



ORDINARY COUNCIL MEETING

NOTICE OF MEETING

To: Mayor Jan-Claire Wisdom

Councillor Ian Bailey
Councillor Kirilee Boyd
Councillor Nathan Daniell
Councillor Pauline Gill
Councillor Chris Grant
Councillor Linda Green
Councillor Malcolm Herrmann
Councillor John Kemp
Councillor Leith Mudge
Councillor Mark Osterstock
Councillor Kirsty Parkin
Councillor Andrew Stratford

Notice is given pursuant to the provisions under Section 83 of the *Local Government Act 1999* that the next meeting of the Council will be held on:

Tuesday 26 November 2019
6.30pm
63 Mt Barker Road Stirling

A copy of the Agenda for this meeting is supplied under Section 83 of the Act.

Meetings of the Council 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 84 of the Act.

Andrew Aitken
Chief Executive Officer



ORDINARY COUNCIL MEETING

AGENDA FOR MEETING
Tuesday 26 November 2019
6.30pm
63 Mt Barker Road Stirling

ORDER OF BUSINESS

1. COMMENCEMENT

2. OPENING STATEMENT

“Council acknowledges that we meet on the traditional lands of the Peramangk and Kaurna people and we recognise their connection with the land.

We understand that we do not inherit the land from our ancestors but borrow it from our children and in this context the decisions we make should be guided by the principle that nothing we do should decrease our children’s ability to live on this land.”

3. APOLOGIES/LEAVE OF ABSENCE

3.1. Apology
Apologies were received from

3.2. Leave of Absence
Cr Kirrilee Boyd (22 October – 31 December 2019) approved 22 October 2019

3.3. Absent

4. MINUTES OF PREVIOUS MEETINGS

4.1. Council Meeting – 22 October 2019
That the minutes of the ordinary meeting held on 22 October 2019 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

5. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF COUNCIL

6. PRESIDING MEMBER'S OPENING REMARKS

7. QUESTIONS ADJOURNED/LYING ON THE TABLE

- 7.1. Questions Adjourned
Nil
- 7.2. Questions Lying on the Table
Nil

8. PETITIONS / DEPUTATIONS / PUBLIC FORUM

- 8.1. Petitions
 - 8.1.1. GM Free Zone
- 8.2. Deputations
 - 8.2.1. Fraser Fuller, Adelaide Hills Skateboard Community re skateboard park in Stirling
 - 8.2.2. Neil Sandercock, Stirling Tennis Club re grant funding
- 8.3. Public Forum

9. PRESENTATIONS (by exception)

Nil

10. QUESTIONS ON NOTICE

- 10.1. Road Rallies & Road Dilapidation Reports
- 10.2. Woodside BMX Track
- 10.3. Public Toilet Facilities

11. MOTIONS ON NOTICE

- 11.1. Water Supplies
 - 1. *That the CEO investigates any circumstances where Council provides water to or receives water from a person/organisation.*
 - 2. *Following the investigation, a report detailing, among other things, any contractual arrangements, costs, risks and liabilities, be provided to Council by 30 April 2020.*

12. OFFICER REPORTS – DECISION ITEMS

- 12.1. Pomona Road Bike Track Trial
 - 1. *That the report be received and noted.*
 - 2. *Allow the Pomona BMX Track to remain in place for the Community, and suggested improvements be reviewed by staff and considered as part of future Annual Business Planning processes.*

- 12.2. 2019/2020 Community Development Grants
 - 1. *That the report be received and noted*
 - 2. *That Council approves the 21 Community Development Grant application recommendations for 2019/20 totalling \$44,109.90 as recommended in Appendix 1.*

- 12.3. 2019/2020 Community & Recreation Facility Grants
 - 1. *That the report be received and noted.*
 - 2. *That Council approve the 18 Community and Recreation Facility Grant application recommendations for 2019/20, totalling \$105,000 as recommended in Appendix 1.*

- 12.4. Unreasonable Complainant Conduct, Internal Review, Request for Services & Complaint Handling Policies
 - 1. *That the report be received and noted*
 - 2. *With an effective date of 9 December 2019, to approve the 'Unreasonable Complainant Conduct Policy' as contained in Appendix 1.*
 - 3. *With an effective date of 9 December 2019, to revoke the 28 March 2017 'Internal Review of Council Decisions Policy' and to approve the 'Internal Review of Council Decisions Policy' as contained in Appendix 2.*
 - 4. *With an effective date of 9 December 2019, to revoke the 13 June 2017 'Request for Services Policy' and to approve the 'Request for Services Policy' as contained in Appendix 3.*
 - 5. *With an effective date of 9 December 2019, to revoke the 27 March 2018 'Complaint Handling Policy' and to approve the 'Complaint Handling Policy' as contained in Appendix 4.*
 - 6. *That the Chief Executive Officer, or delegate, be authorised to make any formatting, nomenclature or other minor changes to the policies during the period of their currency.*

- 12.5. 2018 – 19 General Purpose Financial Statements
 - 1. *That the report be received and noted.*
 - 2. *That, in accordance with Section 127 of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999, Council adopts the General Purpose Financial Statements for the financial year ended 30 June 2019.*
 - 3. *To authorise the Mayor and CEO to sign the General Purpose Financial Statements for the financial year ended 30 June 2019.*

- 12.6. 2018 – 19 End of Year Financial Results
 - 1. *the report be received and noted.*
 - 2. *the 2018-19 End of Year Financial Results in comparison to budget have been appropriately considered by Council.*

- 12.7. Annual Report 2018 – 2019
 - 1. *That the report be received and noted.*
 - 2. *The 2018-19 Annual Report, as contained in Appendix 1, be adopted.*
 - 3. *That the Chief Executive Officer be authorised to make minor content, formatting or design changes necessary for publication purposes.*

- 12.8. Code of Conduct Final Report – Cr Leith Mudge
1. *That the report be received and noted*
 2. *To note the Final Investigation Report of the Local Government Governance Panel at Appendix 1 and Cr Leith Mudge's submission at Appendix 2.*
 3. *To determine that Cr Leith Mudge's actions on 19 April 2019 were in breach of clauses 2.2, 2.3, 2.4, 2.5 and 2.6 of the Code of Conduct for Council Members.*
 4. *To censure Cr Leith Mudge for breaching clauses 2.2, 2.3, 2.4, 2.5 and 2.6 of the Code of Conduct for Council Members.*
 5. *To request a report be prepared by the Administration regarding the development of a policy position for the use of social media.*
- 12.9. Budget Review 1
1. *That the report be received and noted.*
 2. *To adopt the Operating Budget variations presented in Budget Review 1 resulting in no change to the Operating Surplus of \$411k for the 2019-20 financial year.*
 3. *Subject to receiving matching grant funding for polystyrene foam recycling from Green Industries SA the current allocation of \$30,000 for soft plastic recycling at the Heathfield Resource Recovery Centre be redirected to providing a polystyrene foam recycling service.*
 4. *To adopt the proposed Capital Works adjustments increasing capital income by \$519k and capital expenditure by \$670k.*
 5. *To adopt the proposed deferral of capital projects expenditure of \$1.726m for intended inclusion in the 2020/21 year.*
 6. *To adopt the change in Council's current Net Lending Result from \$5.010m to \$3.433m as a result of the proposed Capital Program amendments.*
- 12.10. Strategic Plan Proposed Priorities for Consultation
1. *That the report be received and noted.*
 2. *That the draft strategic goal areas (Community, Economic, Environment and Organisational), related objectives and priorities included in Appendix 1 of this report be endorsed for community consultation.*
 3. *To delegate to the Chief Executive Officer, or delegate, the authority to make any formatting or content changes to the draft strategic goal areas, related objectives and priorities to reflect matters raised in the Council's debate on the matter prior to its release for community consultation.*
- 12.11. Review of Confidential Items
Refer to Agenda Item
- 12.12. Status Report – Council Resolutions Update
Refer to Agenda Item

12.13. Proposed Draft Practice Direction – Building Inspections

1. *That the report be received and noted*
2. *That the submission on the Draft Practice Direction regarding Building Inspections be approved for forwarding to the State Planning Commission*
3. *That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the submission as may be required prior to forwarding the submission to the State Planning Commission.*

13. OFFICER REPORTS – INFORMATION ITEMS

- 13.1. Quarterly Council Performance Report – Quarter 1, 2019 – 20
Council resolves that the report be received and noted.

14. MISCELLANEOUS ITEMS

Nil

15. QUESTIONS WITHOUT NOTICE

16. MOTIONS WITHOUT NOTICE

17. REPORTS

- 17.1. Council Member Reports
- 17.2. Reports of Members as Council/Committee Representatives on External Organisations
- 17.3. CEO Report

18. REPORTS OF COMMITTEES

- 18.1. Council Assessment Panel – 13 November 2019
That the minutes of the CAP meeting held on 13 November 2019 as supplied, be received and noted.
- 18.2. Strategic Planning & Development Policy Committee
Nil
- 18.3. CEO Performance Review Panel - 14 November 2019
That the minutes of the CEO PRP meeting held on 14 November 2019 as supplied, be received and noted.
- 18.4. Audit Committee - 18 November 2019
That the minutes of the Audit Committee meeting held on 18 November 2019 as supplied, be received and noted.
- 18.4.1. Audit Committee Presiding Member's Report
That the report be received and noted.

19. CONFIDENTIAL ITEMS

- 19.1. Appointment of Audit Committee Independent Members

20. NEXT MEETING

Tuesday 17 December 2019, 6.30pm, 63 Mt Barker Road, Stirling

21. CLOSE MEETING

Council Meeting/Workshop Venues 2019

DATE	TYPE	LOCATION	MINUTE TAKER
DECEMBER 2019			
Tues 10 December	Workshop	Stirling	N/A
Wed 11 December	Council Assessment Panel	TBA	Karen Savage
Tues 17 December	Council	Stirling	Pam Williams
JANUARY 2020			
To be advised	Council Assessment Panel	TBA	Karen Savage
Tuesday 28 January	Council	Stirling	Pam Williams
FEBRUARY 2020			
To be advised	CEO PRP Committee	Stirling	TBA
Tues 11 February	Workshop	Woodside	N/A
Wed 12 February	Council Assessment Panel	TBA	Karen Savage
Mon 17 February	Audit Committee	Stirling	TBA
Tues 18 February	Professional Development	Stirling	N/A
Tues 26 February	Council	Stirling	Pam Williams

Meetings are subject to change, please check agendas for times and venues. All meetings (except Elected Member Professional Development) are open to the public.

COMMUNITY FORUMS 2020		
6.00 for 6.30pm	Tuesday 31 March	Mylor
6.00 for 6.30pm	Tuesday 30 June	Basket Range
6.00 for 6.30pm	Tuesday 29 September	Birdwood

Conflict of Interest Disclosure Form

CONFLICTS MUST BE DECLARED VERBALLY DURING MEETINGS

Councillor:

Date:

Meeting name:

Agenda item no:

1. I have identified a conflict of interest as:

MATERIAL ☐

ACTUAL ☐

PERCEIVED ☐

MATERIAL: Conflict arises when a council member or a nominated person will gain a benefit or suffer a loss (whether directly or indirectly and whether pecuniary or personal) if the matter is decided in a particular manner. If declaring a material conflict of interest, Councillors must declare the conflict and leave the meeting at any time the item is discussed.

ACTUAL: Conflict arises when there is a conflict between a council member's interests (whether direct or indirect, personal or pecuniary) and the public interest, which might lead to decision that, is contrary to the public interest.

PERCEIVED: Conflict arises in relation to a matter to be discussed at a meeting of council, if a council member could reasonably be taken, from the perspective of an impartial, fair-minded person, to have a conflict of interest in the matter – whether or not this is in fact the case.

2. The nature of my conflict of interest is as follows:

(Describe the nature of the interest, including whether the interest is direct or indirect and personal or pecuniary)

3. I intend to deal with my conflict of interest in the following transparent and accountable way:

☐ I intend to **leave** the meeting *(mandatory if you intend to declare a Material conflict of interest)*

OR

☐ I intend to **stay** in the meeting *(complete part 4) (only applicable if you intend to declare a Perceived (Actual conflict of interest))*

4. The reason I intend to stay in the meeting and consider this matter is as follows:

(This section must be filled in. Ensure sufficient detail is recorded of the specific circumstances of your interest.)

and that I will receive no benefit or detriment direct or indirect, personal or pecuniary from considering and voting on this matter.

CONFLICTS MUST ALSO BE DECLARED VERBALLY DURING MEETINGS

Governance use only: Member voted FOR/AGAINST the motion.

Ordinary Business Matters

A **material, actual or perceived** Conflict of Interest does not apply to a matter of ordinary business of the council of a kind prescribed by regulation.

The following ordinary business matters are prescribed under Regulation 8AAA of the Local Government (General) Regulations 2013.

- (a) the preparation, discussion, conduct, consideration or determination of a review under section 12 of the Act
 - (b) the preparation, discussion, adoption or revision of a policy relating to allowances and benefits payable to members if the policy relates to allowances and benefits payable equally to each member (rather than allowances and benefits payable to particular members or particular office holders)
 - (c) the preparation, discussion, adoption or alteration of a training and development policy under section 80A of the Act
 - (d) the preparation, discussion, adoption or amendment of a strategic management plan under section 122 of the Act
 - (e) the adoption or revision of an annual business plan
 - (f) the adoption or revision of a budget
 - (g) the declaration of rates (other than a separate rate) or a charge with the character of a rate, and any preparation or discussion in relation to such a declaration
 - (h) a discussion or decision of a matter at a meeting of a council if the matter—
 - (i) relates to a matter that was discussed before a meeting of a subsidiary or committee of the council
 - (ii) the relevant interest in the matter is the interest of the council that established the committee or which appointed, or nominated for appointment, a member of the board of management of the council subsidiary or regional subsidiary.
- (2) For the purposes of section 75(3)(b) of the Act, a member of a council who is a member, officer or employee of an agency or instrumentality of the Crown (within the meaning of section 73(4) of the Act) will not be regarded as having an interest in a matter before the council by virtue of being a member, officer or employee.

Engagement and membership with groups and organisations exemption

A member will not be regarded as having a conflict of interest **actual or perceived** in a matter to be discussed at a meeting of council by reason only of:

- an engagement with a community group, sporting club or similar organisation undertaken by the member in his or her capacity as a member; or membership of a political party
- membership of a community group, sporting club or similar organisation (as long as the member **is not** an office holder for the group, club or organisation)
- the member having been a student of a particular school or his or her involvement with a school as parent of a student at the school
- a nomination or appointment as a member of a board of a corporation or other association, if the member was nominated for appointment by a Council.

However, the member will still be required to give careful consideration to the nature of their association with the above bodies. Refer Conflict of Interest Guidelines.

For example: If your **only** involvement with a group is in your role as a Council appointed liaison as outlined in the Council appointed liaison policy, you will not be regarded as having a conflict of interest actual or perceived in a matter, and are NOT required to declare your interest.

8. DEPUTATIONS

For full details, see Code of Practice for Meeting Procedures on www.ahc.sa.gov.au

1. A request to make a deputation should be made by submitting a Deputation Request Form, (available on Council's website and at Service and Community Centres) to the CEO seven clear days prior to the Council meeting for inclusion in the agenda.
2. Each deputation is to be no longer than ten (10) minutes in duration, excluding questions from Members.
3. Deputations will be limited to a maximum of two per meeting.
4. In determining whether a deputation is allowed the following considerations will be taken into account:
 - the subject matter of the proposed deputation;
 - whether it is within the powers of the Council;
 - relevance to the Council agenda nominated – and if not, relevance to the Council's powers or purpose;
 - the integrity of the request; and
 - the size and extent of the agenda for the particular meeting.

8.3 PUBLIC FORUM

For full details, see Code of Practice for Meeting Procedures on www.ahc.sa.gov.au

1. The public may be permitted to address or ask questions of the Council on a relevant and/or timely topic.
2. The Presiding Member will determine if an answer is to be provided.
3. People wishing to speak in the public forum must advise the Presiding Member of their intention at the beginning of this section of the meeting.
4. Each presentation in the Public Forum is to be no longer than five (5) minutes (including questions), except with leave from the Council.
5. The total time allocation for the Public Forum will be ten (10) minutes, except with leave from the Council.
6. If a large number of presentations have been requested, with leave from the Council, the time allocation of five (5) minutes may be reduced.
7. Any comments that may amount to a criticism of individual Council Members or staff must not be made. As identified in the Deputation Conduct section above, the normal laws of defamation will apply to statements made during the Public Forum.
8. Members may ask questions of all persons appearing relating to the subject of their presentation.

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item:	8.1.1
Originating Officer:	Marc Salver, Director Development & Regulatory Services
Responsible Director:	Marc Salver, Director Development & Regulatory Services
Subject:	Petition - GM Free Zone
For:	Decision

SUMMARY

A petition has been received with 28 signatories requesting Council to take action against Genetically Modified Crops in our region.

RECOMMENDATION

Council resolves that the petition signed by 28 signatories, requesting Council to take action to ensure that Genetically Manipulated (GM) Crops are not grown in our region, be received and noted.

Council has received a petition organised by Ms Alex Hodges and signed by 21 signatories.

Following Council's consideration, the head petitioner will be advised of Council's noting of the petition and of any other resolutions arising from the matter.

The Petition states:

We, the undersigned residents of the Adelaide Hills Council area, ask our council to take every possible action to help ensure that that Genetically Manipulated (GM) crops are not grown in our region, and that our region remains GM free. We therefore ask our council to make and implement the following resolutions:

1. Write to the Premier to ask the state government to:
 - a. extend the ban on commercial GM canola for at least another five years;
 - b. use its powers to create GM and GM free areas and to declare our municipality a GM free Zone (a policy principle made under Section 21 of the Commonwealth Gene Technology Act 2000 gives all states these powers); and
 - c. establish a public on-line register (including maps) showing all GM release sites - both experimental and commercial who want to stay GM-free (including farmers, beekeepers, etc) can avoid those sites.
2. Declare the council's jurisdiction a GM free Zone by:
 - a. amending council's food service contracts, to require GM free foods in all council food services;
 - b. posting GM free Zone signage in and around the municipality (sample at www.geneethics.org);
 - c. publicly signing and distributing a GM free Zone Declaration;
 - d. publicising the GM free Zone declaration in local media, on the website and on noticeboards;
 - e. asking local businesses and organisations to support the GM free Zone by signing on to a GM free statement; and
 - f. establishing a local register to record and map the location of any GM sites in the area, when and if this becomes necessary)
3. Write to Commonwealth and State Health and Agriculture Ministers, advocating that:
 - a. no state or territory government allow its GM crop ban to expire without the agreement of all states;
 - b. all foods made using GM technology and processes be fully labelled; and
 - c. strict liability laws are enacted to hold GM companies fully responsible for GM contamination.

