$231	\$569	\$949
LTFP ADOPTED			Totals ('000)	\$1,500	\$1,500	\$1,500
Unsealed New						
Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)	
NIL PROPOSED						
NIL PROPOSED						
NIL PROPOSED						
Totals ('000)			\$0	\$0	\$0	

Plant and Fleet Renewal					
Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
Maintenance	Double Drum Roller				
Drainage Team	9 tonne Tipper with Crane				
Bobcat truck South	9 tonne Tipper				
Bobcat truck North	9 tonne Tipper				
Maintenance North	9 tonne Tipper				
Community Gumeracha	12 Seat Bus				
Natural Resource	Trailer				
Library	Mobile Library (subject to business case)				
Light Fleet	Renewal on 3 year program				
Maintenace North	9 tonne Tipper				
Grader Support	Tandem Tipper				
Grader South	Tandem Tipper				
Tree Team	Wood Chipper				
Parks Team	Slasher for Bulldozer				
Light Fleet	Renewal on 3 year program				
Maintenance	Roller				
Parks Team	Zero Turn Mower				
Maintenance South	9 tonne Tipper				
Tree Team	Chipper Truck				
Maintenance North	9 tonne Tipper				
Bitumen Team South	Flocon				
Parks Team	Trailer				
Drainage Team	Excavator Trailer				
Light Fleet	Renewal on 3 year program				
	PROGRAM PROPOSED	Totals ('000)	\$1,225	\$777	\$883
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$0	\$0
	LTFP ADOPTED	Totals ('000)	\$1,225	\$777	\$883
Plant and Fleet New					
Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
NIL PROPOSED					
NIL PROPOSED					
NIL PROPOSED					
		Totals ('000)	\$0	\$0	\$0

ICT Renewal

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
General	Priority list of minor items to be established	Regionwide			
	To be determined				
	To be determined				
	PROGRAM PROPOSED	Totals ('000)	\$200	\$0	\$0
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$200	\$200
	LTFP ADOPTED	Totals ('000)	\$200	\$200	\$200

ICT New/Upgrade

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
NIL PROPOSED					
NIL PROPOSED					
NIL PROPOSED					
	PROGRAM PROPOSED	Totals ('000)	\$0	\$0	\$0
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$0	\$0
	LTFP ADOPTED	Totals ('000)	\$0	\$0	\$0

Minor Plant and Equipment Renewal

Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
General	Priority list of minor items to be replaced. (Vibrating Plates, chainsaws, Blowers, brush cutters, mowers etc)	Regionwide			
	To be determined				
	To be determined				
	PROGRAM PROPOSED	Totals ('000)	\$60	\$0	\$0
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$60	\$60
	LTFP ADOPTED	Totals ('000)	\$60	\$60	\$60

Minor Plant and Equipment New/Upgrade


Proposed Project Name	Project Description	Suburb	2018/19 Proposed ('000)	2019/20 Intended ('000)	2020/21 Intended ('000)
	PROGRAM PROPOSED	Totals ('000)	\$0	\$0	\$0
	YET TO BE ALLOCATED	Totals ('000)	\$0	\$0	\$0
	LTFP ADOPTED	Totals ('000)	\$0	\$0	\$0

Appendix 3

Rates Policy Detail

Including rebates, deferral and capping options

COUNCIL POLICY

 <p>Adelaide Hills COUNCIL</p>	RATING
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Policy Number:	FIN-02
Responsible Department(s):	Financial Services
Other Relevant Policies:	None
Relevant Procedure(s):	None
Relevant Legislation:	<i>Local Government Act 1999</i> <i>Valuation of Land Act 1971</i> <i>Natural Resources Management Act 2004</i> <i>Aged Care Act 1987 (Commonwealth)</i> <i>Community Housing Providers National Law</i> <i>Community Titles Act 1996</i> <i>Education Act 1972</i> <i>Health Commission Act 1976</i>
Policies and Procedures Superseded by this policy on its Adoption:	Rating, 28 June 2016, Item 14.9, 1.11, 122 Rating, 27 June 2017, Item 14.3, 1.11, 130/17
Adoption Authority:	Council
Date of Adoption:	<i>To be entered administratively</i>
Effective From:	1 July 2017
Minute Reference for Adoption:	<i>To be entered administratively</i>
Next Review:	June 2019 or as legislatively required

RATING POLICY

1. INTRODUCTION

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

2. PURPOSE

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

3. DEFINITIONS

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

4. POLICY STATEMENT

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

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

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

4.1 PRINCIPLES OF TAXATION

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

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

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

4.2 VALUATION OF LAND

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

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

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

- the 'capacity to pay' principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;

- property value' is a relatively good indicator of wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital value closely approximates the market value of a property, provides the best indicator of overall property value

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

4.3 COMPONENTS OF RATES

Fixed Charge or Minimum Rate

Council has discretion to apply either:

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

but cannot use both of these mechanisms.

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

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

A rate in the dollar

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

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

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

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

- Other

Commercial and Industrial Differential Rate:

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

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

Separate Rate

Stirling Business Separate Rate:

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

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

Verrall Road Separate Rate:

A separate rate for Verrall Road, Upper Hermitage at a value of \$858 will be applied. This rate which provided for the sealing of the northern end of the road in 2014/15 is levied on the properties that use that section of road.

Natural Resources Management Levy

The Council is required under the Natural Resources Management Act 2004 to make a specified contribution to the Adelaide and Mt Lofty Ranges Natural Resources Management Board region. This is done by imposing a separate rate against all rateable properties.

This separate rate is effectively a State tax that Councils are required to collect, and return to a State Government agency, the local Natural Resources Management Board.

Community Wastewater Management System

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

Following a detailed assessment of the cost of providing CWMS services, in accordance with the guidelines set by the Essential Services Commission of South Australia (ESCOSA) as part of the 2017/18 Budget, it has been identified that current charging is approximately 30% below the levels necessary to achieve full recovery. As such charging

for CWMS services has been increased by 10% in 2018/19 as part of 2018/19, being the second year of an incremental step towards full recovery over a three year period.

4.4 **RATES CAPPING**

The Act (s153(3)) requires a council to decide each year whether to apply a maximum rate increase (or a rates cap) to a ratepayers principal place of residence. A cap is applied to provide relief against a substantial change in rates payable incurred due to rapid changes in valuations.

The Council has determined that it will apply a maximum increase (rates cap) of 15% for the general rate to be charged on rateable land constituting the principal place of residence of a principal ratepayer.

4.5 **REBATE OF RATES**

Mandatory rebates

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

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

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

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

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

- Community service organisations, and
- Schools and universities.

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

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

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

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

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

Discretionary rebates

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 or service charges under a number of cases and for a period not exceeding the timeframe.

Council has determined that only where a not-for-profit community services organisation, that in the opinion of the Council:

- provides a direct benefit or service to the local community under Section 166 (j) of the Act that is significantly aligned to Council's outcomes in accordance with Council's Strategic Plan, Corporate Plan and functional strategies being services that would be required to be provided by Council if not undertaken/ offered by organisations seeking a rebate (including Community Halls); or
- provides community services that support the disadvantaged or sections of the community that require assistance;

a discretionary rebate of 100% will be granted

In all other circumstances, the maximum discretionary rebate will be 75% to ensure ratepayers contribute an amount towards basic service provision.

Under the same premise, although Council may, pursuant to the Act, increase a mandatory rebate by up to a further 25%, Council will not grant any additional discretionary rebate to ensure ratepayers contribute an amount towards basic service provision.

In deciding whether to grant a discretionary rebate for land uses, Council will take the matters as detailed in Section 166 (1a) of the Act to determine its decision.

Financial assistance via discretionary rate rebates will be aimed at persons who or bodies which have a limited capacity to raise funds. Discretionary rebates will not be provided to groups and organisations whose purposes are considered to be primarily the responsibility of State or Federal Government or to "for profit" organisations.

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

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

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

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

A summary of all discretionary rebates applied for, 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.

Council has determined 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.

If you or your organisation wishes to apply for a discretionary rate rebate, you may apply by contacting the Council's Rate Administrator.

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 your 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.

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

4.6 **RATE RELIEF**

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

Remission of rates

The Council has a discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship. If you are suffering financial hardship, you may contact the Council's Rates Administrator to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on its merits.

Seniors Postponement

If you hold a State Seniors Card then (unless you have a mortgage entered before 2007 that is greater than 50% of your home's value) you are eligible to postpone, on a long-term basis, a large component of the rates on your principal place of residence. The postponed amount is subject to a monthly interest charge, with the accrued debt falling

due for payment only when the property is sold or transferred to someone else, or no longer becomes the principal place of residence. However, some or all of the debt may be paid at any earlier time, at your discretion.

Persons other than the holders of a Seniors Card may also apply for postponement of rates. The Council will consider each case on its merits, but any successful applicant should expect that any postponed rates would be subject to accruing interest charges in the same manner as the Seniors Rate Postponement Scheme.

4.7 PAYMENT OF RATES

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

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

4.8 LATE PAYMENT OF RATES

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

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

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

4.9 NON- PAYMENT OF RATES

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

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

It should be noted that Council may sell any property where the rates have been in arrears for three years or more. Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

5. CONTACTING THE COUNCIL'S RATES ADMINISTRATOR

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

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

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

6. DELEGATIONS

- 6.1 The Chief Executive Officer has the delegation to approve, amend and review any procedures that shall be consistent with this Policy.

7. AVAILABILITY OF THE POLICY

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

Appendix 4

Budgeted Financial Statements

A statutory requirement

Uniform Presentation of Finances

	2018-19 Proposed Budget \$'000	2017-18 \$'000
INCOME		
Rates	37,049	35,536
Statutory charges	1,080	991
User charges	1,207	1,363
Grants, subsidies and contributions	4,089	5,394
Investment income	28	58
Reimbursements	266	493
Other income	379	371
Net gain - equity accounted Council businesses	100	-
Total Income	44,197	44,206
EXPENSES		
Employee costs	16,599	15,931
Materials, contracts & other expenses	18,120	17,595
Depreciation, amortisation & impairment	8,358	8,027
Finance costs	868	668
Total Expenses	43,945	42,221
NET BUDGETED SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS	252	1,986
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(10,408)	(12,699)
Proceeds from Sale of Replaced Assets	501	459
Depreciation	8,358	8,027
NET OUTLAYS ON EXISTING ASSETS	(1,549)	(4,213)
Net Outlays on new and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets & Remediation costs	(5,127)	(4,004)
Capital Grants and Monetary Contributions for New and Upgraded Assets	500	917
Proceeds from Sale of Surplus Assets	2,257	1,285
NET OUTLAYS ON NEW AND UPGRADED ASSETS	(2,370)	(1,803)
Net Lending/ (Borrowing) for Financial Year	(3,667)	(4,030)
Net Financial Liabilities at Beginning of Year	(24,015)	(19,985)
Non Cash Equity Movement	(100)	-
Net Financial Liabilities at End of Year	(27,782)	(24,015)

Financial Indicators

	2018-19 Budget		2017-18 Budget	
\$ '000				

These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus - \$000's	252	0.6%	1,986	4.5%
Total Operating Revenue - \$000's	44,197		44,206	

This ratio expresses the operating surplus as a percentage of total operating revenue

2. Net Financial Liabilities Ratio

Net Financial Liabilities - \$000s	27,782	63%	24,015	54%
Total Operating Revenue \$000's	44,197		44,206	

Net Financial Liabilities are defined as total liabilities less financial assets these are expressed as a percentage of total operating revenue.

3. Asset Sustainability Ratio

Asset Renewals - \$000's	9,907	91%	12,240	149%
Infrastructure & Asset Management Plan required expenditure \$000s	10,853		8,213	

Asset renewal expenditure is defined as capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

Appendix 5

Glossary of Terms

Glossary of Terms

Acronym	Description
AHBTC	Adelaide Hills Business & Tourism Centre
AMP	Asset Management Plan
CBD	Central Business District
CPI	Consumer Price Index
CRM	Customer Relationship Management
CWMS	Community Wastewater Management Systems
DDA	Disability Discrimination Act
DPA	Development Plan Amendment
FBT	Fringe Benefits Tax
ICLEI	International Council for Local Environmental Initiatives
ICT	Information & Communication Technology
IS	Information Systems
JV	Joint Ventures
KPI's	Key Performance Indicators
LTFP	Long Term Financial Plan
NDI	Non-Disclosed Information
PV	Photovoltaic
SP	Strategic Plan
WH&S	Work Health & Safety

Appendix 2

Current listing of discretionary rate rebates

Assessment Number	LG Act Section	Owners Name Address	Property Address	Land Use	Rebate Amount (excluding NRM)	Rebate Type	Existing Rebate	Proposed Rebate for 2018/19	Impact of Proposed Change
11270	166 (1) (f) Health Care - Hospital	Stirling & Districts Hospital Inc	20 Milan Terrace, Stirling	Rates - Commercial	(16,140)	Discretionary	100%	75%	4,035
2001	166 (1) (g) Services for Children - Camp	Scout Assoc Of Australia	Carinya Road & 21-37 Spring Gully Road, Piccadilly	Rates - Other	(2,611)	Discretionary	75%	75%	
2248	166 (1) (g) Services for Children - Camp	Youth With A Mission	Colonial Drive & 625 Norton Summit Road, Norton Summit	Rates - Other	(3,362)	Discretionary	100%	100%	
12628	166 (1) (g) Services for Children - Scout Hall	The Scout Assoc of Australia SA Branch	99 Milan Terrace, Stirling	Rates - Other	(1,856)	Discretionary	100%	100%	
19475	166 (1) (g) Services for Children - Scout Hall	The Scout Assoc of Australia SA Branch	182 Muller Road, Mount George	Rates - Other	0	Discretionary	Non Rateable	100%	
6589	166 (1) (g) Services for Children - Scout Hall	The Scout Assoc of Australia SA Branch & AHC	9 Pye Road, Balhannah	Rates - Other	0	Discretionary	Non Rateable	100%	
4670	166 (1) (h) Accommodation for aged/disabled - Nursing Home	Lobethal & District Aged Homes Inc	8 Woodside Road, Lobethal	Rates - Commercial	(4,376)	Discretionary	75%	75%	
19097	166 (1) (h) Accommodation for aged/disabled - Nursing Home	Summerhill Inc	1142-1144 Greenhill Road, Uraidla	Rates - Residential	(2,835)	Discretionary	75%	75%	
10008	166 (1) (j) Local Community - Camp	Baptist Churches Of SA Inc	32 Wingrove Road, Mylor	Rates - Commercial	(3,294)	Discretionary	75%	75%	
15605	166 (1) (j) Local Community - Carpark	Uniting Church in Aust Property Trust (SA)	9 Wellington Street, Gumeracha	Rates - Commercial	(474)	Discretionary	50%	50%	
5897	166 (1) (j) Local Community - disadvantaged/assistance	Hearing Dogs Inc	793 Mount Barker Road, Verdun	Rates - Other	(3,243)	Discretionary	100%	100%	
18456	166 (1) (j) Local Community - retirement village - community centre	Valley Of Praise Retirement Village Inc	85A Main Street, Lobethal	Rates - Residential	(1,402)	Discretionary	100%	75%	350
20383	166 (1) (j) Local Community - retirement village - community centre	KeyInvest Ltd	18A Tolmer Road, Woodside	Rates - Residential	(3,183)	Discretionary	100%	75%	796
1904	166 (1) (j) Local Community - Hall	Piccadilly Community Hall	171 Piccadilly Road, Piccadilly	Rates - Other	(998)	Discretionary	100%	100%	
2649	166 (1) (j) Local Community - Hall	Basket Range War Memorial Hall Inc	5 Burdetts Road, Basket Range	Rates - Other	(1,593)	Discretionary	100%	100%	
5729	166 (1) (j) Local Community - Hall	Verdun Fighting Forces Memorial Hall Inc	17 Onkaparinga Valley Road, Verdun	Rates - Other	(1,307)	Discretionary	100%	100%	
8037	166 (1) (j) Local Community - Hall	Upper Sturt Soldiers Memorial Hall	171-173 Upper Sturt Road, Upper Sturt	Rates - Other	(1,725)	Discretionary	100%	100%	
10075	166 (1) (j) Local Community - Hall	Scott Creek Prog Assoc	517 Scott Creek Road, Scott Creek	Rates - Other	(1,139)	Discretionary	100%	100%	
10546	166 (1) (j) Local Community - Hall	The Hut Community Centre Inc SA	Nation Ridge Road, Aldgate	Rates - Other	(1,115)	Discretionary	100%	100%	
12087	166 (1) (j) Local Community - Hall	Aldgate Memorial Hall Inc	2/24 Fenchurch Road, Aldgate	Rates - Other	(1,749)	Discretionary	100%	100%	
12824	166 (1) (j) Local Community - Hall	Aldgate RSL	2 Kemp Road, Aldgate	Rates - Other	(1,319)	Discretionary	100%	100%	
15037	166 (1) (j) Local Community - Hall	Mount Torrens Memorial Hall	34 Townsend Street, Mount Torrens	Rates - Other	(941)	Discretionary	100%	100%	
15812	166 (1) (j) Local Community - Hall	Forreston Community Centre Inc	231 Forreston Road, Forreston	Rates - Other	(950)	Discretionary	100%	100%	
17920	166 (1) (j) Local Community - Hall	Charleston Community Centre Inc	1 Newman Road, Charleston	Rates - Other	(1,749)	Discretionary	100%	100%	
18741	166 (1) (j) Local Community - Hall	Kersbrook Public Hall Inc	13 Scott Street, Kersbrook	Rates - Other	(1,247)	Discretionary	100%	100%	
18934	166 (1) (j) Local Community - Hall	Oakbank Soldier's Memorial Hall	210 Onkaparinga Valley Road, Oakbank	Rates - Other	(1,426)	Discretionary	100%	100%	
6948	166 (1) (j) Local Community - Hall	Lobethal RSL	8 Wattle Street, Lobethal	Rates - Commercial	(1,094)	Discretionary	100%	100%	
16424	166 (1) (j) Local Community - Hall	Cudlee Creek Soldiers Memorial Ground Inc	4 Redden Drive, Cudlee Creek	Rates - Other	(1,354)	Discretionary	100%	100%	
1522	166 (1) (j) Local Community - Hall	Uraidla Institute	1197 Greenhill Road, Uraidla	Rates - Other	(1,450)	Discretionary	100%	100%	
17249	166 (1) (j) Local Community - Hall	Country Womens Association Inc	17 Blackhill Road, Houghton	Rates - Other	(1,127)	Discretionary	Non Rateable	100%	