Officer's Comment – Marc Salver, Director Development & Regulatory Services

At its meeting on 24 September 2019 (Item 12.2), Council resolved to approve a submission to the State Government regarding the proposed lifting of the Moratorium on Genetically Modified (GM) Food Crops. In summary, the submission raised the following key matters which align with some of the points made in the above-mentioned petition:

1. The Adelaide Hills has a rich and diverse agricultural history and continues to be a key producer for State, National and Global markets. Primary production is a major pillar of our Economic Development Strategy and in the Adelaide Hills.
2. The State Government should allow for whole regions within the state to remain GM Free should they choose to do so and an economic rationale for this is justified (e.g. positive benefits to branding), noting that Kangaroo Island has been permitted to remain GM Crop Free. Council sought in its submission that the legislative framework in South Australia supporting any lifting of the GM Food Crop Moratorium allow for whole regions to remain GM free should they wish to. Such an approach would favour the Adelaide Hills which already has a strong brand and export potential and would allow the region's farmers and community to determine whether or not they wish to remain GM free.

3. There are still concerns regarding the potential impacts on human health and safety, and the environment from GM crops. The submission emphasised that simply ignoring the growing national and international resistance to GM food crops is largely based on a lack of scientific consensus in this regard. It noted that this specific but critical issue was not within the scope of the recent reviews commissioned by the State Government which was a concern.
4. The State Government was strongly urged to ensure that the matter of protecting non-GM farmers from possible legal action by GM corporations (with reference to the Western Australian Court case) be addressed in any forthcoming GM legislation in order to protect both GM and non-GM farmers in this instance. The submission emphasised that this should not be left to common law in isolation as this creates ambiguity and uncertainty for growers.
5. The submission acknowledged that there is a need for agricultural industry to remain competitive and adaptive in a changing climate and that Council understands that a flexible policy position may need to be considered in order for the industry to react to specific market forces or events. It further noted that some farmers recognize that there are benefits of having drought or pest resistant crops which will deliver higher yields. However, it noted that there are only a limited number of GM Crops approved for cultivation in Australia (i.e. primarily canola and cotton), and the lifting of the ban in the Adelaide Hills is unlikely to offer any advantage for growers at a regional level immediately. Therefore the rationale for the wholesale lifting of the ban across the state, excluding Kangaroo Island, was questioned.
6. Lastly the submission considered it imperative that the Adelaide Hills remains renowned for its clean, sustainable and premium food and beverage production and that this be protected should primary producers, tourism operators and others consider this essential to protecting the region's brand. Council therefore urged the State Government to ensure that the legislative framework support a regional approach to the lifting of the GM Crop Moratorium by allowing those who wish to remain GM free the opportunity to do so.

It is noted that the Council's current policy position on this issue identifies that any change to the State legislation would trigger a review of Council's GM Crops Policy, where a decision to continue to apply the precautionary principle; limit or reverse the precautionary principle; or to abolish the Policy, citing the independent review and the views of the agricultural sector, can be further explored. If the State Government lifts the GM Food Crops Moratorium, Administration will then undertake a review of the current Policy and report back on this to Council.

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 10.1 Question on Notice

Originating from: Cr Malcolm Herrmann

Subject: Road Rallies & Road Dilapidation Reports

1. QUESTION

1. Were dilapidation reports undertaken on the roads prior to the commencement of the rally?
2. Were dilapidation reports undertaken after the completion of the rally, and if so, how long after the rally?
3. What were the results of those reports?
4. If work was required to reinstate the roads to their former condition, has this work been done, by whom and at what cost?

BACKGROUND

At its meeting held on 28 May 2019 Item 12.2 Council resolved to approve the closure of certain roads to facilitate the staging of the Adelaide Hills Rally in September 2019. One of the conditions of approval was that UME enters into a road repair agreement and to undertake a road dilapidation report of the routes prior to and subsequent to the event.

2. OFFICER'S RESPONSE – Jennifer Blake, Manager Communications, Engagement & Events

1. At its meeting held on 28 May 2019, Council resolved to approve the closure of certain roads to facilitate the staging of the Adelaide Hills Rally in September 2019. One of the conditions of approval was that Ultimate Motorsport Events (UME) enters into a road repair agreement and to undertake a road dilapidation report of the routes prior to and subsequent to the event.
2. A dilapidation report was undertaken by Council staff and a representative from UME the week before the race which ran from Friday 20 to Sunday 22 September 2019.
3. Council staff conducted a drive along the route on Monday 23 September 2019 to determine if there was any obvious damage and found no evidence of such. There were no reports or complaints to Council regarding damage to the road surface along the route or anywhere else in the Council area.
4. A formal post-race dilapidation inspection was undertaken by Council staff and a representative from UME on 31 October 2019. No damage was recorded as needing repair.

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 10.2 Question on Notice

Originating from: Cr Andrew Stratford

Subject: Woodside BMX Track

1. QUESTION

1. What is the reason for Council not supporting a request for the 'Love Woodside' group in their recent attempts for facility improvements at the Woodside BMX track?
2. What is the formal classification of this land?
3. Is Council able to provide support for their requests for improvements to the facilities as recommendations through to other relevant Government authorities?

2. BACKGROUND

The 'Love Woodside' group is a local not for profit group consisting of local volunteers and are involved in a range of local projects with the aim of fostering pride and ownership of community facilities. Their passion and commitment to local environmental conditions as well as to the built environs is to be commended, they meet regularly and are very active in the local community.

One of their current projects is the local BMX track located at Woodside and they are keen to see this continue to be developed in an appropriate and safe manner. The track is very popular with locals as well as attracting users from across the district. The group recently expressed a desire to complete a grant funding application and this process required endorsement from the Council to enable this to progress.

This was denied by Council, leaving the group in a dilemma on what their options are for improvements to this site.

2. OFFICER'S RESPONSE – Natalie Westover, Manager Property Services

Responses in the same numbering as the questions:

1. The land is owned by The Commissioner of Highways and is leased to the Council. Under the terms of the lease (clause 10 as detailed below), improvements to the land cannot be made without the consent of the Commissioner.

10. And also that the Lessee shall not erect on the said land or any part thereof any buildings structures erections fencing or other improvements or alter or add to any buildings structures erections fencing or other improvements which are or may hereafter be on the said land without the consent in writing of the Commissioner first obtained. The Lessee shall submit for the approval of the Commissioner the plans and specifications of any proposed construction alteration or variation or such improvements.

The Love Woodside Group requested approval from the Department of Transport and Infrastructure (DPTI) to make improvements to the land in the form of seating, toilets and park shelters. DPTI did not provide consent to their request. DPTI communicated to Council their position and that they would not provide consent to any further infrastructure.

2. The land is owned by The Commissioner of Highways. The land was leased to the then District Council of Onkaparinga in 1983 for the purposes of a BMX track. The lease also included some adjoining parcels of land which were to be used for the purposes of car parking and stock agistment. The lease does not have an end date although either party can provide the other with three (3) months' notice of their intention to terminate.
3. At the time of preparing the response to this Question on Notice, Council staff were scheduled to meet with staff from DPTI on Thursday, 21 November to discuss the current lease arrangements and to seek clarification as to what infrastructure will be permitted by DPTI where that infrastructure supports the approved use as a BMX track.

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 10.3 Question on Notice

Originating from: Cr Andrew Stratford

Subject: Public Toilet Facilities

1. QUESTION

1. Are there any regulations - in particular from a planning or health perspective, that Council needs to apply and comply with in regard to existing public use toilets?
2. Does Council have a policy position, or a service standard on the condition of these facilities and / or the provisions provided within these existing public toilets?

2. BACKGROUND

The public toilets located behind the Woodside Hall are also utilised as the toilet facilities for functions held at the hall, as the hall has no dedicated toilets within the building.

As individual clients, corporate bodies and community groups all pay a hiring fee for the hall, there is a level of expectation that appropriate, safe and clean facilities will be available during the period of hire.

It has come to my attention that on many occasions this is not proving to be the case and that consequently, the health, welfare and personal safety of clients may be at risk.

3. OFFICER'S RESPONSE – Natalie Westover, Manager Property Services

Information has been sought from the Council's Manager Development Services and Environment Health Team Leader in responding to this question.

The Institute Hall has existing use rights as a public building and the need to upgrade the toilet facilities is only triggered by major alterations or a change of use. Such an upgrade would require a development application to be lodged and assessed for planning and building rules consent.

In regard to the Public Health Legislation there is a Code of Practice for The Provision of Facilities for Sanitation and Personal Hygiene which is a prescribed code of practice under Section 109 of the *SA Public Health Act 2011*. The Code requires that facilities for sanitation and personal hygiene must be maintained in a clean and hygienic condition.

Toilets that are recognised as having high use by the community due to their location are cleaned daily. In some instances, where toilets service both the general public and a hall, additional cleans have been requested by hall committees where there are larger functions being held at the hall and these have been accommodated where able so that the toilets are cleaned again later in the day prior to the event.

Council staff are very responsive to reports by community members of unsanitary conditions and have cleaners attend at the earliest opportunity.

The Council does not currently have a policy position or service standards in relation to its public toilets.

The Council has allocated budgetary resources in this financial year to enable a review/audit of the Council's public toilets. It is anticipated that the outcome of this review/audit will be the development of a policy position that will include service standards and how Council assesses location and type of public toilet facilities.

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 11.1 Motion on Notice

Originating from: Cr Malcolm Herrmann

Subject: Water Supplies

1. MOTION

I move:

1. That the CEO investigates any circumstances where Council provides water to or receives water from a person/organisation.
2. Following the investigation, a report detailing, among other things, any contractual arrangements, costs, risks and liabilities, be provided to Council by 30 April 2020.

2. BACKGROUND

Council has a number of bores on its properties, most of which are used to supply water for its own use. However, there could be instances where council owned water is used for private purposes. In isolated cases, Council uses water to service its reserves from private sources.

3. OFFICER'S RESPONSE – Natalie Westover, Manager Property Services

The suggested motion is supported to identify where these arrangements may formally or informally exist and to ensure that the Council understands the liability it holds and mitigates its risk. Formal arrangements should be updated or entered into, where appropriate, to ensure both parties understand their respective responsibilities, liabilities and risk.

There may be some difficulty in identifying all of these circumstances where there is no documented evidence.

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 12.1

Originating Officer: Peter Bice, Director Infrastructure & Operations

Responsible Director: Peter Bice, Director Infrastructure & Operations

Subject: Pomona Road Bike Track Trial

For: Decision

SUMMARY

The BMX Track adjacent in the Service Women's War Memorial Reserve on Pomona Road, Stirling was constructed in a collaborative effort between Council and Community Members including local Bike Shops, and was open to the public in November 2018. This trial was undertaken in response to repeated requests from younger residents for a BMX Track in the area, including a petition which included 279 signatories in 23 May 2017.

There has been a positive response to the trial, in terms of the track itself, the way in which it came together in such a collaborative manner and the sense of ownership from users.

The consultation has identified a number of suggested improvements, should Council decide to make the BMX Track permanent. These improvements are included in the analysis below, and could be considered as part of future Annual Business Planning processes.

RECOMMENDATION

Council resolves:

1. That the report be received and noted.
 2. Allow the Pomona BMX Track to remain in place for the Community, and suggested improvements be reviewed by staff and considered as part of future Annual Business Planning processes.
-

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal 1	People and business prosper
Strategy 1.11	We will embrace nature play concepts in play space developments

Goal 3	Places for people and nature
Strategy 3.5	We will take a proactive approach, and a long-term view, to infrastructure maintenance and renewal

➤ **Legal Implications**

Not Applicable

➤ **Risk Management Implications**

The continuation of the BMX Track on Pomona Road will assist in mitigating the risk of:

Local youth losing a highly popular sport and recreation facility leading to adverse public reaction, loss of confidence in Council, and potential for reduced wellbeing outcomes.

Inherent Risk	Residual Risk	Target Risk
Extreme (4B)	Medium (2C)	Low (2D)

➤ **Financial and Resource Implications**

If the BMX Track is to be removed, a small operational cost would be required to level the area (within existing budget). Should the BMX Track remain, there are a number of suggested improvements which could be made to the site which would be considered through the 2020/21 and subsequent Annual Business Planning processes.

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

Whilst there are some local residents who do not wish for the BMX Track to remain in the trial location, the overwhelming majority of respondents through the community consultation wish it to stay. Suggestions for further improvement have been provided, which could improve elements for both local residents and track users.

➤ **Environmental Implications**

Some additional planting will occur at the site regardless of the outcome of this report.

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

An extensive Community Consultation process was undertaken as outlined in **Appendix 1**.

Consultation on the development of this report was as follows:

Council Committees: Not Applicable

Council Workshops: Not Applicable

Advisory Groups: Not Applicable

Administration: Manager Communication, Engagement & Events
Manager Open Space
Manager Civil Services
Community Engagement Officer
Sport & Recreation Planner

Community: Consultation period between 24 July and 1 September 2019.
A ‘drop-in’ session was also held at the BMX Track on 25 August 2019.

2. BACKGROUND

Following interest from local residents and a petition in 2017, an opportunity was identified to form a track using the natural contours of available land within the Service Women’s War Memorial reserve along Pomona Road, Stirling. Interest from residents (including parents/children/youth), local bike shops and other businesses supported the location as an appropriate one for a trial to be undertaken.

Council’s Sport & Recreation Strategy, identifies that unstructured, ‘non-traditional’ recreation opportunities are lacking for young people in this region of the Council area, and the Pomona Road proposal contributed to addressing this.

At the September 2018 Council resolved the following:

Moved Cr Ian Bailey
S/- Cr Nathan Daniell

223/18

That:

- 1. The report be received and noted.**
- 2. Council support a trial of a BMX facility in Stirling, within the Service Women’s War Memorial Reserve (adjacent Pomona Road)**
- 3. A report is prepared to Council by 26 November 2019 on completion of the trial.**
- 4. Other sites for BMX Tracks be explored in the Adelaide Hills Council area and be included in the report to Council by 26 November 2019.**
- 5. The CEO continues conversations with the RSL to agree on ways to further acknowledge and appreciate the Service Women’s War Memorial.**

Carried Unanimously

Subsequently, Council worked together with interested local residents, bike shops and local businesses to plan the trial BMX Track. Once appropriate equipment, licenses and WHS obligations were considered and met, (including site induction), the track was and constructed in October 2018.

In November 2018 the trial Pomona Road BMX Track was opened to the public. Located in the Service Women’s War Memorial Reserve on Pomona Road, the track was formed using the existing natural contours of the land and additional natural materials such as earth and logs. The track caters to various ages and skill levels.

As part of the works, refurbishment of the adjacent Service Women's War Memorial was also undertaken. This refurbishment acknowledges the 20th anniversary of the Memorial dedication and pays respect to the sacrifices of those before us which have enabled the youth of today to enjoy opportunities such as the BMX track.

Conversations with the RSL have continued, and recently the RSL President highlighted the positive way in which the BMX Track Trial has been received, appreciation for the works around the memorial, and the raised awareness of the Service Women's War Memorial which has resulted from the increased Reserve usage.

3. ANALYSIS

After nine months of operation, the community was invited to provide feedback on the BMX Track trial. Feedback could be provided between 24 July and 1 September 2019, and a drop in session was held onsite at the track on 25 August 2019.

All feedback, including online survey, hard copy surveys, emails, letters and verbal feedback provided at the drop-in session was captured by the project team. The 136 consultation responses and associated data was analysed by key themes and summarised. The Consultation report is attached as **Appendix 1**.

A number of suggestions for improvement were received both from those in favour of the trial continuing and those who preferred that it did not. Consistent themes were captured and are summarised below. Key themes include concerns in regards to safety (largely traffic related), and noise from the freeway.

Parking	<ul style="list-style-type: none">• More off-road parking
Road safety	<ul style="list-style-type: none">• Installing a crossing over Pomona Road• Installing signage to make drivers aware of children in the area• Footpath upgrades along Pomona Road (wider)
Vegetation	<ul style="list-style-type: none">• More evergreen tree planting between track and road• Tree planting day with community
Amenities	<ul style="list-style-type: none">• Water fountain• Additional seating• Tap/ water access for building the track• Signage for use of track• Bins
Track	<ul style="list-style-type: none">• Pump track for smaller children• More jumps
Noise	<ul style="list-style-type: none">• Continue advocating for a freeway sound barrier to Department of Planning, Transport and Infrastructure on behalf of community
Other	<ul style="list-style-type: none">• Memorandum of understanding between track builders and Council (defining roles, agreements with machinery and soil on site)• Masterplan for the reserve

Some of the suggestions for improvement are already being addressed. This includes the planned planting of an additional 24 mature shrubs. This planting will occur irrespective of if the Track remains at the site. In addition, extended fencing and guide post installation adjacent the site have improved safety by restricting Parking close to the crest of the road, with options for a safe crossing point on Pomona Road also being explored. Council Staff continue to monitor traffic movements in the vicinity.

Following a deputation to Council, a letter was sent to the Department for Planning, Transport and Infrastructure (DPTI) on behalf of residents who expressed concern at the freeway noise, and are seeking a freeway sound barrier to be erected. As noted above, Council will provide additional plantings to help mitigate freeway noise impacts in the vicinity of the BMX Track area, regardless of whether the track remains.

It is important to note that prior to the consultation (February 2019), a letter was received from 24 Families thanking Council Members and Staff for supporting the trial (**Appendix 2**). We assume that a number of these families would have also filled in the Consultation feedback, and so whilst these should not be seen as additional responses, the unprompted nature of the correspondence demonstrated the level to which this trial had positively impacted them.