To review in 2018/19 to determine if 100% discretionary appropriate

Proposed change to be implemented for 2018/19

Appendix 3

Current listing of mandatory rebates

Assessment Number	LG Act Section	Owners_Name_Address	Property Address	Land Use	Rebate Amount (excluding NRM)	Size
18519	160 Health Services	Hills Area Health Advisory Council Inc	Albert Street, Gumeracha	Rates - Commercial	(11,262)	100%
8703	161 (4) (c) (ii) Food/Clothing for Disadvantaged	Meals on Wheels Inc & Adelaide Hills Council	3 Reserve Terrace, Aldgate	Rates - Other	(971)	75%
20164	161 (4) (c) (ii) Food/Clothing for Disadvantaged	Lobethal CFS & Country Fire ServiceBoard	65 Main Street, Lobethal	Rates - Commercial	(749)	75%
3779	161 (4) (c) (iii) Supported Accommodation	Westside Housing Assocaation Inc	14 Freshford Place, Woodside	Rates - Residential	(998)	75%
7006	161 (4) (c) (iii) Supported Accommodation	The Frederic Ozanam Housing Association Inc.	10 West Terrace, Balhannah	Rates - Residential	(1,079)	75%
8463	161 (4) (c) (iii) Supported Accommodation	The Frederic Ozanam Housing Association Inc.	291 Ironbank Road, Ironbank	Rates - Residential	(1,052)	75%
12854	161 (4) (c) (iii) Supported Accommodation	Unity Housing Co Ltd	454A Mount Barker Road, Bridgewater	Rates - Residential	(1,141)	75%
13084	161 (4) (c) (iii) Supported Accommodation	Unity Housing Co Ltd	25 Oratava Avenue, Bridgewater	Rates - Residential	(1,052)	75%
15657	161 (4) (c) (iii) Supported Accommodation	Unity Housing Co Ltd	1/7 Albert Street, Gumeracha	Rates - Residential	(828)	75%
18615	161 (4) (c) (iii) Supported Accommodation	Cornerstone Housing Ltd	9/135 Onkaparinga Valley Road, Woodside	Rates - Residential	(806)	75%
18616	161 (4) (c) (iii) Supported Accommodation	Cornerstone Housing Ltd	8/135 Onkaparinga Valley Road, Woodside	Rates - Residential	(779)	75%
18617	161 (4) (c) (iii) Supported Accommodation	Cornerstone Housing Ltd	7/135 Onkaparinga Valley Road, Woodside	Rates - Residential	(779)	75%
18618	161 (4) (c) (iii) Supported Accommodation	Cornerstone Housing Ltd	6/135 Onkaparinga Valley Road, Woodside	Rates - Residential	(806)	75%
18619	161 (4) (c) (iii) Supported Accommodation	Cornerstone Housing Ltd	5/135 Onkaparinga Valley Road, Woodside	Rates - Residential	(779)	75%
18620	161 (4) (c) (iii) Supported Accommodation	Cornerstone Housing Ltd	4/135 Onkaparinga Valley Road, Woodside	Rates - Residential	(779)	75%
18621	161 (4) (c) (iii) Supported Accommodation	Cornerstone Housing Ltd	3/135 Onkaparinga Valley Road, Woodside	Rates - Residential	(779)	75%
18622	161 (4) (c) (iii) Supported Accommodation	Cornerstone Housing Ltd	2/135 Onkaparinga Valley Road, Woodside	Rates - Residential	(806)	75%
18623	161 (4) (c) (iii) Supported Accommodation	Cornerstone Housing Ltd	1/135 Onkaparinga Valley Road, Woodside	Rates - Residential	(806)	75%
20378	161 (4) (c) (iii) Supported Accommodation	Unity Housing Co Ltd	2/7 Albert Street, Gumeracha	Rates - Residential	(828)	75%
20379	161 (4) (c) (iii) Supported Accommodation	Unity Housing Co Ltd	4/7 Albert Street, Gumeracha	Rates - Residential	(817)	75%
20380	161 (4) (c) (iii) Supported Accommodation	Unity Housing Co Ltd	3/7 Albert Street, Gumeracha	Rates - Residential	(828)	75%
8696	161 (4) (c) (iii) Supported Accommodation	James Brown Memorial Trust	1/2 Fullgrabe Drive, Crafers	Rates - Residential	(3,956)	75%
4707	161 (4) (c) (iii) Supported Accommodation	Valleys Housing Association Inc	1/23 Copeland Avenue, Lobethal	Rates - Residential	(837)	75%
4710	161 (4) (c) (iii) Supported Accommodation	Valleys Housing Association Inc	2/23 Copeland Avenue, Lobethal	Rates - Residential	(837)	75%
4712	161 (4) (c) (iii) Supported Accommodation	Valleys Housing Association Inc	3/23 Copeland Avenue, Lobethal	Rates - Residential	(837)	75%
18324	161 (4) (c) (iv) Disabled Essential Services	Carers` Link	37 Onkaparinga Valley Road, Woodside	Rates - Other	(1,733)	75%
2365	162 Religious Purposes	Baptist Churches Of SA Inc	9 Church Road, Norton Summit	Rates - Other	(2,119)	100%
2824	162 Religious Purposes	Synod Diocese Adelaide Anglican Church Aust	15 Church Road, Montacute	Rates - Other	(1,075)	100%
3796	162 Religious Purposes	Synod Diocese Murray Anglican Church Aust Inc SA	2 Junction Road, Balhannah	Rates - Other	(1,450)	100%
3818	162 Religious Purposes	Synod Diocese Murray Anglican Church Aust Inc SA	12 Junction Road, Balhannah	Rates - Other	(893)	100%
3961	162 Religious Purposes	Uniting Church Balhannah	3 Bridge Street, Balhannah	Rates - Other	(2,071)	100%
4601	162 Religious Purposes	Woodside Community Church Inc	67 Onkaparinga Valley Road, Woodside	Rates - Other	(1,438)	100%
4927	162 Religious Purposes	Uniting Church Lobethal	22 Main Street, Lobethal	Rates - Other	(1,199)	100%
5186	162 Religious Purposes	Uniting Church Aust P/Trust (SA) Wdsde	35 Nairne Road, Woodside	Rates - Other	(2,191)	100%
5303	162 Religious Purposes	Synod Diocese Murray Anglican Church Aust Inc SA	92 Main Street, Lobethal	Rates - Other	(934)	100%
6526	162 Religious Purposes	Uniting Church Aust P/Trust (SA) M/Hill	202 Donoghue Road, Woodside	Rates - Other	(924)	100%
6928	162 Religious Purposes	Churches Of Christ in SA & NT Inc	7 Rogers Lane, Lenswood	Rates - Other	(960)	100%
7179	162 Religious Purposes	Uniting Church Lenswood	1606 Lobethal Road, Lenswood	Rates - Other	(948)	100%
7186	162 Religious Purposes	Spring Head Trinity Lutheran Church Inc	280 Springhead Road, Mount Torrens	Rates - Other	(1,695)	100%
8059	162 Religious Purposes	Uniting Church in Aust Property Trust (SA) & Uniting Church In Aust Property Tst (SA)	261 Sturt Valley Road, Upper Sturt	Rates - Other	(1,354)	100%
8330	162 Religious Purposes	Uniting Church in Aust Property Trust (SA) & Uniting Church In Aust Property Tst (SA)	40 Spencer Street, Stirling	Rates - Other	(2,865)	100%
8481	162 Religious Purposes	Uniting Church in Aust Property Trust (SA) & Uniting Church In Aust Property Tst (SA)	352 Pole Road, Ironbank	Rates - Other	(1,089)	100%
8724	162 Religious Purposes	Synod Diocese Adelaide Anglican Church Aust	2 Arkaba Road, Aldgate	Rates - Other	(1,522)	100%
8895	162 Religious Purposes	Aldgate Baptist Church & Baptist Churches of SA Inc	202 Old Mount Barker Road, Aldgate	Rates - Other	(2,089)	100%
9898	162 Religious Purposes	Adelaide Hills Catholic Parish	135 Old Mount Barker Road, Aldgate	Rates - Other	(1,641)	100%
9931	162 Religious Purposes	Synod Diocese Adelaide Anglican Church Aust	Epiphany Place & Epiphany Place, Crafers	Rates - Other	(1,880)	100%
9933	162 Religious Purposes	Adelaide Sri Lanka Buddhist Vihara Inc	8 James Street, Crafers	Rates - Other	(2,717)	100%
10965	162 Religious Purposes	Murray Anglican Church	2 First Street, Mylor	Rates - Other	(1,271)	100%
10977	162 Religious Purposes	Uniting Church in Aust Property Trust (SA) & Uniting Church In Aust Property Tst(SA)	16 First Street, Mylor	Rates - Other	(1,175)	100%
11235	162 Religious Purposes	Australasian Conference Assoc Ltd	47 Snows Road, Stirling	Rates - Other	(1,713)	100%
12128	162 Religious Purposes	Churches Of Christ in SA & NT Inc	52-56 Strathalbyn Road, Aldgate	Rates - Other	(3,541)	100%
14127	162 Religious Purposes	Christian Community in Aust Adelaide Inc	3 Anzac Ridge Road, Bridgewater	Rates - Other	(1,378)	100%
14168	162 Religious Purposes	Lutheran Church Of Australia SA & NT District Holdings Ltd	1-3 Rosenthal Road, Bridgewater	Rates - Other	(1,390)	100%
14169	162 Religious Purposes	Lutheran Church Of Australia SA & NT District Holdings Ltd	15 Wembley Avenue, Bridgewater	Rates - Other	(1,856)	100%
14178	162 Religious Purposes	Uniting Church in Aust Property Trust (SA) & Uniting Church In Aust Property Tst(SA)	407 Mount Barker Road, Bridgewater	Rates - Other	(1,498)	100%
14210	162 Religious Purposes	Synod Diocese Adelaide Anglican Church Aust	435 Mount Barker Road, Bridgewater	Rates - Other	(1,187)	100%
14666	162 Religious Purposes	Australasian Conference Assoc Ltd	13 Olivedale Street, Birdwood	Rates - Other	(869)	100%
14880	162 Religious Purposes	Catholic Church Endowment Society Inc	Shannon Street, Birdwood	Rates - Other	(1,713)	100%
14990	162 Religious Purposes	Birdwood United Church Inc	71 Shannon Street, Birdwood	Rates - Other	(1,378)	100%
15039	162 Religious Purposes	Uniting Church in Aust Pty Trust	26-30 Townsend Street, Mount Torrens	Rates - Other	(1,223)	100%
15111	162 Religious Purposes	Synod Diocese Murray Anglican Church Aust Inc SA	3 Tuck Street, Mount Torrens	Rates - Other	(979)	100%

Assessment Number	LG Act Section	Owners_Name_Address	Property Address	Land Use	Rebate Amount (excluding NRM)	Size
15548	162 Religious Purposes	Salem Baptist Church Inc	30 Victoria Street, Gumeracha	Rates - Other	(1,378)	100%
15603	162 Religious Purposes	Uniting Church In Aust Property Tst (SA)	5 Wellington Street, Gumeracha	Rates - Other	(907)	100%
16282	162 Religious Purposes	Churches Of Christ in SA & NT Inc	10-12 Scott Street, Kersbrook	Rates - Other	(1,390)	100%
16306	162 Religious Purposes	Uniting Church in Aust Property Trust (SA) & Uniting Church In Aust Property Tst(SA)	1524 South Para Road, Kersbrook	Rates - Other	(1,139)	100%
16761	162 Religious Purposes	Uniting Church Of Australia	31 Gould Place, Cudlee Creek	Rates - Other	(948)	100%
17085	162 Religious Purposes	Uniting Church In Australia Property Trust (SA)	360 Paracombe Road, Paracombe	Rates - Other	(1,127)	100%
17264	162 Religious Purposes	Uniting Church In Aust Property Tst (SA)	6 Horn Street, Houghton	Rates - Other	(1,354)	100%
17841	162 Religious Purposes	Lobethal Lutheran Church Inc	46 Main Street, Lobethal	Rates - Other	(4,796)	100%
17842	162 Religious Purposes	Lobethal Lutheran Church Inc	46A Main Street, Lobethal	Rates - Other	(958)	100%
17918	162 Religious Purposes	Uniting Church Charleston & Charleston Cemetery Trust Inc	6 Mount View Road & 36-38 Newman Road, Charleston	Rates - Other	(1,283)	100%
17997	162 Religious Purposes	St Johns Lutheran Church Woodside Inc	137 Onkaparinga Valley Road, Woodside	Rates - Other	(2,239)	100%
18025	162 Religious Purposes	Mission Kwa Sizabantu Australia Inc	17 Frick Street, Lobethal	Rates - Other	(1,677)	100%
18083	162 Religious Purposes	Adelaide Hills Catholic Parish	Mount Barker Road, Bridgewater	Rates - Other	(2,119)	100%
18225	162 Religious Purposes	Holy Cross Lutheran Church Inc	2017 Church Street, Birdwood	Rates - Other	(2,622)	100%
19138	162 Religious Purposes	The Source Church Stirling Inc & Stirling Family Church Inc	2 Avenue Road, Stirling	Rates - Other	(2,933)	100%
19142	162 Religious Purposes	Stirling Family Church	2 Avenue Road, Stirling	Rates - Commercial	(1,009)	100%
19263	162 Religious Purposes	Synod Diocese Adelaide Anglican Church Aust	St John Road, Norton Summit	Rates - Other	(1,101)	100%
19326	162 Religious Purposes	Synod Diocese Murray Anglican Church Aust Inc SA	88-90 Onkaparinga Valley Road, Woodside	Rates - Other	(1,737)	100%
19397	162 Religious Purposes	Uniting Church in Aust Property Trust (SA) & Uniting Church In Aust Property Tst(SA)	5A Bonython Road & 1054-1058 Greenhill Road, Summertown	Rates - Other	(3,004)	100%
19469	162 Religious Purposes	Serbian Orthodox Monastery St Sava	61 Chapman Road, Inglewood	Rates - Other	(794)	100%
19637	162 Religious Purposes	Adelaide Hills Catholic Parish	38 Ridge Road, Lobethal	Rates - Other	(1,223)	100%
2347	163 Public Cemeteries	Adelaide Hills Council - Estates of Late T Playford & J Abbott & J Phillips & J Wood & R Norton	Monument Road, Norton Summit	Rates - Other	(729)	100%
4336	163 Public Cemeteries	Lobethal Public Cemetery Inc	775 Kenton Valley Road, Lobethal	Rates - Other	(1,211)	100%
4636	163 Public Cemeteries	Uniting Church Balhannah	2654 Greenhill Road, Balhannah	Rates - Other	(829)	100%
5057	163 Public Cemeteries	Uniting Church Inverbrackie	Nairne Road, Woodside	Rates - Other	(1,115)	100%
7176	163 Public Cemeteries	Spring Head Trinity Lutheran Church Inc	208 Springhead Road, Mount Torrens	Rates - Other	(924)	100%
16760	163 Public Cemeteries	R B Pritchard & E R James & E G Ludewigs & G K Schlein	25 Gould Place, Cudlee Creek	Rates - Other	(726)	100%
325	165 Education	Trustees of Edmund Rice Education Aust	67-91 Glen Stuart Road, Woodforde	Rates - Other	(47,244)	75%
5873	165 Education	Hills Christian Community School Inc	24 Onkaparinga Valley Road, Verdun	Rates - Other	(1,554)	75%
6453	165 Education	Hills Christian Community School Inc	Sadow Road, Verdun	Rates - Other	(3,316)	75%
15078	165 Education	Mission Kwa Sizabantu Australia Inc	39 Prescott Street, Mount Torrens	Rates - Other	(351)	75%
15079	165 Education	Mission Kwa Sizabantu Australia Inc	45 Prescott Street, Mount Torrens	Rates - Other	(944)	75%
17603	165 Education	Christian Brothers Inc	1 Kintyre Road, Woodforde	Rates - Other	(6,363)	75%
18283	165 Education	Hills Montessori School Inc	12 Anderson Road, Aldgate	Rates - Other	(2,970)	75%
18285	165 Education	St Catherine's School & Adelaide Hills Catholic Parish	22 Ayers Hill Road, Stirling	Rates - Other	(5,210)	75%
18311	165 Education	Hills Christian Community School Inc	16 Onkaparinga Valley Road, Verdun	Rates - Other	(3,776)	75%
18313	165 Education	Hills Christian Community School Inc	14 Onkaparinga Valley Road, Verdun	Rates - Other	(1,004)	75%
18315	165 Education	Spring Head Trinity Lutheran School	280 Springhead Road, Mount Torrens	Rates - Other	(1,047)	75%
18317	165 Education	Lobethal Lutheran School Inc	48 Main Street, Lobethal	Rates - Other	(2,611)	75%
18436	165 Education	Minister For Education & Child Development & Hills Christian Community School Inc	154 Onkaparinga Valley Road, Oakbank	Rates - Other	(1,796)	75%
19973	165 Education	HMS Mercantile Pty Ltd	2/142 Mount Barker Road, Aldgate	Rates - Other	(1,733)	75%
12629	165 Education	Stirling Community Children's Centre Inc	25 Pine Street, Stirling	Rates - Other	(1,697)	75%
5318	165 Education	Bridgewater Kindergarten Inc	87 Onkaparinga Road, Bridgewater	Rates - Other	(1,462)	75%