Additional/Alternative sites

Whilst the trial was underway, a number of other sites in the near vicinity were explored to determine their suitability or potential as an alternative location. It was determined that, none were deemed as suitable as the current site for a variety of reasons.

- **Old Mt Barker Rd, Stirling** (This land is owned by the State Government)
While this site has ample space, and could be used for this purpose, there are currently other more strategic opportunities being explored for this site, and as such, it is not suitable to pursue for the purpose of BMX at this stage.
- **Michael Moran Reserve, Crafers**
This site is unsuitable given the significant Native Vegetation in place. A BMX track and its users could place the vegetation at risk. In addition, the lack of passive surveillance is considered a potential issue.
- **Halliday Reserve, Wright Road, Stirling** (Adjacent the Wright Road Dog Park) –
While this site has ample space, and could be used for this purpose, there are currently other more strategic opportunities being explored for this site, and as such, it is not suitable to pursue for the purpose of BMX at this stage.
- **Apex Park, Merrion Terrace, Stirling** (Below Stirling shops by the creek line) –
This is currently a space used for passive recreation purposes. The location would also be difficult to access and traverse for younger riders. In addition, the site serves a detention function during high rainfall storm events.

Other options around the Council area which have been explored include:

- **The Deanery Reserve, Arbury Park Road, Bridgewater**
This site is in an isolated location, some distance away from amenities, and so not a desirable site location.
- **191 Mt Barker Rd, Aldgate**
(Old Quarry site between Stirling and Aldgate, entry from Reserve Terrace) – This site is already quite an established BMX space (however, not maintained by Council), and community members have been informally utilising this site for bike riding for a number of years. It may provide potential for future development, and could form a request as part of a future Annual Business Planning process.
- **Ashton Oval, Jennings Drive, Ashton**
Council staff undertook discussions and began high level consultation about the possibility of a pump track / BMX track being located at the site. This may result in a request as part of a future Annual Business Planning process.
- **Heathfield Oval, corner Heathfield Road and Longwood Road, Heathfield**
A 'youth recreation space' (i.e. BMX / Pump Track / Skate Park) is proposed in the masterplan of the Heathfield Oval site. The location is considered sound for such activity due to its location, and amenity available at the site. While the project is currently not a priority in the masterplan for delivery; the project could be considered as a request as part of a future Annual Business Planning process.
- **Mylor Parklands, Strathalbyn Road, Mylor** (Behind the CFS building)
This site is already quite an established BMX space (however, not maintained by Council), and community members have been informally utilising this site for bike riding for a number of years. However, it poses several issues for Council, including Native Vegetation present, its registered Bush for Life site status, and the possibility of it being the site of a proposed Controlled Burn.
- **Sherry Park, Strathalbyn Road, Mylor**
Located on the piece of land next to the Mylor oval, it is adjacent the playground and cricket nets. This site could be used as an alternate to the above mentioned Mylor site, but exploration and consultation has not been undertaken at this stage.
- **Birdwood Park and Sporting Clubs / Birdwood Oval, Torrens Valley Road, Birdwood**
A BMX track is proposed as part of the play space upgrade to the site that Council is about to commence construction of.
- **Uraidla Oval, Swamp Road, Uraidla**
Whilst there have been requests for a BMX style space here, the site is not owned by Council, and investment at this site would not be prioritised.

There are also a number of other existing BMX sites in the AHC area:

- **Woodside, Tiers Road, Woodside**
- **Charleston, corner Newman Rd and Onkaparinga Valley Road, Charleston**
- **Balhannah, corner Bridge Street and Onkaparinga Valley Road, Balhannah**

It is important to note that through the development of Council's Play Space Framework; process, obligations and standards around the development and maintenance of these sites will become clear for the community.

4. OPTIONS

Council has the following options:

- I. Allow the Pomona BMX Track Trial to remain in place and explore improvement opportunities (Recommended).
- II. Discontinue the BMX Track Trial on Pomona Road and remediate and revegetate the site (Not Recommended).

5. APPENDICES

- (1) Pomona BMX Consultation Report
- (2) AHC Thank you letter

Appendix 1

Pomona BMX Consultation Report

2019

Adelaide Hills Council

www.ahc.sa.gov.au



[BMX TRACK TRIAL POMONA ROAD, STIRLING CONSULTATION REPORT]

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1 Executive Summary

After 9 months of operation we invited the community to provide feedback on the BMX track trial. Feedback could be provided between 24 July and 1 September.

We wanted to hear from residents and users about how they felt the trial had gone and what could be further considered into the future.

We asked:

- What have you liked most about the Pomona Road BMX Track Trial?
- What could be improved at the Pomona Road BMX Track site?
- Any other feedback including ideas or concerns relating to the BMX Track Trial site.

A total of 136 people provided responses through various feedback channels. All feedback provided to the Council was captured by the project team. This included online surveys, emails, petition and cases.

This report contains a summary of all feedback received as well as an overview of who we engaged, when we engaged and how we engaged.

Feedback collected as part of this consultation will be considered as part of the Trial Assessment Report which will be presented to Council in November 2019.

The final decision will be shared with the community via the council website, an email sent to all who asked to be added to the mailing list and a hand delivered letter to the local consultation zone.

2 Project background

In November 2018 the Pomona Road BMX Track Trial was opened to the public. The track trial took place in answer to community requests to increase youth recreation facilities in the district.

Located in the Pomona Road reserve, the track was formed using the existing natural contours of the land and additional natural materials such as earth and logs. The track caters to various ages and skill levels.

As part of the works, refurbishment of the Service Women's War Memorial was also undertaken. This refurbishment acknowledges the 20th anniversary of the Memorial dedication and pays respect to the sacrifices of those who came before us which have enabled the youth of today to enjoy opportunities such as the BMX track.



3 Engagement and communication activities

3.1 Engagement details

Engagement on the BMX Track Trial on Pomona Road took place between 24 July and 1 September.

Our approach was to enable anyone with an interest in the trial track to have their say.

A mix of communication and feedback options were available throughout the consultation period:

Communication tools

- Letters to residents
- Email to key stakeholders
- Social media posts
- Project website
- Banner and news item on website
- Posters at highly frequented areas
- Hills Voice e-newsletter articles
- Adverts in local paper
- On site signage

Feedback opportunities

- Feedback post cards
- Hard copy feedback survey at all Council service centres
- Project enquiry number- 8408 0400
- Engagement team email - engagement@ahc.sa.gov.au
- Postal address- Adelaide Hills Council, PO Box 44, Woodside SA 5244
- Feedback session on the track (further details below)

3.2 Feedback session

On 25 August* our team arranged a feedback session for residents and users of the track to have their say and tell us what they've liked about the trail and what could be improved. Neighbouring residents were invited through a letter box drop and there was a sign on site promoting the event.

The session was well attended by residents and users of the track who provided verbal and written feedback.

Attendees could drop in anytime between 11am – 1pm.

*It should be noted that the event was shifted from 11 August due to heavy rain and poor ground conditions.



4 Response data

4.1 Number of people who provided feedback

All feedback provided to the Council was captured by the project team. This includes online survey, hard copy surveys, emails, letters and verbal feedback provided at the drop-in session.

All feedback received during the consultation period was analysed by key theme and summarised.

Feedback has also been anonymised and any identifying data (including name, contact details) have been removed from the analysis and reporting.

Overall, we received 136 consultation responses and details of the response numbers are below:

Number	Type of feedback receive during consultation (24 July - 1 September)
4	Emails to project team
7	Social media comments*
65	Online survey responses
55	Hard copy post card response
3	Cases (includes emails, letters and phone calls to Council)
1	Separate On site meeting
1	Phone call
136	Total

*Note regarding social media comments - we have only counted those comments that provided feedback. Excluded are comments where people only tagged others.

4.2 Other feedback considered:

Please note we have also considered comments received outside of the consultation period that directly related to feedback about the BMX Trak Trial:

Number	Type of feedback receive outside of formal consultation timeframe
1	Letter
1	Petition (20 signatures)
2	Email
1	Deputation

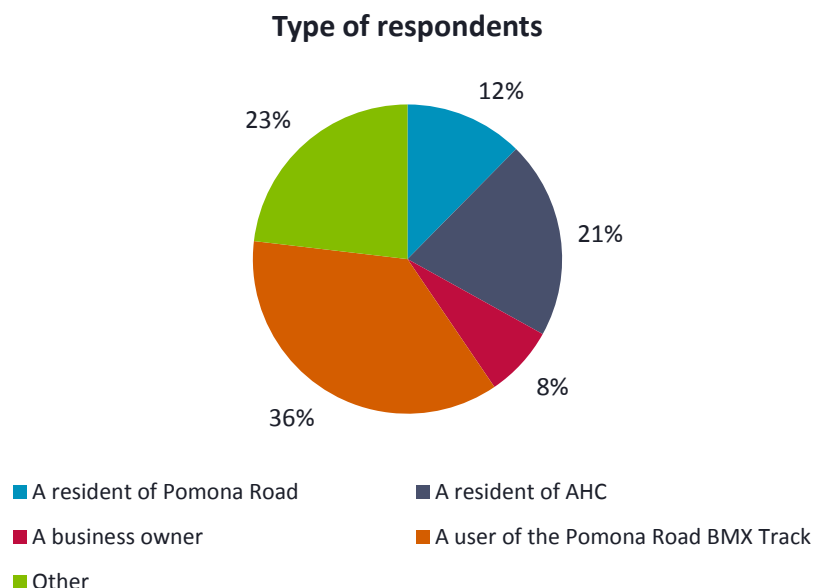


4.3 Online responses

The online survey asked two closed questions, these were not included in the hard copy survey.

The first question asked participants to identify what best describes them. Over one third (36%) indicated they were a user of the Pomona BMX Track, see Figure 1 below.

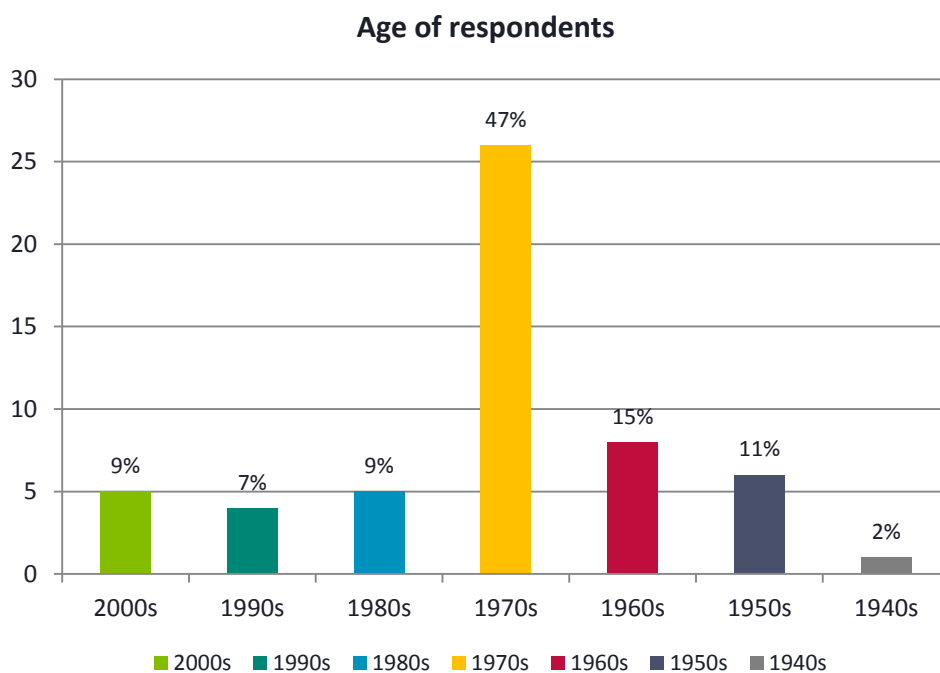
Figure 1 Type of respondents



Of those who stated 'other' responses included: parent of a user, resident and business owner.

The second question asked 'What year were you born in?' The highest response rate was from those aged between 40-49 (1970s).

Figure 2 Age of respondents



5 Feedback analysis

5.1 Overview of feedback and sentiment

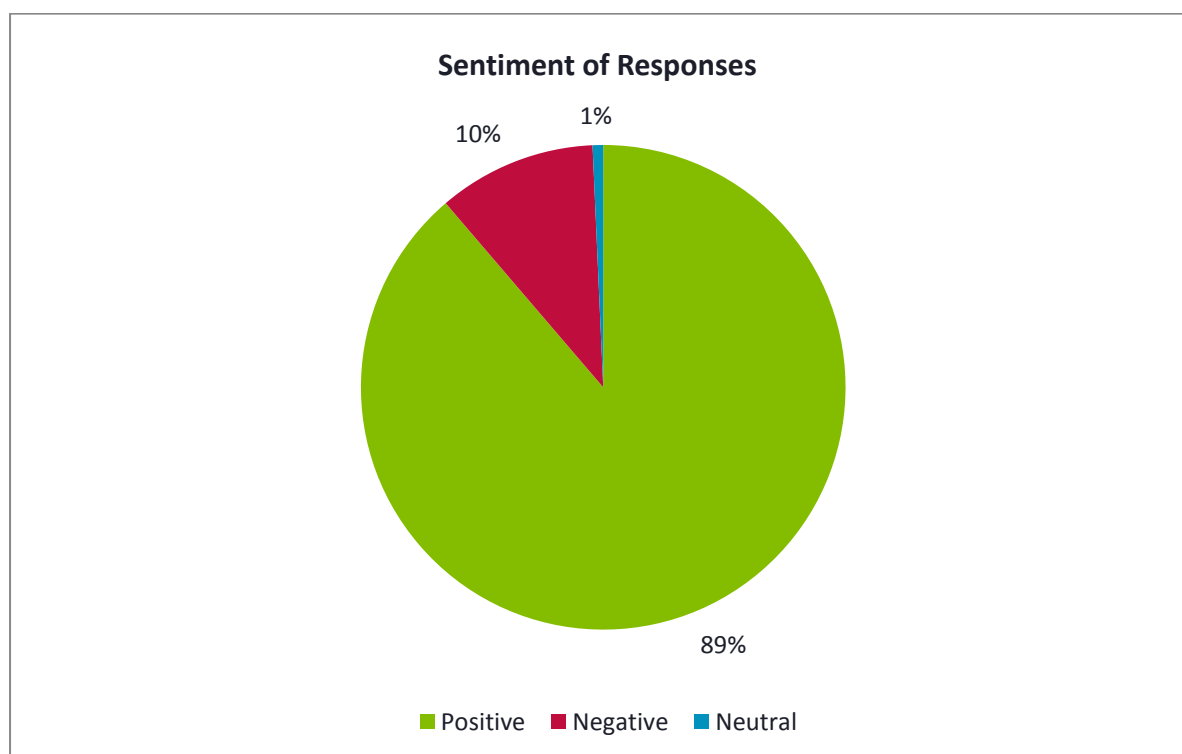
All feedback received has been collated, analysed, summarised and presented by theme in the below section.

Overall there was an overwhelming support for the BMX trial track to be made permanent (89%). Survey respondents reported that the track has had a positive impact for local young people.

There were some concerns from residents (10%) who stated the vegetation clearance and the impact this has had on noise from the freeway and the visual impact of freeway. There was also concern about pedestrian and rider safety in regards to crossing the road, speeding vehicles, inadequate footpaths and parking.

Some quotes have been extracted and these are indicated by text in *italics*.

To understand the general sentiment from participants we have reviewed all feedback and collated it into whether it was a negative or positive comment.



5.2 What have you liked most about the Pomona Road BMX Track Trial?

Answers to this question have been grouped into six key theme areas. It should be noted three respondents stated they liked nothing about the trial.