Appendix 4

Summarised list of non-rateable properties

Assessment Number	Capital Value	Legislative Exemption	Ratepayer	PropertyAddress	Property Locality	PrimaryLand Use	SecondaryLand Use
	97,309,577	147 (2) (f) - occupied or held by Council	Adelaide Hills Council (353)				
	667,000	147 (2) (b) Crown - Public Purpose	Australian National Railways Commission (4)				
	4,125,000	147 (2) (b) Crown - Public Purpose	Australian Rail Track Corp Limited (23)				
	648,500	147 (2) (b) Crown - Public Purpose	Commissioner Of Highways (7)				
	358,500	147 (2) (b) Crown - Public Purpose	Dept Of Road Transport (2)				
	6,055,500	147 (2) (b) Crown - Public Purpose	Governors of the Botanic Garden (8)				
	22,275,000	147 (2) (b) Crown - Public Purpose	Minister For Communities & Social Inclusion (2)				
	45,682,337	147 (2) (b) Crown - Public Purpose	Minister For Education & Child Development (45)				
	1,056,100	147 (2) (b) Crown - Public Purpose	Minister For Infrastructure (11)				
	45,900	147 (2) (b) Crown - Public Purpose	Minister For Primary Industries (4)				
	42,855,102	147 (2) (b) Crown - Public Purpose	Minister For Sustainability Environment & Conservation (125)				
	3,081,000	147 (2) (b) Crown - Public Purpose	Minister For Transport & Infrastructure (6)				
	1,620,000	147 (2) (b) Crown - Public Purpose	Minister For Transport & Urban Planning (2)				
	652,000	147 (2) (b) Crown - Public Purpose	Minister For Urban Develop Planning City Adelaide (3)				
	1,426,200	147 (2) (b) Crown - Public Purpose	Minister Of Water Resources (9)				
	960,000	147 (2) (b) Crown - Public Purpose	SA Police Department (3)				
	48,686,700	147 (2) (b) Crown - Public Purpose	SA Water Corporation (151)				
	401,000	147 (2) (b) Crown - Public Purpose	Transport SA (2)				
1297	460,000	147 (2) (b) Crown - Public Purpose	Airservices Aust (Commonwealth Govt Transmitter)	49 Ridge Road	Summertown	4 - Commercial - Other	6740 - Radio Transmitting
9509	485,000	147 (2) (b) Crown - Public Purpose	Board of the Botanic Gardens & State Herbarium	9 Campbell Avenue	Crafers	8 - Vacant Land	4101 - Vcnt Lnd Minor Impr (Urban)
5012	13,000,000	147 (2) (b) Crown - Public Purpose	Commonwealth Of Australia	226 Nairne Road	Woodside	9 - Other	5420 - Army
19149	205,000	147 (2) (b) Crown - Public Purpose	Min For Housing Urban Dev & Local Govt	Mount Lofty Summit Road	Crafers	8 - Vacant Land	4101 - Vcnt Lnd Minor Impr (Urban)
3536	255,000	147 (2) (b) Crown - Public Purpose	Min. Of Environment & Natural Resources	Fenwick Road	Balhannah	9 - Other	4210 - Wooded Area Conservation
18271	5,300	147 (2) (b) Crown - Public Purpose	Minister For Forests	Kersbrook Road	Kersbrook	7 - Primary Production	9411 - Forest
11500	1,025,000	147 (2) (b) Crown - Public Purpose	Minister For Police	46 Mount Barker Road	Stirling	9 - Other	5910 - Police
7302	1,050,000	147 (2) (b) Crown - Public Purpose	Minister for Recreation Sport & Racing	Mount Barker Road	Crafers West	9 - Other	7900 - Recreation Nec
887	127,000	147 (2) (b) Crown - Public Purpose	Minister Of Works	36 Teringie Drive	Teringie	9 - Other	6230 - Water Storage
18082	20,000	147 (2) (b) Crown - Public Purpose	SA Co (road reserve not transferred to Crown)	Onkaparinga Valley Road	Woodside	9 - Other	4530 - Rd Reserve, Median Strip
15366	320,000	147 (2) (b) Crown - Public Purpose	The Crown	Cyanide Road	Mount Torrens	9 - Other	6990 - Public Utilities N.E.C.
19987	24,000	147 (2) (b) Crown - Public Purpose	TransAdelaide	Edward Avenue	Crafers West	9 - Other	6490 - Railway,Rapid Rail&Streetcar Transp.N.E.C.
6414	650,000	147 (2) (d) Rec Ground Exemption	Balhannah Recreation Ground Inc & Adelaide Hills Council	117 Onkaparinga Valley Road	Balhannah	9 - Other	7530 - Parks/Gdns (Picnicking)
2672	96,000	147 (2) (d) Rec Ground Exemption	Basket Range Cricket Club & D J Cranwell & A M Cranwell	226 Range Road	Basket Range	9 - Other	7130 - Cricket
14881	330,600	147 (2) (d) Rec Ground Exemption	Birdwood Park & Sporting Clubs Association Inc	Torrens Valley Road	Birdwood	9 - Other	7100 - Recngrdovalshed
6028	191,000	147 (2) (d) Rec Ground Exemption	Forest Range Recreation Ground	1263 Lobethal Road	Forest Range	9 - Other	7530 - Parks/Gdns (Picnicking)
17304	440,000	147 (2) (d) Rec Ground Exemption	Houghton/Inglewood/Hermitage SM Park Inc	1377 Lower North East Road	Houghton	4 - Commercial - Other	7500 - Extensive Areas
7182	400,000	147 (2) (d) Rec Ground Exemption	Lenswood Memorial Park Inc	693 Swamp Road	Lenswood	9 - Other	7100 - Recngrdovalshed
17992	780,000	147 (2) (d) Rec Ground Exemption	Lobethal Recreation Grnd Sports Club Inc	Golf Links Road	Lobethal	9 - Other	7140 - Football
4517	590,000	147 (2) (d) Rec Ground Exemption	Mid Hills Netball Association	10 Onkaparinga Valley Road	Woodside	9 - Other	7250 - Tennis
15165	330,000	147 (2) (d) Rec Ground Exemption	Mount Torrens Centenary Park Inc	40 Oval Road	Mount Torrens	9 - Other	7100 - Recngrdovalshed
17050	215,000	147 (2) (d) Rec Ground Exemption	Paracombe Recreation Ground Inc	383 Paracombe Road	Paracombe	9 - Other	5620 - Public Halls
17051	154,000	147 (2) (d) Rec Ground Exemption	Paracombe Recreation Ground Inc	Paracombe Road	Paracombe	9 - Other	7100 - Recngrdovalshed
17052	310,000	147 (2) (d) Rec Ground Exemption	Paracombe Recreation Ground Inc	Paracombe Road	Paracombe	9 - Other	7552 - Equestrian Centres
1343	350,000	147 (2) (d) Rec Ground Exemption	Summertown Community Centre	1051 Greenhill Road	Summertown	9 - Other	7250 - Tennis
1723	390,000	147 (2) (d) Rec Ground Exemption	Uraidla & Summertown Hort & Floric Soc	86 Swamp Road	Uraidla	9 - Other	5580 - Showgrounds
1724	200,000	147 (2) (d) Rec Ground Exemption	Uraidla & Summertown Hort & Floric Soc	Swamp Road	Uraidla	8 - Vacant Land	4100 - Vac Land Urban
1714	210,000	147 (2) (d) Rec Ground Exemption	Uraidla District Soldiers Memorial Park Inc	1192 Greenhill Road	Uraidla	4 - Commercial - Other	5680 - Private Clubs (Non-Resid)
1722	790,000	147 (2) (d) Rec Ground Exemption	Uraidla District Soldiers Memorial Park Inc	1208 Greenhill Road	Uraidla	9 - Other	7530 - Parks/Gdns (Picnicking)
4521	230,000	147 (2) (d) Rec Ground Exemption	Woodside Bowling Club Inc	20 Onkaparinga Valley Road	Woodside	9 - Other	7230 - Lawn Bowls
12227	380,000	147 (2) (ga) Fire & Emergency Services	Aldgate Emergency Fire Service Land & Property Assoc	21 Strathalbyn Road	Aldgate	9 - Other	5940 - Fire
5131	114,648	148 (2) (ga) Fire & Emergency Services	Lobethal CFS & Minister for Emergency Services	65 Main Street	Lobethal	9 - Other	5940 - Fire
9143	496,800	149 (2) (ga) Fire & Emergency Services	Minister for Emergency Services	52 Old Mount Barker Road	Crafers	8 - Vacant Land	4150 - Vac Land Rural
20601	240,000	150 (2) (ga) Fire & Emergency Services	Minister for Emergency Services	3 South Street	Mylor	9 - Other	5941 - Fire Station/Depot
14503	490,000	151 (2) (ga) Fire & Emergency Services	Minister for Emergency Services	9 Avenue Road	Stirling	9 - Other	5941 - Fire Station/Depot
20584	305,000	152 (2) (ga) Fire & Emergency Services	P J Edwards & M G Edwards (Mount Torrens CFS)	40 Springhead Road	Mount Torrens	9 - Other	5941 - Fire Station/Depot
17834	390,000	153 (2) (ga) Fire & Emergency Services	SA Ambulance Service	8-10 Nairne Road	Woodside	4 - Commercial - Other	5850 - Ambulance
19494	430,000	154 (2) (ga) Fire & Emergency Services	SA Country Fire Service	1 Victoria Street	Gumeracha	9 - Other	5941 - Fire Station/Depot
18844	25,300	155 (2) (ga) Fire & Emergency Services	SA Country Fire Service	51 Glover Street	Kersbrook	9 - Other	5941 - Fire Station/Depot
1409	240,000	156 (2) (ga) Fire & Emergency Services	Summertown & Dist Emer Fire Service Inc	1081 Greenhill Road	Summertown	9 - Other	5941 - Fire Station/Depot
18396	3,837,820	National Trust - SA Act Exemption	History Trust Of South Australia	Shannon Street	Birdwood	9 - Other	5520 - Museum
18982	537,940	National Trust - SA Act Exemption	History Trust Of South Australia	Shannon Street	Birdwood	9 - Other	5520 - Museum
12072	1,125,000	National Trust - SA Act Exemption	National Trust Of SA	2-10 Euston Road & 1-5 Fenchurch Road	Aldgate	9 - Other	5560 - Botanical Garden & Arboretum
13661	-	National Trust - SA Act Exemption	National Trust Of SA	Wattle Street	Bridgewater	9 - Other	4210 - Wooded Area Conservation
7312	330,000	National Trust - SA Act Exemption	National Trust Of SA	Heath Road	Crafers West	9 - Other	7530 - Parks/Gdns (Picnicking)
4289	-	National Trust - SA Act Exemption	National Trust Of SA	Leslie Road	Forest Range	9 - Other	4210 - Wooded Area Conservation
16392	320,000	National Trust - SA Act Exemption	National Trust Of SA	1118 South Para Road	Kersbrook	9 - Other	4210 - Wooded Area Conservation
10607	420,000	National Trust - SA Act Exemption	National Trust Of SA	Kyle Road	Mylor	8 - Vacant Land	4151 - Vcnt Land-Minor Improvemnts (Rural Living)
8399	-	S23 Native Vegetation Act 1991 (rebate via property valuation)	D P Kilmartin & J S Kilmartin	131 Ironbank Road	Ironbank	8 - Vacant Land	4150 - Vac Land Rural
18410	-	S23 Native Vegetation Act 1991 (rebate via property valuation)	T J Bartlett & J C Bartlett	133 Ironbank Road	Ironbank	8 - Vacant Land	4150 - Vac Land Rural
4625	-	S23 Native Vegetation Act 1991 (rebate via property valuation)	Field Naturalists Society of SA Inc	Collins Road	Forest Range	9 - Other	4210 - Wooded Area Conservation
	311,220,824						

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 30 April 2018
AGENDA BUSINESS ITEM**

Item: 6.7

Originating Officer: Lachlan Miller, Executive Manager Governance & Performance

Responsible Director: Terry Crackett, Director Corporate Services

Subject: Risk Management Update

For: Information

SUMMARY

This report provides the Audit Committee with an update on Risk Management activities including the current status of the Strategic Risk Profile and Management Plan.

In relation to the Strategic Risk assessments, there has been no change to the Inherent, Residual or Target risk ratings for the quarter.

In relation to the implementation of Mitigation Actions to manage the Strategic Risks, the following results have been achieved which is an improvement on the February 2018 results:

- Completed: 60% (45) no change
- In Progress: 40% (30) up from 38% (28) due to the commencement of two actions
- Not Commenced: 0% (0) down from 1% (1) due to the commencement of an action
- One (1) new mitigation initiative was created/commenced in this quarter.

RECOMMENDATION

The Audit Committee resolves that the report be received and noted.

1. GOVERNANCE

Goal	Organisational Sustainability
Strategy	Governance

Updating the risk management framework, which addresses workplace health and safety, emergency management, business continuity, public liability and legislative accountability assists in meeting legislative and good governance responsibilities and obligations

➤ **Legal Implications**

A number of sections of the *Local Government Act 1999* require councils to identify and manage the risks associated with its functions and activities. Further, s125 requires council to have appropriate internal controls.

Similarly the *Work Health & Safety Act 2012* is structured around the protection of workers and others against harm to their health, safety and welfare through the elimination or minimisation of risk arising from work or specified substances or plant.

➤ **Risk Management Implications**

Improvements in the implementation of the risk management framework will assist in mitigating the risk of:

A lack of effective risk management occurs which leads to greater uncertainty in the achievement of objectives and/or negative outcomes.

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Medium (4D)	Medium (4D)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

While there are no direct financial or resource implications from this report, a number of Strategic Risk Profile and Management Plan treatments are impacted by funding limitations.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate corporate governance processes in place including an effective corporate risk management system.

➤ **Environmental Implications**

Environmental matters have been considered within the development of the Strategic Risk Profile and Management Plan.

➤ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

Consultation has occurred internally with the Strategic Risk Owners.

<i>Council Committees:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>Administration:</i>	Terry Crackett, Director Corporate Services David Waters, Director Customer & Community Services Marc Salver, Director Strategy & Development Peter Bice, Director Engineering & Assets Lachlan Miller, Executive Manager Governance & Performance Megan Sutherland, Executive Manager Organisational Development
<i>Community:</i>	Not Applicable

2. BACKGROUND

Council adopted the revised Risk Management Policy at its 25 February 2014 Council meeting. The Audit Committee considered the key elements of the Corporate Risk Management Framework at its May 2014 meeting and suggested a number of enhancements. The revised Framework was adopted by Council at its 24 June 2014 meeting.

A Strategic Risk Profile and Management Plan was developed documenting eleven strategic risks (SR), with SR 9 broken into three sub risks.

The Strategic Risk Profile and Management Plan, including controls and treatment plans against each strategic risk, was initially received by the Audit Committee at its meeting on 22 February 2016 and subsequently by Council at its ordinary meeting on 23 February 2016. This process has since continued each quarter

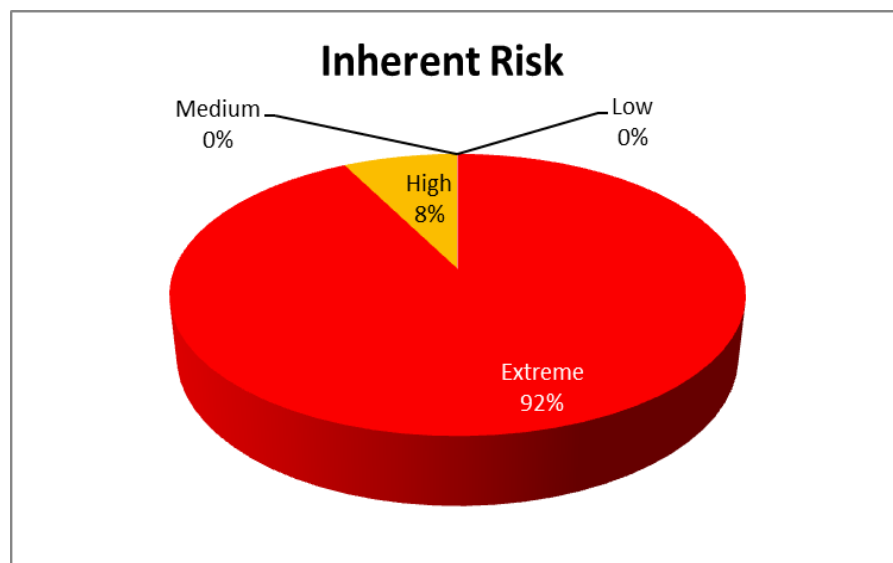
In February 2017, the Executive Leadership Team reviewed the ownership of the strategic risks to more appropriately align the risks with functional responsibilities with the first round of assessments conducted by the new risk owners for the May 2017 assessment.

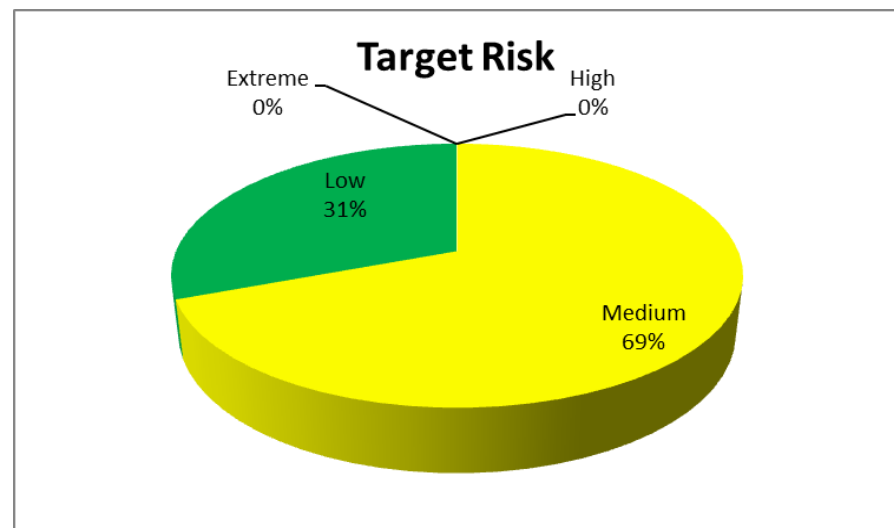
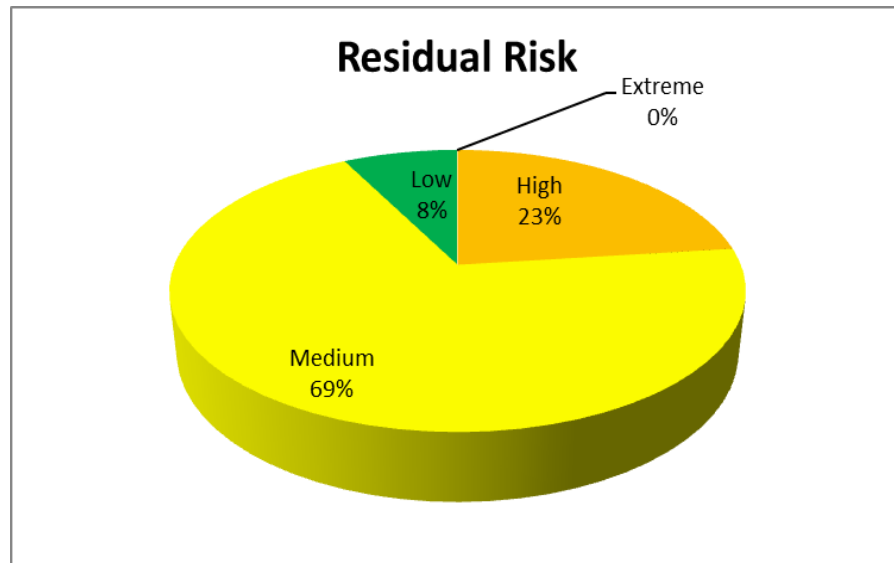
3. ANALYSIS

Strategic Risk Profile

The Strategic Risks are regularly reviewed by the risk owners responding to triggers in the risk environment, changes in causation or impact, changes in the control environment and on the completion of mitigation actions (which then form part of the control environment) which collectively can impact the likelihood and/or consequence of the risk.

Nine (9) of the thirteen (13) Strategic Risks were recently reassessed and the following diagrams depict the Inherent, Residual and Target ratings. There has been no change to the Inherent, Residual and Target risk ratings from the last (February 2018) assessment.

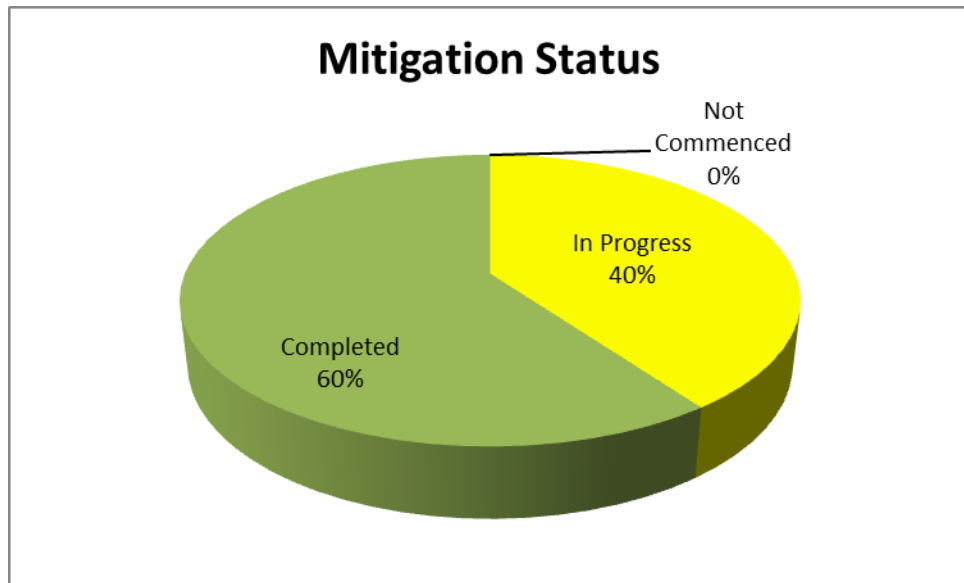




Notwithstanding the absence of change in the risk ratings, the implementation of Mitigation Actions has been progressing steadily. The current status is:

Status	August 2017	November 2017	February 2018	April 2018
Completed	53% (39 actions)	53% (39 actions)	61% (45 actions)	60% (45 actions)
In Progress	43% (32 actions)	44% (33 actions)	38% (28 actions)	40% (30 actions)
Not Commenced	4% (3 actions)	3% (2 actions)	1% (1 action)	0% (0 actions)
New Initiatives (in above totals)	0 actions	0 actions	0 actions	1 action

This is shown diagrammatically below:



4. OPTIONS

The Audit Committee has the following options:

- I. To note the update on the Strategic Risk Profile as presented (recommended),
- II. To determine not to note either or both updates and/or identify additional actions to be undertaken.

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 30 April 2018
AGENDA BUSINESS ITEM**

Item: 6.8

Originating Officer: Lachlan Miller, Executive Manager Governance & Performance

Responsible Director: Terry Crackett, Director Corporate Services

Subject: Internal Audit Quarterly Update

For: Decision

SUMMARY

This report provides the Audit Committee with an update on progress of internal audits nominated in the Strategic Internal Audit Plan as last adopted by the Committee at the 20 February 2018 meeting (*Appendix 1*).

RECOMMENDATION

The Audit Committee resolves to receive and note the report.

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal 5	Organisational Sustainability
Strategy 5.7	Governance

Monitoring the implementation of the Strategic Internal Audit Plan and audit assists in meeting legislative and good governance responsibilities and obligations.

➤ **Legal Implications**

Section 125 of the *Local Government Act 1999* (the Act) requires councils to ensure that appropriate policies, practices and procedures of internal controls are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard Council's assets, and to secure (as far as possible) the accuracy and reliability of Council records.

The Internal Audit program is an important tool to provide an objective appraisal of the adequacy on internal controls in managing our risk and supporting the achievement of council objectives.