Theme	Summary of feedback of what people liked most
1. Welcoming	<ul style="list-style-type: none"> Track was a welcoming environment for kids of all ages A space for those of varying experience Clean space, cared for jointly by all the users Brings local to the area in a safe and accessible place That is has activated and brought people of all ages (outside and exercising) to an otherwise barely used park Activity for the whole family <p><i>I love that lots of kids are using it so regularly. I have girls who are nervous riders but they feel comfortable there.</i></p>
2. Benefit to young	<ul style="list-style-type: none"> Great for the kids to have somewhere to be entertained and be active

Theme	Summary of feedback of what people liked most
people	<ul style="list-style-type: none"> • Getting our kids outdoors and away from those addictive devices • Fantastic collaboration between kids from different schools and many different ages, riding together and having fun • Kids are learning about risk taking with the jumps • Great to see the kids looking out for each other and increasing their independence. • Great for kids who have outgrown playgrounds as an alternative to tennis courts and ovals • Kids can socialise there after school to encourage a healthy and active lifestyle • Gives the children a sense of having a space where they belong and spend time with friends in a safe environment, close to home • Fun controlled environment • Contributing to children becoming safer more confident riders • Place for small gatherings and children birthday parties • Youth have been included in the design, building and maintenance of the track - it has resulted in their feeling included and valued in our community - it has fostered a feeling of inclusion and cooperation between the youth and they are taking pride in our community • Making new friends at the jumps <p><i>I LOVE how it gives my son somewhere to take his friends when they come up from town.</i></p> <p><i>Provides a sense of ownership for the users as many of them were involved in the shaping of the jumps and have continued to work at the park to modify and improve the space.</i></p> <p><i>Before the bike park I had nothing to do at home and I would often play video games on my phone. The bike park has given me something to do and encouraged me to go outside more and be active. All of my friends now do mountain biking.</i></p>
3. Track	<ul style="list-style-type: none"> • Junior bike riders using the box track • Track is well designed • Allows kids to improve their skill and ability • Track has a variety of skill levels and is challenging • Safe • Works great even in the winter • Caters for all levels of competency <p><i>I've seen kids looking out for the safety of themselves and others and also picking up rubbish. I've also seen riders sharing tools to fix bike problems - so it seems to be a positive place to ride.</i></p> <p><i>Please keep it going - I didn't realise it was a trial - I presumed the effort made to construct it and it's great utilisation by the growing number of hills riders ensured it was permanent. The explosion of young mountain bike riders in the area (as witnessed by the growing and always full bike racks at local primary schools, active local representation at state mountain bike events) really mandates this and wider investment in such opportunities by the AHC.</i></p>
4. Location	<ul style="list-style-type: none"> • Does not require driving to another suburb • Close to home • Close to three schools • Close to main street • Great location next to the freeway • Discreetly tucked away and unnoticeable as you drive past • Uses space previously overgrown by weeds and disused • There has never been anything like this in this area for kids

Theme	Summary of feedback of what people liked most
	<ul style="list-style-type: none"> • Easy access for kids and parents • On main thoroughfare to Stirling East Primary School (on the way from school to home) • Somewhere to go after school when you don't have enough time to go for a big ride <p><i>The thing I have most liked about the Pomona Road BMX track trial is that as a rider we have a space to ride on non-private land built by professionals that is suitable for riders of all ages and skill levels which is also safe for everyone.</i></p> <p><i>It's public open space being used by the public! A place where the youth can be youthful!</i></p> <p><i>It is also wonderful to see the Service Women's War Memorial Reserve being utilised and reinvigorated and we look forward to the further enhancements that are being made around the plaque. It is a great opportunity for us to talk to our kids about the sacrifices made by our previous generations.</i></p>
5. Positive	<ul style="list-style-type: none"> • Great to see tax money getting used in the local community • Impressed that Council worked with the community to make this happen • Business support • Digital speed sign boards slow traffic • Maintenance tower very handy • Great opportunity for all Hills residents to contribute to community developments • Adds to the community spirit and amenity of our neighbourhood • Many respondents commented on how fun the space is <p><i>Provides a highly relevant playground infrastructure in Stirling (close to shops and facilities) suitable for kids, teenagers, and adults to play together (for people who are too old for Steamroller Park) this is especially relevant given facilities for these groups of people, such as skate board ramps are not available in the area.</i></p> <p><i>It has been a fantastic initiative by Council and we fully support it and encourage expansion of this park or establishment of more facilities in the AHC area.</i></p>
6. Negative	<ul style="list-style-type: none"> • Two respondents stated there was nothing positive • Needed to be consultation with residents directly affected prior to construction commencing • Move the BMX track to an area with less traffic that can be a recreation area for kids, alternative locations: <ul style="list-style-type: none"> - near Stirling dog park - below Stirling shops by the creek line - Mt Crawford recreation area - anywhere along Cox Creek i.e low end of Old Mt Barker Rd - Aldgate near the tennis courts • Dangerous location • Irritating to neighbours • Loss of habitat for local animals (possums and birds) • Removed the ecosystem that provided foragers porcini mushrooms • Noise from track users • Loss of vegetation and screening from freeway <p><i>The picture you had representing this was beautiful, in reality, it's a brown patch of ground with no greenery. You've removed the habitat of local animals, removed the ecosystem that provided foragers porcini mushrooms. Your focus is on the successful trial, not the detriment of residents.</i></p>

Theme	Summary of feedback of what people liked most
	<i>Our biggest issue from day one has been the cutting down and trimming back of trees. I suppose, for us, this consultation feels a bit too late, because the damage has been done. The impact the trimming of these trees has had on our lifestyle has been quite incredible. We have always heard the freeway, but it has been a white noise that most people who visit don't notice. Now, however, it has impacted us so dramatically that we cannot entertain outside any longer. It is just too noisy. We can't lay the blame solely on the bike park, there have been other trees that have been cut down in the area (we estimate in excess of 30 trees), but the bike track was the most noticeable change for us and was the straw that broke the camel's back, so to speak.</i>

5.3 What could be improved at the Pomona Road BMX Track site?

A summary of the key feedback themes relating to suggested improvements is listed below. It should be noted that a large amount of respondents have suggested a pump track be installed and access to water is provided.

Theme	Summary of feedback for opportunities for improvements
1. Track improvements	<ul style="list-style-type: none"> • A trail that can ridden by beginner and intermediate skill levels • Full size pump track, which even advanced riders can build fundamental skills on (e.g. Brighton, Shepherds Hill & Cobblers Creek all have good pump tracks built by local trail crew Trailscapes) • Pump track at the top for younger children (see Adelaide City Council example) • Longer track • More jumps • Bigger jumps for those more experiences • Control dust in summer • Safety for those who ride over the edge and back embankments <p><i>A less extreme version of the track for use by children under the age of 10. I have used the track before, but when I have taken my children, the runs are too hard for someone just learning. I suggest the section of land to the east of the current track be used as a 'bmx' style track similar to the one on cnr Unley road and Greenhill Road.</i></p>
2. Location	<ul style="list-style-type: none"> • BMX track should be put somewhere safer (away from a major road) such as Mount George • Build more tracks in the AHC: <ul style="list-style-type: none"> ○ Near the Piccadilly Netball court ○ Uraidla Show Grounds ○ Aldgate Sports & Recreation Club <p><i>My concern is that it will be removed which will send a message to our youth that their needs are not as important as others in our community - this park is performing a vital task for our community it is validating our youth and providing them with a facility that they are taking immense pride in.</i></p>
3. Amenities	<ul style="list-style-type: none"> • Bins • Drinking fountain • Dog water fountain • Seating for spectators • Tap for watering and forming the track • Gear shed • Signage to welcome people, sign for conduct (e.g. Pick up rubbish, respect all rides and the park) and to indicate the easy/mid/difficult track • Picnic area • Skate ramp • Toilets • BBQ • More trees along Pomona • Undercover shelter

Theme	Summary of feedback for opportunities for improvements
	<ul style="list-style-type: none"> • Scooter park • Street lighting • Payphone for children without a phone and in case of an accident • Obstacle course • Bike rack • Improvements to drainage • More secure fencing on the roadside • Secure fence playground to compliment it and add a place where younger siblings could play <p><i>A few more trees on the road where there are some gaps in the screening. I would like to see a single trail extend from the jump section up along the freeway fence and further up Pomona road. Dolomite base compacted. I would also love to see more of these 'cycling points' linked up through the Stirling Aldgate Bridgewater area and ultimately a map. There are a lot of small trails that could be linked.</i></p>
4. Parking	<ul style="list-style-type: none"> • More off road parking
5. Road safety	<ul style="list-style-type: none"> • Reduce speed of vehicles on Pomona Road to 40 km/h • Signage that informs traffic children can be present (before rise) • Zebra crossing near bus stop • Road crossing • Wider footpaths • Better maintenance of footpaths
6. Noise and air quality	<ul style="list-style-type: none"> • Planting of evergreen matured trees along the boundaries to help diminish noise and sound to local residents on Pomona Road • More foliage between the track and the road to reduce noise • A three metre high barrier fence along the perimeter of the freeway for the full stretch of Pomona Road to help with noise and air quality issues • Better screening from freeway • Thick barrier of fast-growing shrubs was planted along the freeway
7. Other	<ul style="list-style-type: none"> • Regular working bees • Signage that can communicate what support is needed e.g. Berm needs fixing, tree down etc. • Masterplan for the whole reserve <p><i>I would actually like to see a master plan for the whole reserve. This could include additional information and enhancement of the service womens memorial and include opportunities for more children of various ages especially teenagers to get outdoors and be active and social. Children learning the history, strength and sacrifice of service women via the value of this reserve would ensure knowledge and appreciation of this important part of our history is not lost. Also, additional catering opportunities especially for older children to get outdoors and be active in a common space if planned well would be a valuable hub for the whole community. I will be considering applying for a community grant to further this idea.</i></p>

5.4 Please let us know any concerns or ideas you have relating to the Pomona Road BMX Track Trial site.

A list of key ideas and concerns is listed below.

Theme	Summary of feedback for ideas and improvements	
	Ideas	Concerns
1. Parking	<ul style="list-style-type: none"> More off-road parking 	<ul style="list-style-type: none"> No enough parking and Merriion Terrace gets busy
2. Road safety	<ul style="list-style-type: none"> Positive comments about extension of fence for road safety reasons Suggestion for a roundabout at Merriion Terrace and Pomona Road Proposal for a pedestrian crossing to allow children to safety cross 	<ul style="list-style-type: none"> Speed of vehicles on Pomona Road Feeling bikes on footpath are unsafe to pedestrians Concern about children on bikes on the road and speed of vehicles (accident waiting to happen) <p><i>A massive concern is for children safety. Cars constantly speed along Pomona road all day and night, there are no speed signs or speed bumps or any indication that children might be crossing. On top of this, the bike riders often ride in groups and ride on the footpath pushing pedestrians into the road. It is in an inconsiderate location for the residents of Pomona road, it is loud and adds to the already unbearable highway noise. Effort would be much better spent putting in processes to make the road an asset to Stirling instead of dragging it down. Eg. Street signs, noise barriers, better pathways. Extremely frustrating for residents when the council doesn't care.</i></p>
3. Vegetation	<ul style="list-style-type: none"> Add more plants to make it more visually appealing Low flammability plants (not natives) planted along freeway edge <p><i>As parents, and speaking on behalf of children, we'd be more than happy to plant some native vegetation to green it up for local residents as it provided habitat for local wildlife.</i></p>	<ul style="list-style-type: none"> Clearing of vegetation has increased visibility of the freeway Clearing of the land has removed a green passage for wildlife <p><i>The clearing of the site has increased the noise dramatically for the residents on Pomona Road. It is a cause of distress and can be heard throughout our entire house. When purchasing the property this was not an issue. It has also increased the visibility of the freeway with truck lights now shining into our front bedroom window. This is causing sleep disruption and decrease in overall well-being. It will also have an overall decrease in land value should we wish to sell. The location, with the entrance being hidden behind a crest and no direct footpath is dangerous for the children accessing the site. Clearing of the land has removed a green passage for wildlife which is a requirement for council areas, particularly alongside the freeway.</i></p>
4. Noise and Air Pollution		<ul style="list-style-type: none"> Clearing of vegetation has amplified noise from freeway Noise from children on track disturbing neighbours Concern for fumes from freeway <p><i>Our concern is, the park may grow or the decision may be made to trim further trees. We can't risk this happening from a resident's point-of-view. The pines are a natural noise barrier. That noise</i></p>

Theme	Summary of feedback for ideas and improvements	
	Ideas	Concerns
		<i>barrier is slowly being depleted without thought of the impact on residents and without any steps to replace it with something.</i>
5. Other	<ul style="list-style-type: none"> Expand track along Pomona Road Concern track will be removed and there will be nowhere for children to ride As part of the freeway widening project you could ask for a contribution for sound reinforcement A competition event Jumps for smaller children <p><i>The economic benefits both current and potential for traders, service providers and homeowners are self-evident as more places are made available for community purposes in the hills and where the hills continues to be seen as a desirable place to raise a family.</i></p> <p><i>It would be good to have a track building day once a year where Council could provide a machine and some dirt and users could help with maintenance and improvement of the bike park. A BBQ could be held (run by some volunteers / parents) to raise funds for the Women's War Memorial / RSL.</i></p>	<ul style="list-style-type: none"> Consider impact on memorial reserve Concern of impact on theft and graffiti Risk of property damage Feeling council does not care about Pomona Road Fence extension has prohibited an ambulance stretcher accessing the site

6 Proposed actions for consideration by Council

If Council moves to make the trial permanent the following actions are proposed for consideration:

What we heard	Proposed action
Parking	<ul style="list-style-type: none"> More off-road parking
Road safety	<ul style="list-style-type: none"> Installing a crossing across Pomona Road Installing signage to make drivers aware of children in the area Footpath upgrades along Pomona Road (wider)
Vegetation	<ul style="list-style-type: none"> More evergreen tree planting between track and road Tree planting day with community
Amenities	<ul style="list-style-type: none"> Water fountain Additional seating Tap/ water access for building the track Signage for use of track Bins
Track	<ul style="list-style-type: none"> Pump track for smaller children More jumps
Noise	<ul style="list-style-type: none"> Continue advocating for a sound barrier to Department of Planning, Transport and Infrastructure on behalf of community
Other	<ul style="list-style-type: none"> Memorandum of understanding between track builders and Council (defining roles, agreements with machinery and soil on site) Materplan for the reserve

7 Next steps

All feedback received has been collated in this report and reviewed by the project team.

The next stage is to present the feedback to Council for consideration and for Council to decide if the BMX Trial Site should continue or cease.

Appendix 2

AHC Thank you letter

12 February 2019

Peter Bice
Director Engineering and Assets
Adelaide Hills Council

Cc: Jan-Claire Wisdom, Mayor
Cc: Andrew Aitken, CEO

Dear Peter,

Please accept this letter of thanks from the Adelaide Hills Community for your support and management of the construction of the Stirling bike / jumps track and the current trial of this facility.

We would also like to thank Chris Klei, Supervisor and his team for their swift and skilled development of the track, the CEO for endorsing this initiative and Councillors, the former and current Mayors who voted to approve this trial. It is a fantastic opportunity for young kids to have access to a local community facility which encourages outdoor activity, skill development community involvement and social interaction.

Witnessing the young people at the park, undertaking maintenance, and supporting each other is fantastic. It has been so beneficial for the kids to feel they had a voice and to be part of implementing a positive change in the community.

Building the track brought together local business owners (Ride Union and Will Ride), Council staff, kids and their families. The kids have a sense of responsibility for the track, which they are maintaining and are conscious of the requirement to ensure they behave respectfully at the track, removing rubbish and looking after the grounds.

It is also wonderful to see the Service Women's war memorial reserve being utilised and reinvigorated and we look forward to the further enhancements that are being made around the plaque. It is a great opportunity for us to talk to our kids about the sacrifices made by our previous generations.

With thanks again from the following families (and many more!)

Sandland family, Stirling	Quigley family, Summertown
Gilbert family, Stirling	Boulderstone family, Stirling
Yates family, Oakbank	Bond family, Aldgate
Stokes family, Bridgewater	Mills family, Stirling
Lennon family, Mylor	Redwood family, Stirling
Finnis family, Aldgate	Burchell family, Stirling
Dutton family, Belair	Bennett family, Aldgate
Butt family Stirling	Nugent family, Stirling
Goldstone family, Aldgate	McBeth family, Crafers West
Mumford family, Stirling	Carracher family, Stirling
Regel family, Mylor	Wheeler family, Upper Sturt
Illman family, Aldgate	Griffin family, Aldgate



**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 12.2

Originating Officer: Lynne Griffiths, Community and Cultural Development Officer

Responsible Director: David Waters, Director Community Capacity

Subject: 2019/2020 Community Development Grants

For: Decision

SUMMARY

Council provides Community Development Grants to assist community groups, organisations and individuals to establish and undertake innovative projects or activities that are beneficial to the community and align with Adelaide Hills Council's Strategic Plan objectives. Community Development Grant applications are open for applications annually in September of each year.

In summary, Council received 29 Community Development Grant applications totalling \$61,758 and it is recommended that 21 of these applications be awarded Community Development Grants, to a total amount of \$44,109.90.

The purpose of this report is to seek Council approval of the recommendations on the awarding of Community Development Grants for 2019/2020 as contained below and in *Appendix 1 Community Development Grant Recommendations 2019/2020*.

Organisation	Project	Amount Awarded
Gumeracha Main Street Project Inc	Graphic design of a tourist map and first print run	\$949.50
The Sustainability Fair Inc.	Purchase AV equipment that can be operated from a solar power trailer	\$2,021.00
Gumeracha Tennis Club	Purchase of equipment including a blow vac, pressure washer, court squeegees	\$2,500.00
National Trust of South Australia	Hardware for trail markers, interpretive sign, brochures and brochure dispenser at Engelbrook Reserve	\$2,500.00
Kersbrook Soldiers Memorial Park	Purchase garden tools and equipment including chainsaws, powered pruning tools , whipper snippers	\$2,500.00

Adelaide Hills Photography Club Inc	Purchase of laptop computer	\$1,500.00
Gumeracha Sporting Club	Contribution to purchase of deep fryer	\$2,500.00
Sustainable Communities SA Inc. for Adelaide Hills Science Hub	Science and environment event costs, local landscape and biodiversity focus, Peramangk Kurna workshop, citizen scientist activities	\$2,099.00
Longwood Bradbury Progress Association	Purchase and install a storage shed	\$2,500.00
Woodside Tennis Club	Purchase chairs, shelving, kitchen equipment (fridge), and curtains	\$2,450.00
Active Fitness & Lifestyle Group	Purchase of a square device and tablet to provide EFTPOS payment receiving ability	\$1,052.00
Trees for Life	Purchase seedlings and designing, printing and installing a "butterfly-land" sign at the walking trail along Piccadilly Road, Crafers	\$2,500.00
Kersbrook Public Hall Incorporated	Purchase replacement trolley BBQ and accessories	\$992.40
Mylor Uniting Church	Purchase of changeable message signboard to promote community activities and advertise CFS Op Shop	\$2,000.00
Scott Creek Forest Playgroup	Purchase of portable shelter and natural preschool play equipment for nature play	\$2,500.00
Cleland Wildlife Park Volunteers	Purchase specific equipment and PPE related to volunteer lead planting and collection of plant matter suitable for Koala consumption	\$2,500.00
Old School Community Garden	Replacing old raised garden beds with water efficient wicking beds	\$2,500.00
Stirling Business Association	Purchase tables, chairs and sandbags for box trailer used at Stirling Laneways and community events	\$2,500.00
Mt Lofty Districts Community & Sports Club	Removal of non-native weeds and plants from site (southern end Heathfield oval), the purchase of native plants, transport of the plants to the site and provision of personal protective equipment	\$1,096.00
Onkaparinga Cricket Club	Improve facilities and safety through the purchase of cricket net pitch matting	\$2,500.00
Basket Range Table Tennis	Purchase of 3 table tennis tables, nets and equipment to support the establishment of a table tennis club at Basket Range Hall	\$2,450.00

RECOMMENDATION

Council resolves:

1. That the report be received and noted
 2. That Council approves the 21 Community Development Grant application recommendations for 2019/20 totalling \$44,109.90 as recommended in Appendix 1.
-

1. GOVERNANCE

➤ Strategic Management Plan/Council Policy

Goal 4 Explore
Strategy 4.6 We will actively pursue opportunities to share resources and partner with others for better community outcomes.

Community Development Grants have had a significant impact in building community capacity through supporting community led initiatives and adding value to community driven programs and services.

Community Strategy 2015 – 2020

Goal Area 1 Capacity Building
Continue to build capacity through development and leadership opportunities
Strategy Grant Giving: Improve grant giving systems and provide grant opportunities that contribute to community capacity building and wellbeing.

➤ Legal Implications

Not Applicable.

➤ Risk Management Implications

The area of grant giving attracts a high level of community scrutiny. There is an expectation that the awarding of these funds will deliver good outcomes and value for money. There is also an expectation that the grant giving process will be fair, transparent and accountable. In an environment where applicants are competing for a limited amount of available funds there is a risk to Council's reputation that the community may perceive that Council is not delivering a due level of fairness and equity in awarding grants.

The use of robust eligibility criteria and selection processes will assist in mitigating the risk of:

Unclear grant provision processes which do not reflect Council's strategic directions resulting in failure to achieve equity in funding or meet community expectation

Inherent Risk	Residual Risk	Target Risk
Medium 3C	Low 2D	Low

➤ **Financial and Resource Implications**

The amount allocated to Community Development Grants is determined through normal annual budget processes. This year the total amount dedicated to Community Development Grant funding is \$46,000.

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

Grant Giving is a program that gives Council the opportunity to support and encourage community led initiatives that build capacity and collaboration and facilitate a wide range of beneficial community outcomes.

Council Grant Giving attracts considerable interest and scrutiny and a high priority is placed on ensuring equitable and transparent processes in this area. It is also a process that some in the community find difficult to navigate. Council has a number of measures in place to support community groups through this process including:

- Grant Giving Policy
- Grant Guidelines
- Public information sessions
- Direct support from Council staff
- Smarty Grants for online applications and reporting

➤ **Environmental Implications**

Environment is a Community Development Grant category and projects that have positive outcomes in sustainability and environment are encouraged. Grant applications in this area are considered in consultation with Council's Biodiversity Officers.

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

Council Committees: Not Applicable

Council Workshops: Not Applicable

Advisory Groups: Not Applicable

Administration: Community Development Grants and Community and Recreation Facilities Grants run concurrently. As such Lynne Griffiths, Community and Cultural Development Officer and Renee O'Connor, Sport and Recreation Planner, work in close collaboration in supporting applicants to both Grant streams.

Community Development Grant Applications were assessed by a panel comprising:

Rebecca Shepherd	Manager Community Development
Jessica Sharkie	Team Leader Positive Ageing
Lynne Griffiths	Community and Cultural Development Officer
Steve Sauerwald	Building Management Coordinator

Grant applications that included an environmental or sustainability focus were considered in consultation with Council's Biodiversity Officers.

This process was undertaken with reference to Council's Grant Giving Policy, Community Development Grant Guidelines, Assessment and Eligibility Criteria.

Community:

Community Development Grants were promoted on Council's website and facebook page and advertised in both the Courier and Weekender Herald newspapers. The Council's website provided access to information and guidelines to support people in their applications, a link to an online application form via Smarty Grants and the contact details of staff available to provide personal support.

Two optional information sessions were held on Friday 23 August 2019 at Woodside and Monday 26 August 2019 at Stirling to provide support and information to groups interested in applying for grants.

2. BACKGROUND

Council has a well established grant giving program. The purpose of this program is to assist local not-for-profit community groups and organisations to establish and undertake innovative projects or activities that are beneficial to the community.

It is the intention of this program to assist groups that:

- provide activities and programs that align with the goals and objectives outlined in Council's Strategic Plan
- promote community collaboration and partnerships
- promote community participation and social connection
- support wellbeing through active healthy lifestyles
- promote participation, self-sufficiency and community resilience, community leadership, community ownership, innovation
- are based within the Adelaide Hills Council district
- are based outside the Council area but provide a service or programs to a significant number of residents within the Adelaide Hills.

In addition to Community Development Grants Council also provides:

- Community and Recreation Facilities Grants
- Youth incentive grants
- Minor community grants
- Local Heritage Places grants.

Community Development Grants and Community and Recreation Facilities Grants are offered annually in September.

Community Development Grants support organisations and groups in the delivery of local initiatives which make a positive contribution to the building of community capacity and wellbeing through:

- arts/cultural development
- lifelong learning
- sport/recreation & active lifestyles (non-facility related)
- sustainability
- Aboriginal culture and heritage.

At the Council meeting of 23 July 2019 a reviewed Grant Giving Policy was adopted by Council. This review addressed a number of minor changes necessary to align the Policy with current expectations. A more significant review of the Grant Giving Policy is in progress and will go before Council before July 2020.

12.6 Grant Giving Policy Review

Moved Cr Linda Green
S/- Cr Kirsty Parkin

192/19

Council resolves:

1. That the report be received and noted
2. With an effective date of 6 August 2019, to revoke the 8 August 2017 Grant Giving Policy and to adopt the 23 July 2019 Grant Giving Policy as per Appendix 1.
3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the 6 August 2019 Grant Giving Policy prior to the effective date of adoption.

Carried Unanimously

3. ANALYSIS

Community Development Grant applications were assessed by a panel of Council staff with reference to the Grant Giving Policy and eligibility criteria as follows:

The following **eligibility criteria** apply:

- applications will only be considered by groups and organisations which are located in the Adelaide Hills Council district or provide a significant benefit to the Adelaide Hills Council community
- applicants must be, or apply under the auspice of, an incorporated, not for profit community group or voluntary association
- applicants may not receive funding in successive financial years.

Grant funding **will not** be provided for:

- commercial activities
- political activities
- the employment of staff
- the production of business plans or feasibility studies
- services that are a primary funding responsibility of either the State or Federal Government

- the reimbursement of funds already spent prior to receiving approval, i.e. applicants cannot seek funds retrospectively
- proposals that will lead to a dependence on Council funds, e.g. ongoing operational expenses such as public liability insurance
- fundraising or general sponsorship
- equipment with a short life
- institutions of religion, unless there is a clear community benefit from the project
- applicants who have an outstanding debt owing to Council, excluding community loans where terms and conditions are being met
- applicants that have an outstanding grant acquittal from a previous funding round
- applicants who have received funding in the previous year's funding round.

Preference will be given to:

- applications that demonstrate community collaboration and partnership
- applications that will benefit a wide range of people in the community
- applications that widen the range of activities available in the community and encourage the inclusion of all groups within the community
- applications that can demonstrate that the activity or project will be ongoing in nature
- organisations or groups who have been unable to obtain other grant funds
- applications for capital funding resulting in physical improvements including improvements to physical access and mobility and/or maintenance
- organisations which can demonstrate financial viability and ongoing group support
- groups or organisations who are actively engaged in helping themselves and can demonstrate the capacity to contribute to the project with either in-kind or financial support.

Consideration is also given to the applicant's capacity to meet any gap in costs and the ability to continue with the proposed project if part funding is awarded.

Council received 29 Community Development Grant applications totalling \$61,758 and it is recommended that 21 of these applications be awarded Community Development Grants, to a total amount of \$44,109.90. These applications and recommendations are summarised in ***Appendix 1 Community Development Grant Recommendations 2019/2020.***

Of the 29 applications, 8 were not recommended to receive Community Development Grants as they did not meet eligibility criteria or did not reflect the desired outcomes of the grants program.

4. OPTIONS

Council has the following options:

- I. That the 2019/2020 Community Development Grant Recommendations as contained in *Appendix 1* be endorsed. (Recommended)
- II. That the 2019/2020 Community Grant Recommendations are not endorsed, and the Assessment Panel reconsiders their decisions. (Not Recommended)

5. APPENDIX

- (1) Community Development Grant Recommendations 2019/2020

Appendix 1

*Community Development Grant Recommendations
2019 / 2020*

	Organisation	Summary	Requested	Amount recommended
1	Gumeracha Main Street Project Inc	Graphic design of a tourist map and first print run. RECOMMENDED Adds value to community place-making and aligns with Reconciliation objectives	949.50	949.50
2	The Sustainability Fair Inc.	Purchase AV equipment that can be operated from a solar power trailer RECOMMENDED This is a resource to support the Sustainability Fair annually and is for broader community use	2021	2021
3	Gumeracha Tennis Club	Purchase of equipment including a blow vac, pressure washer, court squeegees RECOMMENDED Equipment that will benefit the community for years to come promoting active lifestyle	2500	2500
4	National Trust of South Australia	Hardware for trail markers, interpretive sign, brochures and brochure dispenser at Engelbrook Reserve RECOMMENDED (to grant max amount of 2500) Supported by Biodiversity team as it aligns with Councils Biodiversity Strategy	2890	2500
5	The Hut Community Centre	New fencing to create a nature play area, landscaping materials and equipment and relocation of water tap. NOT RECOMMENDED Whilst the project has merit The Hutt receives annual funding from Council and therefore this project was not considered a priority against other proposals	2500	Nil
6	Anglican Parish of Stirling	Replacement of old, steel-framed windows in church hall used by community groups. NOT RECOMMENDED This project is not eligible as it involves adding value to a Church owned property. The Policy indicates that institutions of religion are not eligible unless there is a clear broader community benefit to the proposal. The applicant will however be encouraged to explore the Council's Local Heritage Grants Program, as the church building is a Local Heritage Listed Place.	2500	Nil
7	Kersbrook Soldiers Memorial Park	Purchase garden tools and equipment including chainsaws, powered pruning tools , whipper snippers RECOMMENDED Equipment that supports volunteers and results in long term community benefit	2500	2500
8	Macclesfield Softball Club Inc	Purchase and repair of softball equipment NOT RECOMMENDED Outside of Adelaide Hills Council area	2500	Nil
9	SciWorld	Workshop and exhibit and contractor fees for science event in Mount Barker in November NOT RECOMMENDED Outside of Adelaide Hills Council area	1000	Nil

10	Adelaide Hills Photography Club Inc	Purchase of laptop computer RECOMMENDED Supports a Hills wide group with volunteer base	1500	1500
11	Gumeracha Sporting Club	Contribution to purchase of deep fryer RECOMMENDED Equipment of long life and long term community benefit	2500	2500
12	Sustainable Communities SA Inc. for Adelaide Hills Science Hub	Science and environment event costs, local landscape and biodiversity focus, Peramangk Kurna workshop, citizen scientist activities RECOMMENDED Aligns with Biodiversity Strategy and Reconciliation objectives	2099	2099
13	Teringie Residents Association Inc	Purchase of park bench and native trees for Norton Summit Road Reserve (a Council reserve) NOT RECOMMENDED Falls under normal Council maintenance and amenity responsibility. Request for a bench will be considered by Council's Open Space Department as part of normal public reserve management practices.	1500	Nil
14	Longwood Bradbury Progress Association	Purchase and install a storage shed RECOMMENDED Delivers long term asset that adds value to community use. We will ask that they discuss placement with Council staff.	2500	2500
15	The Forest Range and Lenswood History Group Inc	Establish a single hosted website including software purchase, migration services, consultancy and advice and a five year hosting contract. NOT RECOMMENDED Proposal includes ongoing operating costs (the hosting contract), which are not eligible under the Council's Grant Giving Policy. The group may have access to free shared sites and staff will help the group explore options.	2500	Nil
16	Woodside Tennis Club	Purchase chairs, shelving, kitchen equipment (fridge), and curtains RECOMMENDED Equipment will provide long term community benefit	2450	2450
17	Basket Range Primary School	Purchase of sculptural materials for signage of Aboriginal cultural garden. NOT RECOMMENDED Whilst recognising that this project has merit the school is a State funding responsibility and therefore the proposal does not meet the criteria in the Grant Giving Policy. Staff will investigate options to support under the Council's Reconciliation Program.	2500	Nil
18	Active Fitness & Lifestyle Group	Purchase of a square device and tablet to provide EFTPOS facilities and 8 Instructors uniforms. RECOMMEND PART FUNDING EFTPOS equipment of long life and community benefit. Uniforms not recommended as linked to individual and not considered of long term community benefit.	1781	1052

19	Trees for Life	Purchase seedlings and designing, printing and installing a "butterfly-land" sign at Walking Trail along Piccadilly Road, Crafers RECOMMENDED Supported by Biodiversity team as it aligns with Councils Biodiversity Strategy	2500	2500
20	Kersbrook Public Hall Incorporated	Purchase replacement trolley BBQ and accessories RECOMMENDED Equipment of long term community benefit	992.40	992.40
21	Mylor Uniting Church	Purchase of changeable message signboard to promote community activities and advertise CFS Op Shop RECOMMENDED Community hub that is well utilised. Equipment of long life and broader community benefit	2000	2000
22	Hills Climate ACES	Prizes promotion and catering for art competition NOT RECOMMENDED Does not meet eligibility criteria. Considered to be seeking general sponsorship that would not deliver long term benefit to the community.	2184	Nil
23	Scott Creek Forest Playgroup	Purchase of portable shelter and natural preschool play equipment for nature play RECOMMENDED Equipment of long life that supports nature play	2500	2500
24	Cleland Wildlife Park Volunteers	Purchase specific equipment and PPE related to volunteer lead planting and collection of plant matter suitable for Koala consumption RECOMMENDED Equipment of long life that supports volunteers	2500	2500
25	Old School Community Garden	Replacing old raised garden beds with water efficient wicking beds RECOMMENDED Increased water efficiency and resource of long life, supporting volunteers	2500	2500
26	Stirling Business Assoc	Purchase tables, chairs and sandbags for box trailer used at Stirling Laneways and community events RECOMMENDED Equipment benefits broader community and is a resource used by many community groups	2500	2500
27	Mt Lofty Districts Community & Sports Club	Removal of noxious non-native weeds and plants from site (southern end Heathfield oval), the purchase of native plants, transport of the plants to the site and provision of personal protective equipment RECOMMENDED Supports volunteers and environmental outcomes	1096	1096
28	Onkaparinga Cricket Club (Balhannah)	Improve facilities and safety through the purchase of cricket net pitch matting RECOMMENDED (to grant max amount of 2500) Equipment of long life that supports active lifestyles and community well being	2695	2500
29	Basket Range Table Tennis	Purchase of 3 table tennis tables nets and equipment to	2450	2450

		support the establishment of a table tennis club at Basket Range Hall RECOMMENDED Equipment of long life that supports active lifestyles and community well being		
		total	Requested 61,758	Recommended 44109.90

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 12.3.

Originating Officer: Renee O'Connor, Sport & Recreation Planner

Responsible Director: Peter Bice, Director Infrastructure & Operations

Subject: 2019/2020 Community and Recreation Facility Grant Recommendations

For: Decision

SUMMARY

The Adelaide Hills Council Community and Recreation Facility Grants provide funding support for improvements or upgrades to facilities that will contribute to the development of community and recreation within the region; are beneficial to the community; improve sustainability and that support the Adelaide Hills Council Strategic Plan and Sport and Recreation Strategy. Funding is also available for facility planning documents such as master plan or feasibility study projects.

A staff assessment panel, with applications being assessed by four Council staff, was again implemented in this round. The panel assessed each of the applications against the endorsed guidelines and made recommendations in preparation for presentation to Council.

If the recommendations are adopted, the Adelaide Hills Council will have supported 18 groups and their associated facilities through the Community and Recreation Facility Grants program this year and provided \$105,000 for community projects. Coupled with the club contributions of \$604,662 towards these projects, Council has assisted in generating community projects to the value of \$709,662 this year.

Organisation	Project	Amount Awarded
Onkaparinga Valley Football Club	Goal safety fence refurbishment	\$5,000
Lobethal Netball Club	Upgrade LED lighting to courts	\$7,500
Aldgate Church of Christ	Carpark improvement	\$5,000
Northern Hills Pony Club	Concrete floor for new shed	\$6,500
Paracombe Recreation Grounds	Hall access upgrade	\$6,000
Lenswood Ranges Cricket Club	Oval fencing	\$4,000
Upper Sturt Soldiers Memorial Hall	Old Post Office restoration	\$4,500
Adelaide Hills Social Club	Driveway works	\$1,500
Lobethal Recreation Ground Sports Club	Clubroom toilet renovation	\$7,000
Charleston Community Centre	Court lighting	\$7,000
Kersbrook Soldiers Memorial Park	Clubroom solar energy project	\$5,000

Lobethal Football Club	Oval lighting upgrade	\$15,000
Uraidla Cricket Club	Cricket net upgrade	\$2,000
Scott Creek Progress Association	Hall airconditioning	\$7,000
Gumeracha Tennis Club	New clubroom and storage facility	\$8,000
Torrens Valley Soccer Club	Waste water management system tank	\$4,000
Mylor Valley Pony Club	Grounds upgrade	\$7,000
Birdwood Football Netball Club	Goal safety fence	\$3,000
TOTAL		\$105,000

RECOMMENDATION

Council resolves:

1. That the report be received and noted.
 2. That Council approve the 18 Community and Recreation Facility Grant application recommendations for 2019/20, totalling \$105,000 as recommended in Appendix 1.
-

1. GOVERNANCE

➤ Strategic Management Plan/Council Policy

Goal 3	Places for people and nature
Strategy 3.5	We will take a proactive approach, and long term view, to infrastructure maintenance and renewal.
Goal 4	Explore
Strategy 4.6	We will actively pursue opportunities to share resources and partner with others for better community outcomes.

The delivery of sound and transparent grant funding for community and recreation assets, infrastructure and facilities contributes to a number of goals and strategies in Council's Strategic Plan.

In addition, Council's Sport and Recreation Strategy lists several Strategic Actions that relate to the delivery of the grant funding for community and recreation facilities.

➤ Legal Implications

Not applicable.

➤ Risk Management Implications

Grant funding assessment and distribution is an area of Council business that attracts a high level of scrutiny.

Successful grants are required to be acquitted in accordance with conditions of the grant. The guidelines and process for our Community and Recreation Facility Grants have enabled a transparent, robust and sustainable program that reduces any associated risks.

Projects that involve Council owned property have been assessed to ensure that they comply with leasing and maintenance arrangements.

The use of robust eligibility criteria and selection processes will assist in mitigating the risk of:

Unclear grant provision processes which do not reflect Council's strategic directions resulting in failure to achieve equity in funding or meet community expectation.