➤ **Risk Management Implications**

The implementation of the internal audit program will assist in mitigating the risk of:

Internal control failures occur which lead to greater uncertainty in the achievement of objectives and/or negative outcomes.

Inherent Risk	Residual Risk	Target Risk
High (4C)	Medium (3C)	Medium (3C)

➤ **Financial and Resource Implications**

The Internal Audit budget for this financial year includes funding to resource the proposed audits and enable them to be outsourced under the oversight of the Executive Manager Governance and Performance. Given the range of demands on this role, and the specialised nature of a number of the audits, it is not possible to undertake audits internally.

The recently approved structural changes in the Governance & Performance Department will assist with the management of the internal audit program. This structural change has been funded within the 2017/18 budget.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate corporate governance processes in place including an effective internal control environment.

➤ **Environmental Implications**

Not applicable

➤ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

Consultation in the preparation of the current internal audit scopes was as follows:

<i>Council Committees:</i>	Audit Committee for the internal audit project scopes via the Strategic Internal Audit Plan as contained in this report
<i>Advisory Groups:</i>	Not Applicable
<i>Workshops:</i>	Not Applicable
<i>Administration:</i>	Terry Crackett, Director Corporate Services David Waters, Director Community & Customer Service Marc Salver, Director Strategy & Development Lachlan Miller, Executive Manager Governance & Performance Deryn Atkinson, Manager Development Services Kylie Hopkins, Governance & Performance Project Officer Jess Charlton, Coordinator Service Strategy & Innovation
<i>Community:</i>	Not Applicable

2. BACKGROUND

At its 20 February 2018 meeting, the Committee considered and approved changes to the Strategic Internal Audit Plan (SIAP) v1.5. The changes involved setting indicative timeframes for the conduct of internal audits in 2018 and to propose possible post-implementation reviews for consideration in the framing of the next SIAP (given that the current SIAP is expiring in 2018).

3. ANALYSIS

Strategic Internal Audit Plan

The SIAP (v1.5) has been included in **Appendix 1** to remind Committee Members of the proposed audits for 2018.

Members should note that a separate report is included in the 30 April 2018 Committee agenda for the adoption of a draft SIAP 2018-2021.

Internal Audits

Development Assessment Process

The Internal Audit of Development Assessment Processes is at the draft report stage and it was intended to table the report at the April 2018 Audit Committee meeting. The protracted absence of a key staff member (Manager Development Services) has delayed the finalisation of the management responses and agreed actions.

It is anticipated that the draft report will be completed for the Committee's consideration at the August 2018 meeting.

Customer Service Standard Reporting

The Internal Audit of Customer Service Standard Reporting achieved the completion of fieldwork on 13 April 2018. The draft report is currently being prepared. It is anticipated that the draft report (with management responses and an agreed action implementation plan) will be completed for the Committee's consideration at the August 2018 meeting.

Legislative Delegations Audit

The Internal Audit of Legislative Delegations is currently being procured with an indicative completion date of mid-June 2018. As this basis, it is anticipated that the draft report (with management responses and an agreed action implementation plan) will be completed for the Committee's consideration at the August 2018 meeting.

Future Audits

The post-implementation review of payroll, the internal audit of budgetary processes and the major project review of the AHBTC divestment have been incorporated into the draft SIAP 2018-2021.

No procurement activity will occur on these proposed audits until the adoption of the new SIAP and the commencement of the 2018/19 financial year.

4. OPTIONS

The Committee has the following options:

- I. To note the status of the Internal Audit Update report as presented; or
- II. To identify additional actions to be undertaken.
- III. To provide any feedback on specific areas of focus for the upcoming internal audit assignments.

5. APPENDICES

- (1) Strategic Internal Audit Plan v1.5

Appendix 1

Strategic Internal Audit Plan v1.5

Strategic Internal Audit Plan

Audit Engagement	Scope	Year 1 2014	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Indicative Year 6 2019
Asset Operation	Focussing on Asset operation, processes, activities, controls, risk, service levels, planned work, maintenance programs, monitoring performance, asset registers and reporting.	OS (May 2014 - completed)					Proposed Post-Implementation Review
Procurement	Focussing on Tender and Contract processes, activities, controls, risk, compliance through stages of the function, including planning, assessment, selection, authorisation, reporting, contractor payments, monitoring effectiveness.	OS (May 2014 - completed)					Proposed Post-Implementation Review
Emergency Management	Focussing on Emergency Management Plans, identification of risks associated with various types of disasters and the controls and processes to mitigate those risks, status of preparedness in the event of an emergency, recovery process and association with the Community and other Emergency Services.		OS (deferred)		OS (deferred)		Proposed audit
Business Continuity Plan	Focussing on the review of Business Continuity Plan (Disaster Recovery and Disruption) to key activities of Council including the identification, development, implementation of recovery plans and testing of conditions in the event of a disaster.		OS (deferred)		OS (deferred)		Proposed audit
Customer Service Standards	Focussing on the Customer Management processes, activities, contacts, risks, collection and measurement of data, and decision making. Includes Ombudsman enquiries, investigation, analysis, reporting, action plans, continuous improvement processes management.			OS (deferred)		Feb 2018 (procurement)	
Credit Card Operations	Focussing on the processes, activities, controls, risk associated with the use of Credit Cards, including user training, spending limits, purchases, review and testing of invoices, potential fraud and corruption and improper activity.		OS Nov 2014 (completed - inc petty cash)				Proposed Post-Implementation Review
Payroll Function	Focussing on the payroll operation, including a review of the processes, systems, activities, controls and risks. The extent to the audit engagement will consider aspects from commencement of employment to termination of individuals, including payment of wages, leave, changes to position security, administration and payroll reporting.	OS (May 2014 - completed)		OS (deferred)		Proposed Post-Implementation Review	
Development Assessment	Focussing on the Development and Assessment practices, processes, controls, risk, compliance through the various stages of planning, evaluation, assessment relating to Residential, Commercial, Industrial, Recreational facilities to ensure they meet legislative requirements.		OS (deferred)		Nov 2017 (draft report)		
Compliance Process	Focussing on the Compliance Process, practices, activities, controls, risk, compliance and meet with Legislative and regulatory requirements.			OS (deferred - partial coverage by Good			
Delegations	Focussing on the Delegations of Council, including a review of the processes, activities, controls and management or records, and compliance to Legislative requirements.			OS (deferred)		Feb 2018 (procurement)	
Environmental Sustainability	Focussing on the Environmental Sustainability of Council, including a review of the processes, activities, controls and compliance to Legislative requirements.				OS (deferred)		
Knowledge Management and Information Services	Focussing on Knowledge and Information Services (KIS) processes, activities, controls, risk, compliance, records management practices. It would include testing of policies and procedures, and security of the IT processes, systems, controls, risk, including hardware, software, updates, storage devices and operating systems.	OS (deferred to year 3)		Deferred (partial coverage by cyber-security)			
Budgetary Management	Focussing on Financial planning, control and reporting. Relationship of budget with LTFP, legislative and regulatory compliance.				OS (deferred to 2018)	Nov-18	
Good Governance - Regulatory	Focussing on the use of the LGA self assessment tool to: Assess the comprehensiveness of the statutory compliance that Council has, identify the current governance processes of regulatory services and their effectiveness, highlight core issues affecting good governance practices, provide guidance for adopting better practice for Council.			OS (May 16 - completed)			
Cash Handling	Focussing on the review of cash handling processes, controls, activities, corruption risk, record management, authority levels, training and reporting.				OS (deferred due to petty cash audit - Nov 14)		Proposed Post-Implementation Review
Inventory Management	Focussing on the Inventory management process, from inventory budget, purchasing of attractive and stock assets, receipt, asset register, monitoring and control of assets, stocktaking, reporting and responsibility.			OS (deferred - partial coverage by asset mgt audit - May 14)			
Major Projects Review	Focussing on processes, activities associated with the project, including scoping, planning, implementation, monitoring, post project review, risk management, development of maintenance program and operations.	OS (deferred)	OS (deferred)	OS (deferred)	OS (Montacute Road - Sept 2017 - completed)	AHBTC Divestment	

Audit Engagement	Scope	Year 1 2014	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Indicative Year 6 2019
Petty Cash (added Aug 2015)	Focusing on the policies, procedures and compliance around the use of petty cash as a procurement method.		OS Nov 2014 (completed - inc credit)				Proposed Post-Implementation Review
Cyber Security (added Dec 2014)	Focussing on the systems, processes and controls associated with securing and protection Council's IC&T network from penetration and data corruption/denial of service from external parties		OS (Aug 2015 - completed)				Proposed Post-Implementation Review

Version Control

Date Adopted	Version Comments	No.
11/02/2013	Initial plan adopted by Audit Committee	1.0
19/05/2014	Defer the conduct of the Year 1 Major Projects Review. 2. Delay the implementation of the Year 2 Strategic Internal Audit Plan until the completion of the first round of Enterprise Risk Assessments, with the exception of the Development Assessment Internal Audit	1.1
1/12/2014	Defer the Knowledge Management and Information Services audit until Year Three and to insert a Cyber Security audit in the Year One Plan.	1.2
12/08/2015	Added review of Petty Cash and updates the dates for the Credit Card, Cyber Security and Development Assessment audits	1.3
6/02/2017	Inclusion of comments column proposing various actions in relation to Audit Plan	1.4a
13/02/2017	Audit Committee approved proposed changes to SIAP v1.4a	1.4
20/02/2018	Updates of proposed timings for programmed audits from Nov 2017 IA Progress Report	1.5

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 30 April 2018
AGENDA BUSINESS ITEM**

Item: 6.9

Originating Officer: Lachlan Miller, Executive Manager Governance & Performance

Responsible Director: Terry Crackett, Director Corporate Services

Subject: Strategic Internal Audit Plan 2018/19 – 2021/22

For: Decision

SUMMARY

The Audit Committee has developed and utilised a Strategic Internal Audit Plan (SIAP) for many years to guide the conduct of the Internal Audit Program.

The current SIAP has been in place (albeit with many revisions) since 2013 and the Plan has now come to an end.

The purpose of this report is to propose a new SIAP to plan internal audit assignments for the next four years (i.e. 2018/19 – 2021/22).