Inherent Risk	Residual Risk	Target Risk
Medium (3D)	Medium (2D)	Low (2D)

➤ **Financial and Resource Implications**

\$80,000 is allocated towards the Community and Recreation Facility Grants annually. \$25,000 of Council's Sustainability funding was also made available for those applications that addressed sustainability initiatives in their applications.

Staff resources were used to assess grant applications, however, the impact was minimal and their involvement contributed to the transparency of the assessment process.

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

Grant giving provides Council with an opportunity to support and encourage community led initiatives that build capacity and collaboration, and facilitate a wide range of beneficial community outcomes.

➤ **Environmental Implications**

\$25,000 of Council's Sustainability funding was also made available for those applications that addressed sustainability initiatives in their applications.

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

Consultation on the development of this report was as follows:

Council Committees: Not applicable

Council Workshops: Not Applicable

Advisory Groups: Not Applicable

Administration: Council's Community and Recreation Facility Grants, and Community Grants are run concurrently, and the two responsible officers, Renee O'Connor and Lynne Griffiths work collaboratively

throughout the entire grants process and round to ensure a common approach that supports applicants of both grant programs.

The Community and Recreation Facility Grants were assessed by a panel comprising of:

Renee O'Connor, Sport & Recreation Planner
Natalie Westover, Manager Property Services
Sharon Leith, Sustainability Officer
Stacey Dutton, Sport & Recreation Officer

This assessment process was undertaken with reference to Council's Grant Giving Policy, and the Community and Recreation Facility Grant Guidelines, Assessment and Eligibility Criteria.

Community:

The Community and Recreation Facility Grants were advertised in the Courier and Weekender Herald newspapers. The grants were also promoted on Council's social media channels and via our email communication channels with clubs. The Adelaide Hills Council website provided full details of the grants including online access to the guidelines and application form.

Two optional information sessions were held on Friday 23 August and Monday 26 August 2019 at Woodside and Stirling to provide support and information to groups who wish to apply for both the Community and Recreation Facility Grants funding and the Community Grants funding. Several community group representatives utilised this opportunity and participated in the information session.

2. BACKGROUND

Council has a well established grant giving program. The purpose of this program is to assist local not-for-profit community groups and organisations to establish and undertake innovative projects or activities that are beneficial to the community.

The Community and Recreation Facility Grants are available to not-for-profit community organisations located within the Adelaide Hills Council area that provide community, or recreation services to our community.

Grants are available for improvements or upgrades to facilities that will contribute to the development of sport and recreation within the region; are beneficial to the community; improve sustainability and that support the Adelaide Hills Council Strategic Plan and Sport and Recreation Strategy. Funding is also available for facility planning documents such as master plan or feasibility study projects.

In addition to Community and Recreation Facility Grants, Council also provides:

- Community Development Grants
- Youth Incentive Grants
- Minor Community Grants
- Local Heritage Places Grants

At the Council meeting of 23 July 2019 a reviewed Grant Giving Policy was adopted by Council. This review addressed a number of minor changes necessary to align the Policy with current expectations. A more significant review of the Grant Giving Policy is in progress and will go before Council before July 2020.

12.6 Grant Giving Policy Review

Moved Cr Linda Green
S/- Cr Kirsty Parkin

192/19

Council resolves:

1. That the report be received and noted
2. With an effective date of 6 August 2019, to revoke the 8 August 2017 Grant Giving Policy and to adopt the 23 July 2019 Grant Giving Policy as per Appendix 1.
3. That the Chief Executive Officer be authorised to make any formatting, nomenclature or other minor changes to the 6 August 2019 Grant Giving Policy prior to the effective date of adoption.

Carried Unanimously

3. ANALYSIS

Council is committed to open, collaborative and transparent decision making and administrative processes, and this years assessment process supported this.

The grant funding guidelines, endorsed by Council outlined that projects would be assessed against criteria, with priority given to those that:

- Demonstrate significant community or recreational benefit to the region (including the number of people who will benefit) and attempt to meet an unmet community need.
- Are delivered by an organisation that can demonstrate financial viability.
- Have funding contribution from the applying organisation and / or other funding sources.
- Comply with all relevant legal and statutory requirements.
- Provide broader community access to facilities.
- Align with current and emerging community, recreation and sporting trends.
- Have a positive environmental impact and sustainability outcomes.
- Are joint or collaborative projects between organisations.
- Are identified in an organisation's business or strategic plan, or identified through a feasibility study, master planning process or similar.
- Contributes to the delivery of the Adelaide Hills Council Strategic Plan, Sport and Recreation Strategy, Water Management Strategy or Trails Strategy.

- Actively address risk management issues or contribute to the organisation's ongoing sustainability.
- Provide opportunities for special needs populations.
- Facilitate improvements to meet Legislation and / or Australian Standards.
- Consider the *Child Protection Act*, *Natural Resources Management Act 2004* and other relevant legislation.

Applications will be accepted from organisations that have received grant funding in previous financial years, but applicants should be aware that if the total number of eligible applications received exceeds the amount of funds available, priority will be given to organisations that have not received funding within the previous three years.

Organisations were invited to apply for funding in the following categories:

- Minor Facility Development: Up to \$9,999. No matched funding required.
- Major Facility Development: \$10,000 - \$40,000. Funding must be matched. The applicant's contribution towards the project can include voluntary labour and/or donated materials.
- Facility Planning: Up to \$20,000. No matched funding required.

During the application and assessment process, applying clubs were asked if their project could proceed if partial funding from Council was received. This principle has been applied throughout the Panel's assessment process and has allowed us to spread the funding further, funding more clubs and projects. It is also worthy of noting that the amount of funding that groups are contributing themselves towards projects this year is considerable.

The Adelaide Hills Council is fortunate that clubs in the Adelaide Hills region work hard for the benefit of the community and the quality of projects applied for reflects this. The Community and Recreation Facility Grants process is also a great opportunity for our community to tell us what's important to them and what their current priorities are.

Table One below identifies the 18 organisations that have been recommended to receive a Community and Recreation Facility Grant. Details of the grants in Table One, together with the unsuccessful applicants are provided in **Appendix 1**.

Table One – Recommended Applicants

Organisation	Project	Amount Awarded
Onkaparinga Valley Football Club	Goal safety fence refurbishment	\$5,000
Lobethal Netball Club	Upgrade LED lighting to courts	\$7,500
Aldgate Church of Christ	Carpark improvement	\$5,000
Northern Hills Pony Club	Concrete floor for new shed	\$6,500
Paracombe Recreation Grounds	Hall access upgrade	\$6,000
Lenswood Ranges Cricket Club	Oval fencing	\$4,000
Upper Sturt Soldiers Memorial Hall	Old Post Office restoration	\$4,500
Adelaide Hills Social Club	Driveway works	\$1,500
Lobethal Recreation Ground Sports Club	Clubroom toilet renovation	\$7,000
Charleston Community Centre	Court lighting	\$7,000

Kersbrook Soldiers Memorial Park	Clubroom solar energy project	\$5,000
Lobethal Football Club	Oval lighting upgrade	\$15,000
Uraidla Cricket Club	Cricket net upgrade	\$2,000
Scott Creek Progress Association	Hall airconditioning	\$7,000
Gumeracha Tennis Club	New clubroom & storage facility	\$8,000
Torrens Valley Soccer Club	Waste water management system tank	\$4,000
Mylor Valley Pony Club	Grounds upgrade	\$7,000
Birdwood Football Netball Club	Goal safety fence	\$3,000
TOTAL		\$105,000

If the recommendations are adopted, the Adelaide Hills Council will have supported 18 groups and their associated facilities through the Community and Recreation Facility Grants program this year and provided \$105,000 for community projects. Coupled with the club contributions of \$604,662 towards these projects, Council would have assisted in generating community projects to the value of \$709,662 this year.

It is important to note that there were some projects that had merit; however the applications didn't provide sufficient detail, or were not considered eligible for this particular grant funding program. Over the coming months, Council Staff will begin to work with these clubs and groups to find alternative funding sources, or provide assistance and invite them to reapply next year.

4. OPTIONS

Council has the following options:

- I. That the 2019/2020 Community and Recreation Facility Grant Successful Applicants be endorsed. (Recommended)
- II. That 2019/2020 Community and Recreation Facility Grant Successful Applicants are not endorsed and the Staff Panel reconsiders their decisions. (Not Recommended)

5. APPENDIX

- (1) 2019/2020 Community and Recreation Facility Grant Recommendations.

Appendix 1

2019/2020 Community and Recreation Facility Grant Recommendations

2019/2020 Community & Recreation Facility Grant Application Summary and Recommendations

Application ID	Organisation	Summary	Requested	Amount Recommended
SRF001	Onkaparinga Valley Football Club	<p>The Onkaparinga Valley Football Club is located at the Balhannah Oval. The club is seeking funding to refurbish the goal safety fence at the northern end of the oval.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p>	\$9,999	\$5,000
SRF002	Lobethal Netball Club	<p>The Lobethal Netball Club is located at the Lobethal Recreation Grounds, & shares the site with the Lobethal Tennis Club. The club is seeking funding to upgrade their court lighting to LED lighting.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p> <p>\$6,700 of this funding is from Council's Sustainability budget.</p>	\$15,000	\$7,500
SRF004	Aldgate Church of Christ	<p>The Aldgate Church of Christ is located at the Village Well in Aldgate. The site caters for up to 800 people per week, is currently home to 24 community groups. The organisation is seeking funding to upgrade their Carpark.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p>	\$16,040	\$5,000
SRF005	Northern Hills Pony Club	<p>The Northern Hills Pony Club has new home at the Kersbrook Soldiers' Memorial Park. They are seeking funding for a concrete floor for their new shed.</p> <p>RECOMMENDED</p>	\$6,500	\$6,500
SRF006	Paracombe Recreation Grounds	<p>The hall at the Paracombe Recreation Grounds needs improved access to ensure all users can safely enter the space. The group is seeking funding for a ramp & portico.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p>	\$9,387	\$6,000
SRF008	Lenswood Ranges Cricket Club	<p>The Lenswood Ranges Cricket Club is located at the Lenswood Oval. The club is seeking funding to erect a boundary fence around the oval.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the</p>	\$8,000	\$4,000

2019/2020 Community & Recreation Facility Grant Application Summary and Recommendations

		organisation has indicated they can proceed with partial funding.		
SRF009	Upper Sturt Soldiers Memorial Hall	<p>The Old Post Office at Upper Sturt sits adjacent to the Upper Sturt Memorial Hall. The group is seeking funding to stabilize the current structure, & to engage a professional to determine a full restoration plan for the building.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p>	\$9,600	\$4,500
SRF010	Adelaide Hills Social Club	<p>The Adelaide Hills Social Club is located in Bridgewater & is seeking funding for driveway works & turf upgrade.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding. Some components of the group's application were ineligible.</p>	\$7,589	\$1,500
SRF011	Gumeracha Sporting Club	<p>The Gumeracha Sporting Club is seeking funding to undertake drainage works to the oval.</p> <p>NOT RECOMMENDED</p> <p>The application has merit; however grant program is oversubscribed and the club received funding in the 2017/2018 grant round.</p>	\$8,728	\$0
SRF012	Bridgewater Christian Community	<p>The Bridgewater Christian Community are located at the St Matthews Catholic Church at Bridgewater. The group are seeking funding to install a kitchen in their new (yet to be constructed) community hall.</p> <p>NOT RECOMMENDED</p> <p>The project has merit, and the group's application was comprehensive, however it didn't meet this grant program's eligibility criteria to levels that other applications did.</p>	\$10,000	\$0
SRF013	Lobethal Recreation Ground	<p>The Lobethal Recreation Ground are seeking funding to renovate the toilets in their clubroom building. The building is home to the Lobethal Netball, Tennis, Cricket & Football Clubs.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p>	\$15,000	\$7,000
SRF014	Stirling Community Early Learning Centre	<p>The Stirling Community Early Learning Centre is located on Pine Street, Stirling & provides Childcare Services to the community. They are seeking funding for a kitchen upgrade.</p> <p>NOT RECOMMENDED</p>	\$15,880	\$0

2019/2020 Community & Recreation Facility Grant Application Summary and Recommendations

		The group's application was comprehensive; however it didn't meet this grant program's eligibility criteria.		
SRF015	Charleston Community Centre	<p>The Charleston Community Centre's site includes the hall, courts & playground at Charleston. The group is seeking funding for new lighting for their courts.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p>	\$15,000	\$7,000
SRF016	Kersbrook Soldiers' Memorial Park	<p>The Kersbrook Soldiers' Memorial Park is seeking funding to undertake a solar energy project on their clubroom building. The building is home to the Kersbrook Netball, Tennis, & Football Clubs.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p> <p>\$4,200 of this funding is from Council's Sustainability budget.</p>	\$10,000	\$5,000
SRF017	Birdwood Football Netball Club	<p>The Birdwood Football Netball Club is located at the Birdwood Park & Sporting Clubs site. The group is seeking funding for a buildings & shade structure replacement.</p> <p>NOT RECOMMENDED</p> <p>The group submitted two applications, with only one able to be funded. Please refer application number SRF033.</p>	\$36,200	\$0
SRF019	Lobethal Football Club	<p>The Lobethal Football Club is located at the Lobethal Recreation Grounds, & shares the oval with the Lobethal Cricket Club. The club is seeking funding to upgrade their oval lighting.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p> <p>\$14,100 of this funding is from Council's Sustainability budget.</p>	\$39,000	\$15,000
SRF021	Uraidla Cricket Club	<p>The Uraidla Cricket Club is seeking funding to upgrade their cricket nets at the Uraidla Oval site.</p> <p>PART RECOMMENDED</p> <p>The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.</p>	\$3,878	\$2000
SRF023	Woodside	The Woodside Warriors Soccer Club is located at the	\$9,420	\$0

2019/2020 Community & Recreation Facility Grant Application Summary and Recommendations

	Warriors Soccer Club	Woodside Recreation Ground. The club is seeking funding to undertake a clubroom refurbishment project. NOT RECOMENDED The application has merit; however grant program is oversubscribed and the club received funding in the 2018/2019 grant round.		
SRF024	Scott Creek Progress Association	The Scott Creek Progress Association is seeking funding to place an air conditioning unit in the Scott Creek Memorial Hall. PART RECOMMENDED The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.	\$8,800	\$7000
SRF025	Gumeracha Tennis Club	The Gumeracha Tennis Club is part of the Gumeracha Community & Sporting Club, & is located in Federation Park. The club share the site with the Gumeracha Netball Club, and are seeking funding for a new clubroom & storage facility. PART RECOMMENDED The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.	\$15,000	\$8,000
SRF026	The Kersbrook Shed	The Kersbrook Shed group has developed a new shed at the Kersbrook Oval site for community use. NOT RECCOMENDED The application has merit; however grant program is oversubscribed and the club received funding in the 2018/2019 grant round.	\$15,680	\$0
SRF027	Stirling Community Theatre	The Stirling Community Theatre group are seeking funding to upgrade the lighting in the theatre. NOT RECOMMENDED While the project has merit, the application doesn't have sufficient detail to be considered eligible. Council staff will work with the group to seek alternative funding, or to ensure they have sufficient information to reapply at the next round.	\$9,900	\$0
SRF029	Torrens Valley Soccer Club	The Torrens Valley Soccer Club is located at the Birdwood Park & Sporting Clubs site. The club is seeking funds for a waste water management system tank. PART RECOMMENDED The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.	\$8,000	\$4000
SRF030	Mylor Valley Pony Club	The Mylor Valley Pony Club is seeking funds to upgrade their yards & grounds / arenas at the site.		

2019/2020 Community & Recreation Facility Grant Application Summary and Recommendations

		PART RECOMMENDED The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding. Some components of the group's application were ineligible.	\$19,116	\$7000
SRF033	Birdwood Football Netball Club	The Birdwood Football Netball Club is located at the Birdwood Park & Sporting Clubs site. The group is seeking funding for a safety fence behind the goals PART RECOMMENDED The grant program is oversubscribed, and the organisation has indicated they can proceed with partial funding.	\$7,050	\$3000
CGP004919/20	Ashton Community & Sports Association	The Ashton Community & Sports Association is seeking funding for an upgrade to oval fencing to improve security at the site. NOT RECOMMENDED The application has merit; however grant program is oversubscribed and the club received funding in the 2017/2018 grant round.	\$9,999	\$0

Summary of Recommendations

Number of Applications Received	26
Number of Grants Recommended	18
Value of all Grant Application Requests	\$338,766
Value of Grants Applications Recommended	\$105,000 <i>This is attributed to \$80,000 from the Community & Recreation Facility Grants budget, & \$25,000 from the Sustainability Budget.</i>
Club / Community Contribution Towards Recommended Projects	\$604,662 <i>This figure has been compiled from grant application project budgets.</i>
Total Value of Recommended Projects	\$709,662
Value of Grants Not Recommended	\$233,766

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 12.4

Originating Officer: Jess Charlton, Coordinator Service Strategy & Innovation

Responsible Director: David Waters, Director Community Capacity

Subject: Unreasonable Complainant Conduct, Internal Review, Request for Services and Complaint Handling Policies

For: Decision

SUMMARY

Section 270 of the *Local Government Act 1999* (the Act) requires councils to have policies, practices and procedures for dealing with requests for service and complaints and procedures for the review of decisions of Council. While the Council has had this suite of policies for many years, it has not before had a policy outlining how to manage unreasonable conduct of complainants.

A new policy has been developed outlining how Council will manage unreasonable complainant conduct and the options available to limit or withdraw a complainant's contact in certain circumstances.

While the Request for Services Policy, Complaint Handling Policy and Internal Review of Council Decisions Policy are not yet due for review, there are many links between these policies and the proposed Unreasonable Complainant Policy and thus they have been reviewed as a suite.

The purpose of this report is to seek Council's adoption of the four proposed policies.