The draft SIAP 2018/19 – 2021/22 is built on the basis of Council's Strategic Risk Assessments, the Corporate Risk Management Guide, the results of previous internal audits and the expertise of Committee Members.

RECOMMENDATION

The Audit Committee resolves:

- 1. That the report be received and noted**
 - 2. To recommend to Council the adoption of the draft Strategic Internal Audit Plan 2018/19 – 2021/22 as contained in Appendix 1.**
 - 3. To acknowledge that any revisions/changes arising from the Committee's consideration of the draft Plan will be incorporated into the subsequent report to Council.**
-

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal 5	Organisational Sustainability
Strategy 5.7	Governance

The development and monitoring of the Strategic Internal Audit Plan and component audits assists in meeting legislative and good governance responsibilities and obligations.

➤ **Legal Implications**

Section 125 of the *Local Government Act 1999* (the Act) requires councils to ensure that appropriate policies, practices and procedures of internal controls are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard Council's assets, and to secure (as far as possible) the accuracy and reliability of Council records.

The SIAP is an important tool to provide an objective appraisal of the adequacy, effectiveness and efficiency of internal controls in managing Council's risks and supporting the achievement of Council objectives.

➤ **Risk Management Implications**

The development and implementation of the SIAP will assist in mitigating the risk of:

Internal control failures occur which lead to greater uncertainty in the achievement of objectives and/or negative outcomes.

Inherent Risk	Residual Risk	Target Risk
High (4C)	Medium (3C)	Medium (3C)

➤ **Financial and Resource Implications**

The proposed Internal Audit budget for the 2018/19 financial year includes funding to resource the proposed 2018/19 audits and enable them to be outsourced under the oversight of the Executive Manager Governance and Performance. Given the range of demands on this role, and the specialised nature of a number of the audits, it is not possible to undertake audits internally.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council has appropriate corporate governance processes in place including an effective internal control environment.

➤ **Environmental Implications**

Not applicable.

➤ **Engagement/Consultation conducted with Council Committee, Regional Subsidiary, Advisory Group, the Administration and Community**

Consultation in the preparation of SIAP was as follows:

Council Committees: Audit Committee Members provided input to potential auditable areas for the SIAP.

Advisory Groups: Not Applicable

<i>Workshops:</i>	Not Applicable
<i>Administration:</i>	Terry Crackett, Director Corporate Services Lachlan Miller, Executive Manager Governance & Performance Kylie Hopkins, Governance & Performance Project Officer Other members of the Executive Leadership Team provided input by virtue of ownership of Strategic Risks.
<i>Community:</i>	Not Applicable

2. BACKGROUND

The Audit Committee has developed and utilised a Strategic Internal Audit Plan (SIAP) for many years to guide the conduct of the Internal Audit Program.

The current SIAP has been in place (albeit with many revisions) since 2013 and the Plan has now come to an end (see Appendix 1 in Item 6.8).

At its 20 February 2018 meeting, the Committee received the *Internal Audit Quarterly Update* report which provided an update of the current SIAP and proposed an indicative Year 6 to tentatively identify potential post-implementation review projects arising from earlier audits of key internal controls.

The development of a new SIAP was discussed and Committee Members encouraged to identify potential auditable areas for the new Plan. The methodology of Plan development was discussed, in summary, being that where there are high-rated risks facing the organisation and that these risks are substantially mitigated through a suite of controls, that suite of controls is a candidate for the Plan given the reliance that the organisation places on them to lower the risk rating. The SIAP provides assurance (positive or negative) as to the adequacy and/or effectiveness and/or efficiency of that suite of controls to manage those risks.

If however the control framework is still under development, the risks been mitigated ins not significant or the mitigating effect of the suit of controls is negligible, there are not usually candidates for an SIAP

3. ANALYSIS

The draft SIAP 2018/19 – 2021/22 is built on the basis of:

- Council's Strategic Risk Assessments (and the underlying identification of control effectiveness);
- the Corporate Risk Management Guide;
- the results of previous internal audits;
- the outstanding audits on the current SIAP;
- the SIAP's of other comparable councils; and
- the expertise of Committee Members.

The draft SIAP 2018/19 – 2021/22 has been structured to undertake 4-5 internal audits per annum. This number is selected in consideration of the size of the organisation, the resources available to fund, participate in and manage internal audit assignments.

While the Audit Committee makes amendments to the SIAP during its life, the Committee's Terms of Reference do not provide the delegation to approve the SIAP, as such a recommendation from the Committee to Council for the adoption of the SIAP 2018/19 – 2021/22 is being sought.

4. OPTIONS

The Committee has the following options:

- I. To recommend to Council to adopt the SIAP 2018/19 – 2021/22 (Appendix 1) with or without amendment. Any amendments discussed will be taken into consideration in the drafting of the report to Council. (Recommended)
- II. To determine not to make a recommendation to Council for the adoption of the SIAP 2018/19 – 2021/22 at this time. Given that there are a number of audits to complete of the current SIAP this would not be overly detrimental however an SIAP for the 2018/19 year would need to be framed at some stage to provide direction into that period. (Not Recommended)

5. APPENDICES

- (1) Draft Strategic Internal Audit Plan 2018/19 – 2021/22

Appendix 1

Draft Strategic Internal Audit Plan 2018/19 – 2021/22

Strategic Internal Audit Plan 2018/19 - 20/21

Audit Engagement	Scope	Strategic/Corporate Risk Linkage	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22
Recruitment & Retention Practices	Focusing on the role analysis, authorisation, recruitment process, remuneration determination, reward and recognition processes.	SR9a - Failure to manage, improve and develop the human resources available to the Council.	Q1			
Budgetary Management	Focussing on financial planning, control and reporting. Relationship of budget with LTFFP, legislative and regulatory compliance.	SR9c - Failure to manage, improve and develop the financial resources available to the Council.	Q2			
Payroll Function	Focussing on the payroll operation, including a review of the processes, systems, activities, controls and risks. The extent to the audit engagement will consider aspects from commencement of employment to termination of individuals, including payment of wages, leave, changes to position security, administration and payroll reporting. Including PIR from 2014 audit.	SR9c - Failure to manage, improve and develop the financial resources available to the Council.	Q3			
Major Projects Review	Focussing on processes, activities associated with the project, including scoping, planning, implementation, monitoring, post project review, risk management, development of maintenance program and operations.	SR2 - Failure to deliver projects, programs and services in accordance with plans (time, budget, quality).	Q4 (AHBTC Divestment)		Q2	Q2
Capital Works Programming & Delivery	Focussing on the planning, scheduling, approval, monitoring, and reporting processes and practices regarding the Capital Works Program. The procurement and contract management processes will be out of scope due to other scheduled audits on these subjects.	SR2 - Failure to deliver projects, programs and services in accordance with plans (time, budget, quality). SR6 - Failure to provide appropriate infrastructure for the community. SR4 - Failure to take measures to protect the community		Q1		
Treasury Management	Focusing on the processes, practices and policies regarding Treasury Management including compliance with legislative obligations.	SR9c - Failure to manage, improve and develop the financial resources available to the Council.		Q2		
Cyber Security	Focussing on the systems, processes and controls associated with securing and protection Council's IC&T network from penetration and data corruption/denial of service from external parties. Including PIR from 2015 audit.	SR9b - Failure to manage, improve and develop the information resources available to the Council.		Q2		
Emergency Management	Focussing on Emergency Management Plans, identification of risks associated with various types of disasters and the controls and processes to mitigate those risks, status of preparedness in the event of an emergency, recovery process and association with the Community and other Emergency Services.	SR4 - Failure to take measures to protect the community from natural and other hazards		Q4		
Business Continuity Plan	Focussing on the review of Business Continuity Plan (Disaster Recovery and Disruption) to key activities of Council including the identification, development, implementation of recovery plans and testing of conditions in the event of a disaster.	SR4 - Failure to take measures to protect the community from natural and other hazards			Q1	
Economic Development Strategy Implementation	Focusing on the strategy development and revisions processes, determination of actions and initiatives, funding of strategy implementation and evaluation of outcomes against strategy objectives.	SR7 - Failure to promote the Council area and provide an attractive climate and locations for the development of business, commerce, industry and tourism.			Q1	
Debt Management	Focusing on the processes, practices and policies regarding Debt Management including compliance with legislative obligations.	SR9c - Failure to manage, improve and develop the financial resources available to the Council.			Q2	
Procurement	Focussing on processes, activities, controls, risk, compliance through stages of the function, including planning, assessment, selection, and contract execution. Including the use of payment methods such as credit cards and petty cash. Including PIR from 2014 & 2015 audits. The contract management processes will be out of scope due to another scheduled audit on this subject.	SR2 - Failure to deliver projects, programs and services in accordance with plans (time, budget, quality). SR9c - Failure to manage, improve and develop the financial resources available to the Council.			Q4	
Training & Development Practices	Focusing of the identification of training and development (T&D) needs, sourcing of T&D options, scheduling and support of activities, assessment of transfer into workplace and evaluation of T&D initiatives. This will include development activities such as coaching & mentoring.	SR9a - Failure to manage, improve and develop the human resources available to the Council.				Q1
Asset Operation	Focussing on Asset operation, processes, activities, controls, risk, service levels, planned work, maintenance programs, monitoring performance, asset registers and reporting. Including PIR from 2016 audit.	SR2 - Failure to deliver projects, programs and services in accordance with plans (time, budget, quality). SR6 - Failure to provide appropriate infrastructure for the community. SR8 - Failure to manage and develop public areas vested in, or occupied by the Council.				Q2
Contract Management	Focussing on the post-procurement processes, activities, controls, risk, compliance through stages of the function, including induction, payment approval, monitoring, superintending, reporting, contractual close and evaluation. The procurement processes will be out of scope due to another scheduled audit on this subject.	SR2 - Failure to deliver projects, programs and services in accordance with plans (time, budget, quality). SR11 - Failure to exercise, perform and discharge the powers, functions and duties under legislation, contracts, leases and policies.				Q4
Number of Audits			4	4	5	4

Version Control

Date Adopted	Version Comments	No.
30/04/2018	Initial plan considered by Audit Committee	1.0a