RECOMMENDATION

Council resolves:

1. That the report be received and noted
 2. With an effective date of 9 December 2019, to approve the 'Unreasonable Complainant Conduct Policy' as contained in Appendix 1.
 3. With an effective date of 9 December 2019, to revoke the 28 March 2017 'Internal Review of Council Decisions Policy' and to approve the 'Internal Review of Council Decisions Policy' as contained in Appendix 2.
 4. With an effective date of 9 December 2019, to revoke the 13 June 2017 'Request for Services Policy' and to approve the 'Request for Services Policy' as contained in Appendix 3.
 5. With an effective date of 9 December 2019, to revoke the 27 March 2018 'Complaint Handling Policy' and to approve the 'Complaint Handling Policy' as contained in Appendix 4.
 6. That the Chief Executive Officer, or delegate, be authorised to make any formatting, nomenclature or other minor changes to the policies during the period of their currency.
-

1. GOVERNANCE

➤ Strategic Management Plan/Council Policy

Goal	Organisational Sustainability
Strategy	Customer Service Commitment, Governance

Council's Policy Framework is a key component of the wider Governance Framework. The subject policies are part of the Council's overall Customer Service Framework.

➤ Legal Implications

The Request for Services Policy, Complaint Handling Policy and Internal Review of Council Decisions Policy are required under Section 270 of the *Local Government Act 1999*.

270—Procedures for review of decisions and requests for services

(a1) A council must develop and maintain policies, practices and procedures for dealing with—

(a) any reasonable request for the provision of a service by the council or for the improvement of a service provided by the council; and

(b) complaints about the actions of the council, employees of the council, or other persons acting on behalf of the council.

(a2) The policies, practices and procedures required under subsection (a1) must be directed towards—

(a) dealing with the relevant requests or complaints in a timely, effective and fair way; and

(b) using information gained from the council's community to improve its services and operations.

(1) Without limiting subsections (a1) and (a2), a council must establish procedures for the review of decisions of—

(a) the council;

(b) employees of the council;

(c) other persons acting on behalf of the council.

(2) The procedures must address the following matters (and may address other matters):

(a) the manner in which an application for review may be made;

(b) the assignment of a suitable person to reconsider a decision under review;

(c) the matters that must be referred to the council itself for consideration or further consideration;

(ca) in the case of applications that relate to the impact that any declaration of rates or service charges may have had on ratepayers—the provision to be made to ensure that these applications can be dealt with promptly and, if appropriate, addressed through the provision of relief or concessions under this Act;

(d) the notification of the progress and outcome of an application for review;

(e) the time frames within which notifications will be made and procedures on a review will be completed.

(3) A council is not entitled to charge a fee on an application for review.

(4) A council, or a person assigned to consider the application, may refuse to consider an application for review if—

(a) the application is made by an employee of the council and relates to an issue concerning his or her employment; or

(b) it appears that the application is frivolous or vexatious; or

- (c) the applicant does not have a sufficient interest in the matter.*
- (4a) The policies, practices and procedures established under this section must be consistent with any requirement prescribed by the regulations.*
- (5) A council must ensure that copies of a document concerning the policies, practices and procedures that apply under this section are available for inspection (without charge) and purchase (on payment of a fee fixed by the council) by the public at the principal office of the council.*
- (6) A council may amend the policies, practices or procedures established by the council under this section from time to time.*
- (7) Nothing in this section prevents a person from making a complaint to the Ombudsman at any time under the Ombudsman Act 1972.*
- (8) A council must, on an annual basis, initiate and consider a report that relates to—*
- (a) the number of applications for review made under this section; and*
 - (b) the kinds of matters to which the applications relate; and*
 - (c) the outcome of applications under this section; and*
 - (d) such other matters as may be prescribed by the regulations.*
- (9) The right of a council to recover rates is not suspended by an application for the provision of some form of relief or concession with respect to the payment of those rates (but a council may then, if appropriate in view of the outcome of the application, refund the whole or a part of any amount that has been paid).*

Both the Unreasonable Complainant Conduct Policy and the Internal Review of Council Decisions Policy have been subject to a legal review to ensure compliance with the Act and any other legislation.

The Council is not required to have policies or procedures for managing complainant conduct that is unreasonable.

➤ **Risk Management Implications**

Adopting the new and revised policies 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

The adoption of an Unreasonable Complainant Conduct Policy will be an additional control.

➤ **Financial and Resource Implications**

Costs have been incurred as legal advice was sought on both the Unreasonable Complainant Conduct Policy and the Internal Review of Council Decisions Policy.

Unreasonable conduct by a complainant can result in a drain on the resources of the Council and should be appropriately managed to ensure efficiency in the use of Council resources.

The conduct of internal reviews can incur costs in relation to the engagement of legal advice and/or external investigators.

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

There is an expectation that Council has appropriate corporate governance processes in place in relation to customer requests, complaints management and the reviewing of council decisions.

➤ **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:

Council Committees: Not applicable

Council Workshops: The Executive Manager Governance and Risk conducted a workshop providing an overview of unreasonable complainant conduct on 16 July 2019

Advisory Groups: Not applicable

Administration: Governance and Risk Coordinator
Executive Leadership Team

Community: There is no requirement for community consultation in relation to these policies.

2. BACKGROUND

The Council maintains a suite of policies regarding requests, complaints and reviews of decisions. These policies are not only required under the *Local Government Act 1999* (the Act) but essential to set expectations for how Council interacts with and responds to customers.

Council has not previously had a policy for dealing with unreasonable complainant conduct. The NSW Ombudsman produced a practice manual for managing unreasonable complainant conduct in 2009, acknowledging the impact that these complainants can have on public sector agencies. The following excerpt from that practice manual helpfully illustrates the problem that the proposed policy is designed to address:

“Government agencies deal with many thousands of complainants each year, most of whom act responsibly. Agencies also deal with many complainants who have come to the end of their tether. Some are justifiably upset, angry and generally difficult because they are caught up in some outrageous wrong. Others are difficult for reasons that go beyond the circumstances of their case. These complainants often tend to be angry, aggressive and abusive to staff members. They threaten harm, they are dishonest or intentionally misleading in presenting the facts, or they deliberately withhold relevant information. They flood agency offices with unnecessary telephone calls, emails and large amounts of irrelevant printed material. These complainants tend to insist on outcomes that are clearly not possible or appropriate, or demand

things they are not entitled to. At the end of the process they are often unwilling to accept decisions and continue to demand further action on their complaint. Frequently, they also take their complaint to other forums such as Ministers, local MPs or courts of law where they start up the complaint cycle again.”

While Council is committed to being accessible and responsive to customers, including those with a complaint or feedback, Council must also be able to allocate resources fairly across all complaints. Unreasonable complainant conduct can cause a disproportionate disruption to the work of Council and prevent the Administration from performing Council functions in the most effective and efficient ways possible. A policy is considered necessary to assist Council and staff to deal with unreasonable complainant conduct confidently, fairly and consistently.

The South Australian Ombudsman has produced their own policy on managing unreasonable complainant conduct, which is based on the work of the NSW Ombudsman. Given the jurisdiction of the South Australian Ombudsman, the proposed policy attached in **Appendix 1** is based on that office’s policy.

While the Request for Services Policy, Complaint Handling Policy and Internal Review of Council Decisions Policy are not yet due for review, there are many links between these policies and the proposed Unreasonable Complainant Conduct Policy, so it was considered expedient to review them as a suite of policies.

As there is no substantive change to either the proposed Request for Services or Complaint Handling Policy, no community consultation is proposed. Both the proposed Unreasonable Complainant Conduct Policy and Internal Review of Council Decisions Policy are based on policies and guidance of the South Australian Ombudsman and thus no community consultation is proposed.

Complainants may have recourse to the Ombudsman if they are dissatisfied with the outcome of a complaint or internal review. An external review by the Ombudsman would involve an examination of Council processes so it makes sense that Council’s complaint handling and internal review processes should be aligned to those recommended by the Ombudsman.

3. ANALYSIS

Unreasonable Complainant Conduct Policy

The aim of the proposed policy is to better manage unreasonable complainant conduct by clearly defining the types and examples that may be encountered and strategies that can be used to manage it effectively. The policy also provides procedural guidance to limit or withdraw a complainant’s access to Council where the unreasonable conduct persists or becomes extreme.

The policy has been substantially based on the South Australian Ombudsman’s own policy for managing unreasonable complainant conduct. Some adjustments have been made to align the policy with Council’s policy framework and reflect considerations particular to local government.

The proposed new Policy as contained in **Appendix 1**, includes the features described below.

Types of Unreasonable Complainant Conduct (Section 3 – Definitions)

- Unreasonable complainant conduct is any behaviour by a current or former customer which because of its nature or frequency raises health, safety, resource or equity issues for the Council, employees, other service users and customers or the customer himself/herself.
- There are five categories of unreasonable complainant conduct, these are taken from the body of work initially done by the NSW Ombudsman

Managing Unreasonable Complainant Conduct (Section 4.1)

- This section gives examples of each of the five categories of unreasonable complainant conduct as well as strategies for dealing with that type of conduct.
- Including the management strategies in the policy supports employees to confidently take action to prevent and manage unreasonable complainant conduct

Limiting or Withdrawing a Complainants Access (Section 4.2)

- The policy gives Council the option to place limits on a complainant's access to Council if unreasonable conduct continues or to withdraw the access in certain extreme situations. This is generally the last resort if earlier strategies have failed.
- The policy outlines how these decisions will be made and how they will be communicated to a complainant.

Application to Council Members

- The policy has been written in broad terms and does not restrict the use of strategies to manage unreasonable complainant conduct to employees only. Thus Council Members are also able to use these strategies to effectively manage unreasonable complainant conduct.
- Council Members will be advised when decisions are made to limit or withdraw a complainant's access to Council. Council Members are welcome to align their contact with a complainant with any such decision by the Administration. They may also decide to make a different decision about their contact with the complainant.

Internal Review of Council Decisions Policy

The Internal Review of Council Decisions Policy is an important mechanism for the resolution of disputes and complaints about decisions made by Council. The South Australian Ombudsman completed an audit of councils' practices and procedures concerning internal review of council decisions in 2016. This led to the latest revisions of Adelaide Hills Council's policy, which was adopted in March 2017. One of the issues raised in the audit was a proposal for a consistent or universal standard for internal review of decision procedures across councils.

In June 2017, the Ombudsman produced a Report to the Minister for Local Government regarding the implementation of the recommendations from the audit. This included a guideline procedure for consideration by councils across the sector. The Ombudsman's view is that the procedure is a tool for clear communication with the public and sets out succinctly, and in plain English, the legislative and procedural requirements. Indeed one of the main features of the proposed policy is that the process for undertaking the review is more streamlined and easier for the public to follow without removing any procedural rigour or compliance with the Act.

The adoption of a new Internal Review of Council Decisions Policy will supercede the Internal Review of Council Decisions Policy (GOV-01) adopted on 28 March 2017 and contained in **Appendix 3**. The proposed Policy update as contained in **Appendix 2**, includes the features described below.

Matters outside the scope of the Policy (Section 5)

- This section outlines the circumstances where alternative statutory processes for review or appeal exist in other legislation. It also clarifies, in line with the Ombudsman's recommendation from the 2016 audit, that matters that fall outside statutory appeals procedures will be considered in accordance with this Policy.

Procedural Elements

- Applicants must lodge a request for review within six months of the original decision being made with discretion provided to the CEO to allow a longer time limit on a case-by-case basis.
- Applications for review of a decision will be acknowledged within five working days at which point the applicant will be advised of the expected timeframe within which a determination will be made.
- Council will use its best endeavours to consider and determine requests for review within 20 business days in most cases. Where a review exceeds that timeframe, applicants will be provided with periodic updates until the review is finalised. This section also recognises that reviews may take longer in complex cases, including where the matter needs to go to a Council meeting for deliberation.

Applications for review which relate to rates or service charges

- Council's Policy is already compliant with section 270(2)(ca) of the Act which requires provisions to be made for applications relating to the impact of a declaration of rates or service charges. In fact, the Ombudsman noted in the 2016 audit report that Adelaide Hills Council had previously accepted an application for review of this type in contrast to other councils who had no such provision in their policies.
- The proposed policy includes an updated clause which clarifies that specific review mechanisms exist to try the validity of setting of rates or service charges and the policy does not apply to these types of decisions.

Request for Services Policy

The Request for Services Policy plays a significant role in the Council's overall Customer Service Framework. The Policy sets out fundamental principles and guidelines for responding to requests for service and plays a key role in managing customer expectations.

Importantly, the Policy acknowledges that the Council cannot do everything requested of it, and that requests need to be treated on their merits and prioritised. The Policy is reasonably self-explanatory in this regard.

The adoption of an updated Request for Services Policy will supercede the Request for Services Policy (GOV-03) adopted on 13 June 2017. The proposed Policy update as contained in **Appendix 4**, includes the changes described (and tracked in the draft Policy) below.

Definitions (Section 3)

- Changes to the definition of a 'Request for Service' to reflect the broad range of customer interactions encompassed by the policy.
- An updated definition of a 'Review of a Decision', referencing the proposed draft Internal Review of Council Decisions Policy.

Procedures (Section 4, page 4)

- Procedures required for new or enhanced services with an updated focus on using the information gained from these requests to improve our services and operations (in line with the Local Government Act)

Other types of requests (Section 4, page 4)

- Formatting and grammatical changes to clarify how other types of requests will be dealt with.

Complaint Handling Policy

The Complaint Handling Policy sets out the principles and guidelines to be used when addressing complaints made about the actions of the Council, employees of the Council or other people acting on the Council's behalf.

The Policy is built on the idea that complaint handling should be as straightforward as possible (for both the complainant and the Council) and that staff should be empowered to resolve complaints at the first point of contact where possible. However, the Policy also contains escalation triggers and redress for complainants where the matter cannot be addressed satisfactorily. Indeed, the Policy cites the provisions of Section 270 of the Local Government Act where people can request a formal review of a Council decision. The Internal Review of Council Decisions Policy applies in those cases.

It should be noted that the Complaints Handling Policy does not apply to all types of complaints. A number of examples where special or statutory processes apply are listed in the Policy under 'Special provisions'.

The adoption of an updated Complaint Handling Policy will supercede the Complaint Handling Policy (GOV-04) adopted on 27 March 2018 and contained in **Appendix 6**. The proposed Policy update as contained in **Appendix 5** includes the changes described below.

Definitions (Section 3)

- An updated definition of a 'Review of a Decision', referencing the proposed draft Internal Review of Council Decisions Policy.

Vexatious and Frivolous Complaints

- Vexatious and frivolous complaints are more appropriately dealt with by using the strategies for managing unreasonable demands or unreasonable arguments under the proposed Unreasonable Complainant Conduct Policy, thus the definition and section referring to these types of complaints has been removed.

Policy Statement (Section 4)

- All elements of the policy relating to complaint handling principles have been consolidated in the 'Principles' section
- The 'Policy Position' has been updated, specifically the 'three step approach' to reference the NSW Ombudsman's Complaint Handling Framework which is considered a model guide for complaint handling and referenced by the South Australian Ombudsman.

Procedures (Section 4.2.6)

- Updated section on the procedures required to reflect the complaint handling procedure outlined in the NSW Ombudsman's Complaint Handling Framework

Special Provisions (Section 4.3)

- Updated to reference the new Public Interest Disclosure Act 2018

Unreasonable Complainants (Section 4.4)

- Addition of a new section on unreasonable complainant conduct to reference the proposed Unreasonable Complainant Conduct Policy and explain that complaints that escalate to unreasonable conduct will be dealt with under that policy.

4. OPTIONS

Council has the following options:

- I. To approve the draft policies, with or without amendment. (Recommended) This option is recommended as the revised and new policies reflect industry best practice and advice from the South Australian Ombudsman.
- II. To determine not to approve the draft policies at this time. (Not Recommended) This option is not recommended as the Unreasonable Complainant Conduct Policy is needed to enable Council to perform its functions in the most effective and efficient way possible and allocate resources fairly across all requests and complaints.

Should Council identify the need for substantial amendments to the policies, it is recommended that they be referred to staff for review to allow for analysis of the implications of the amendments, prior to the matter being brought back to Council for further consideration.

5. APPENDICES

- (1) Draft Unreasonable Complainant Conduct Policy
- (2) Draft Internal Review of Council Decisions Policy
- (3) Internal Review of Council Decisions Policy 2017
- (4) Draft Request for Services Policy
- (5) Draft Complaint Handling Policy
- (6) Complaint Handling Policy 2018

Appendix 1

Draft Unreasonable Complainant Conduct Policy

COUNCIL POLICY

	UNREASONABLE COMPLAINANT CONDUCT
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Policy Number:	The Governance team will allocate the policy number.
Responsible Department(s):	Community Capacity
Other Relevant Policies:	<i>Request for Services Policy Complaint Handling Policy Internal Review of Council Decisions</i>
Relevant Procedure(s):	<i>WHS Procedures Complaint Handling Procedure Request for Service Procedure</i>
Relevant Legislation:	<i>Local Government Act 1999 Work Health Safety Act 2012</i>
Policies and Procedures Superseded by this policy on its Adoption:	New policies will not have any unless superseding a previously adopted policy. Policies that are being reviewed will have this updated if a new version is adopted.
Adoption Authority:	Council
Date of Adoption:	<i>To be entered administratively</i>
Effective From:	<i>To be entered administratively</i>
Minute Reference for Adoption:	<i>To be entered administratively</i>
Next Review:	No later than November 2023 or as required by legislation or changed circumstances

1. INTRODUCTION

Adelaide Hills Council is committed to being accessible and responsive to all complainants, including those with a complaint or feedback. However, Council's ability to deliver for the community depends on:

- the ability to perform Council functions in the most effective and efficient ways possible
- the health, safety and security of Council employees, and
- the ability to allocate resources fairly across all complaints

When complainants behave unreasonably in their dealings with Council, their conduct can significantly affect the success of the organisation. As a result, Adelaide Hills Council will take proactive and decisive action to manage any complainant conduct that negatively and unreasonably affects the Council and will support employees to do the same in accordance with this policy.

It should be noted that this policy focuses on complainant conduct deemed 'unreasonable'. Requests and complaints which are not unreasonable as per this policy will be managed as outlined in Council's Request for Service and Complaint Handling policies.

This policy has been modelled, with permission, on the South Australian Ombudsman's Unreasonable Complainant Conduct Policy.

2. OBJECTIVES

This policy has been developed to assist all employees to better manage unreasonable complainant conduct. Its aim is to ensure all employees:

- Feel confident and supported in taking action to manage unreasonable complainant conduct
- Act fairly, consistently, honestly and appropriately when responding to unreasonable complainant conduct
- Understand the types of circumstances when it may be appropriate to manage unreasonable complainant conduct using the strategies and processes in this policy

3. DEFINITIONS

"Unreasonable complainant conduct" is any behaviour by a current or former customer which, because of its nature or frequency raises health, safety, resource or equity issues for the Council, employees, other service users and customers or the customer himself/herself.

Unreasonable complainant conduct can be divided into five categories:

- Unreasonable persistence
- Unreasonable demands
- Unreasonable lack of cooperation
- Unreasonable arguments
- Unreasonable behaviours

4. POLICY STATEMENT

4.1. Managing Unreasonable Complainant Conduct

Unreasonable complainant conduct should be managed with reference to the following table.

Types of Conduct	Examples of complainant conduct	Strategies for dealing with conduct
Unreasonable persistence	<ul style="list-style-type: none"> refusing to accept that a complaint is closed continuing to phone or contact after a matter is closed re-framing an old complaint being unable to accept the final decision persisting in interpreting the policy or the law in a way that is not in accordance with the accepted views on the subject 	<ul style="list-style-type: none"> be prepared to say 'no' it may be appropriate to advise the complainant that the issue will not be investigated further clearly communicate if an unproductive telephone call is to be ended provide one internal review only adopt, when appropriate, a firm position of no further contact or correspondence do not allow the complainant to re-frame the complaint to keep the matter alive unless there are significant new issues make it clear that the decision of Council is final or in the case of a decision subject to external statutory review or appeal advise the complainant of their review or appeal rights
Unreasonable demands	<ul style="list-style-type: none"> insisting on outcomes that are unattainable or not possible demanding assistance with issues that are out of the Council's jurisdiction demanding a remedy that is impractical, disproportionate or unavailable insisting that more time be taken on the matter than is justifiable wanting revenge making unreasonable demands on the resources of Council wanting unreasonable regular and lengthy contact with Council employees showing reactions or demanding action that is out of proportion with the significance of the issue 	<ul style="list-style-type: none"> set limits on what will be done ie what issues will be investigated, by whom, how communication will happen etc be clear with complainant in advance what Council will do, and the limits end telephone calls that are unproductive, with a warning may need to limit contact to in writing only
Unreasonable lack of cooperation	<ul style="list-style-type: none"> poor or confused definition of the complaint providing a large quantity of unnecessary material / 	<ul style="list-style-type: none"> employees need to set limits before proceeding with the matter require complainants to clarify

	<ul style="list-style-type: none"> information unhelpful behaviour failing to provide requested information or documents within the given timeframe dishonestly presenting the facts constantly re-defining a complaint focusing on principles rather than substantive issues 	<p>and summarise information they have provided before proceeding with the matter</p> <ul style="list-style-type: none"> require complainants to clearly define what their issues are before the complaint will be looked at refuse to deal with the matter if it is found that the complainant has been wilfully misleading or untruthful in a significant way
Unreasonable arguments	<ul style="list-style-type: none"> exaggerating issues holding irrational beliefs refusing to consider the other side being obsessed with irrelevant or trivial points having a conspiracy theory that is not supported by any evidence 	<ul style="list-style-type: none"> decline or discontinue the matter if unreasonable issues are mixed with reasonable issues, ensure that they are clearly identified and separated and only deal with the reasonable ones
Unreasonable behaviour	<ul style="list-style-type: none"> displaying confronting behaviour being rude being aggressive making threats of self-harm making threats of harm / violence to others 	<ul style="list-style-type: none"> set clear expectations that employees will not tolerate unreasonable behaviour communicate that threats are unacceptable and may be reported to police or otherwise the subject of legal action in the case of rude correspondence, ask complainants to reframe their complaint in more moderate terms In the case of unreasonable behaviour in phone conversations, warn complainants that their conduct is unacceptable and that if the behaviour persists the call will be ended end phone calls if the complainant continues to behave unreasonably after being warned. The relevant Manager is to be advised of this action.

Reference may also be made to documents of a similar nature, including *Managing Unreasonable Complainant Conduct Practice Manual – 2nd Edition, NSW Ombudsman 2012*.

4.2. **Limiting or withdrawing a complainant's access to Council**

If a complainant's unreasonable conduct persists or becomes extreme, Council may limit or withdraw a complainant's access to Council using the following steps.

4.2.1. Issue the complainant with a final warning outlining expectations and repercussions

- This is to be in writing and is to inform the complainant that their access to Council may be limited or withdrawn if their behaviour continues.
- Warning letters need to be signed off by the Director Community Capacity (or another Director appointed by the CEO to handle the matter)

4.2.2. Place limitations on the complainant's access to Council

- The contact may be limited in terms of:
 - the times a complainant may make contact
 - the employees and Council Members the complainant may have contact with
 - the subject matter that Council will consider and respond to
 - the form in which the contact may take place i.e. the complainant may be directed that he or she can only make contact in writing and not via telephone or in person.
- A decision to limit a complainant's access to Council must be approved by the Director Community Capacity (or another Director appointed by the CEO to handle the matter)
- A complainant will be notified by letter which will specify the limitations being imposed, the duration of the limitations and a time period for review
- Any limitations on a complainant's right to approach Council must take into account that person's individual circumstances. For example, a person who is illiterate should not be required to communicate in writing

4.2.3. Withdraw a complainant's access to Council

- It may be appropriate to refuse access to a complainant. The circumstances in which this would be done include where the complainant:
 - is consistently abusive
 - makes threats to employees
 - causes damage to Council property
 - intimidates or threatens physical harm to employees or third parties
 - is physically violent
 - produces a weapon.
- A decision to refuse access to a complainant must be approved by the Director Community Capacity (or another Director appointed by the CEO to handle the matter)
- A complainant will be notified by letter which will provide clear information about the decision and why it has been made. This should include a description of the complainant's behaviour, the consequences of that behaviour, duration of the withdrawal of access and a time period for review

- The access that is being withdrawn will depend on the nature of the unreasonable conduct and all of the relevant circumstances and will be described in the notification letter
- If a person is refused access to Council, alternative contact arrangements may be considered. For example, contact may be possible via an advocate or nominee for the complainant. The Director Community Capacity will determine when it would be appropriate to consider such arrangements.
- Employee safety will always be the first consideration and nothing in this section prevents Council or employees from seeking a legal remedy (i.e. calling the police) in the first instance in cases of serious threatening, aggressive or abusive behaviour.
- A person's access to Council must not be withdrawn without giving the complainant written notice in their language.
- The written notice is to be approved and signed by the Director Community Capacity
- As appropriate, the Director Community Capacity may recommend the issuing of formal orders or directions under the Local Government Act 1999 or council's by-laws, or the seeking of an intervention order under the Intervention Orders (Prevention of Abuse) Act 2009.

4.2.4. Review of decision

Complainants may request a review of the decision to limit or terminate their access to Council according to the procedure set out in the *Internal Review of Council Decisions Policy*.

If a complainant continues to be dissatisfied after the internal review process, they may seek an external review from the South Australian Ombudsman.

4.2.5. Non-compliance with access limits or refusal

Employees will record and report incidents of non-compliance by complainants. This should be recorded in the appropriate system and forwarded to the Director Community Capacity who will decide whether any action needs to be taken to modify or further limit the complainant's access to Council services or to otherwise escalate the action taken under this Policy.

4.2.6. Threats of self harm

Where a complainant expresses thoughts of suicide or other self harm the matter should be reported to the Mental Health Triage Service/Assessment and Crisis Intervention Service by telephoning 13 14 65. If there is any doubt about reporting the matter, the employee should consult the Director of Community Capacity or another member of the Executive Leadership Team.

5. **DELEGATION**

5.1 The Chief Executive Officer has the delegation to:

- Approve, amend and review any procedures that shall be consistent with this Policy; and

- Make any formatting, nomenclature or other minor changes to the Policy during the period of its currency.
- Determine and amend from time to time, the senior officer(s) nominated for particular roles within this policy.

6. AVAILABILITY OF THE POLICY


- 6.1 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.

DRAFT

Appendix 2

Draft Internal Review of Council Decisions Policy

COUNCIL POLICY

 Adelaide Hills COUNCIL	INTERNAL REVIEW OF COUNCIL DECISIONS
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Policy Number:	GOV-01
Responsible Department(s):	Community Capacity
Other Relevant Policies:	<i>Complaint Handling Request for Service Unreasonable Complainant Conduct</i>
Relevant Procedure(s):	<i>Complaint Handling</i>
Relevant Legislation:	<i>Local Government Act 1999</i>
Policies and Procedures Superseded by this policy on its Adoption:	<i>Internal Review of Council Decisions Policy (Gov to complete)</i>
Adoption Authority:	Council
Date of Adoption:	<i>To be entered administratively</i>
Effective From:	<i>To be entered administratively</i>
Minute Reference for Adoption:	<i>To be entered administratively</i>
Next Review:	No later than November 2023 or as required by legislation or changed circumstances

INTERNAL REVIEW OF COUNCIL DECISIONS POLICY

1. INTRODUCTION

The purpose of this policy and procedure document is to provide guidelines for how Council will deal with formal requests for internal reviews of Council decisions (including decisions by its employees and other people acting on behalf of Council).

The Adelaide Hills Council recognises the importance of transparency in Council decision-making and the need to provide a fair, objective and consistent process for the review of Council decisions.

In preparing this policy and procedure document Council has had regard to the guideline procedure developed by the South Australian Ombudsman as a result of that Office's audit of Local Government Internal Review of Council Decision Procedures in November 2016.

2. LEGISLATIVE FRAMEWORK

There is a legal requirement for Council to develop and maintain policies, practices and procedures for the review of Council decisions and requests for services. The following provisions of the *Local Government Act 1999* apply to this policy:

Section 270(1) states that a council must establish procedures for the review of decisions of:

- The council;
- Employees of the council;
- Other persons acting on behalf of the council.

Section 270(2) states that the procedures must address at least the following matters:

- The manner in which an application for a review may be made
- The assignment of a suitable person to reconsider a decision under a review
- The matters that must be referred to the council itself for consideration or further consideration
- Notification of the progress and outcome of an application for a review
- The timeframes within which notifications will be made and procedures on a review will be completed
- In the case of applications relating to the impact that any declaration of rates or service charges may have had on ratepayers, to ensure that these applications can be dealt with promptly and, if appropriate, addressed through the provision of relief or concessions under the Act.

Section 270(8) states that a council must, on an annual basis, initiate and consider a report that relates to:

- The number of applications for review made under this section
- The kinds of matters to which the applications relate
- The outcome of applications under this section
- Such other matters as may be prescribed by the regulations.

3. DEFINITIONS

For the purposes of this policy and procedure the following definitions apply.

Act means *the Local Government Act 1999*.

Decision of Council is a formal decision of the Council or a Council Committee, a decision of an employee of Council made under delegation or decisions of another person acting on behalf of Council.

CEO refers to the Chief Executive Officer (including their delegate) of the Adelaide Hills Council

Applicant is a person who lodges a request for the review of a decision.

Merits Review is a process by which a person or body, other than the original decision maker, reconsiders the facts, law and policy aspects of the original decision and determines the correct or preferable decision.

Process Review is a review of the correctness of the procedures followed in making a decision.

A **frivolous** request for a review of a decision includes, but is not limited to, requests that lack seriousness, sense or are submitted without an apparent purpose.

A **vexatious** request for a review of a decision includes, but is not limited to, requests made without sufficient grounds or that are submitted only to cause disruption, delay or annoyance

4. POLICY STATEMENT

Council (including Committees, employees of Council and a person acting on behalf of Council) makes decisions every day which impact on members of the community. It is imperative that these decisions are fair and objective. Equally, there should be an avenue to enable a person to review council's decisions.

An internal review of a Council decision is available under section 270(1) of the Act. This is a mechanism that enables the Council to reconsider the decision making process and all the evidence relied on to make a decision, including new evidence if relevant. The aim of this policy is to ensure a fair, consistent and structured review process for any party dissatisfied with a Council decision. This policy does not and is not intended to exclude other rights and remedies available at law.

An internal review of a Council decision will examine the correctness of the procedures followed in making the decision and, in accordance with this Policy, may also examine the merits of the decision itself.

Council also has processes in place for dealing with customer complaints and requests for service. As a general rule, Council will encourage use of these processes in the first instance as they offer the potential for more immediate informal resolution. Council will attempt to resolve complaints about the actions of the council, employees of the council, or other persons acting on behalf of the Council under its Complaint Handling Policy.

Reasonable requests for the provision of a service by the Council or for the improvement of a service provided by the council are dealt with under the Request for Services Policy.

The formal internal review of a Council decision process is generally a last resort in the complaint handling process, but may also be used in situations which are not able to be resolved by other means. While Council encourages the use of other resolution mechanisms, it is an applicant's right to use the formal internal review process in the first instance if that is their preference.

Pursuant to section 270(7) of the Act, a formal request for review does not prevent a complaint being made to the Ombudsman at any time. However, as a general rule, the Ombudsman prefers that matters be addressed by Council in the first instance.

5. MATTERS OUTSIDE THE SCOPE OF THE POLICY AND PROCEDURES

This Policy and Procedure will apply to all applications or requests for review of a Council decision, except for where an alternative statutory process for a review or appeal exists in other legislation.

Examples of other legislation containing statutory review or appeal processes include (but are not limited to):

- External review and appeal processes under the Development Act 1993
- External or internal reviews of decisions made under the Freedom of Information Act 1991
- A decision to issue an expiation notice under the Expiation of Offences Act 1996
- Reviews of orders made under Section 254 of the Local Government Act 1999
- Reviews of prohibition, destruction or control orders made under the Dog and Cat Management Act 1995
- Appeals against litter or nuisance abatement notices under the Local Nuisance and Litter Control Act 2016

Applicants wanting a review of a council decision should check if a specific statutory appeal or review process applies to their matter before proceeding with an application. Matters that fall outside the statutory appeals procedures will be considered for the conduct of a section 270 review on a case-by-case basis, depending on the merits of the individual application.

The purpose of this policy and procedure is to fill the gaps in the law where a complainant otherwise has no statutory right of review.

6. PROCEDURE

The following procedure will apply to any request for a review of a decision of Council:

6.1. Making an application

The review of a Council decision commences at the point where a formal request for a review of a Council decision is received.

- A formal request for a review of a decision must:

- Be in writing, ideally using the *Internal Review of Council Decisions Application* available on Council's website
 - Be addressed to the CEO (or in the case where the matter is about a decision made by the CEO, the matter will be referred to the Mayor for consideration by the elected Council and this Policy be read accordingly)
 - Provide full details of the decision for which the applicant is seeking a review (including how the decision impacts on their rights and/or interests) and set out clearly and succinctly the reasons for applying for the review
 - Be lodged within six (6) months of the original decision being made (with discretion provided to the CEO to allow a longer time limit to apply in particular cases. This will be assessed on a case-by-case basis).
- There is no fee payable for a review of a Council decision.
 - It is essential that no one is excluded from lodging an application for review because of any difficulties they may have in representing themselves. Council staff will offer assistance where appropriate and provide it on request, including assistance in documenting the reasons for applying for the review in writing. Where necessary, access should be provided to interpreters, aids or advocates to assist applicants.

6.2. Acknowledging an application

- The CEO will formally acknowledge in writing all requests for a review of a Council decision within five (5) working days of receiving the request and advise the applicant of the expected timeframe within which a determination will be made in respect of their request for review.
- The CEO will consider all requests for a review and may refuse to assess such an application pursuant to section 270(4) of the Act if:
 - The request is made by an employee of the Council and relates to an issue concerning the employee's employment
 - It appears that the request is frivolous or vexatious
 - The applicant does not have a sufficient interest in the matter – this will be determined on a case-by-case basis.

6.3. Undertaking the review

- Applicants will be treated equally, in accordance with good administrative practice. Council's procedures are designed to ensure that:
 - Every applicant has the opportunity to make an application for review of a decision covered by this procedure
 - An unbiased assessment is undertaken
 - Reviews will be completed as quickly as possible, while ensuring that they are dealt with at a level of authority that reflects their level of complexity
 - Decisions are based on sound evidence
 - Applicants receive information about the outcome of the review
 - Applicants will be afforded procedural fairness.

- The CEO will assess all applicable requests for a review of a Council decision (except those which will be referred to the elected Council) and determine what action, if any, should be taken (including whether an external investigation is necessary).
- The CEO may elect to appoint another officer or external advisor for assessment and/or preparation of a report to assist in the review process. The person appointed to assist with the review must be independent of the original decision being reviewed (i.e. have no prior involvement in the matter). An external advisor may be recommended where the decision under review is complex and/or raises legal questions.
- The CEO will refer a review of a Council decision to Council where the decision being reviewed was made by the elected Council or a Committee. A review of decisions made by the CEO will also be referred to the elected Council in accordance with this Policy.
- The CEO may also decide to refer a review of a Council decision to the elected Council where:
 - The decision being reviewed relates to civic or ceremonial matters
 - The decision being reviewed is in the opinion of the CEO likely to be of interest to the wider community
 - The CEO otherwise considers, in their discretion that the matter warrants consideration by Council.
- Where a review of a Council decision is referred to the Council, the CEO will prepare a report to Council which will include all of the relevant information about the decision being reviewed.
- Where a request for review has been referred to Council the applicant will be advised of the date that the report will be presented to Council and will be given the opportunity to provide a written or verbal submission in relation to the report for Council's consideration.
- In most cases, Council will use its best endeavours to ensure that requests for review will be considered and determined within 20 business days. However, in more complex cases, or if the decision is to be reviewed by Council, Committee or an external provider a review may take longer. In the event that a review exceeds 20 days, the applicant will be provided with periodic updates on the progress of the review until the review is finalised.
- Except where a decision has already been implemented and cannot be revoked, a merits review will be conducted. In those instances where a merits review will not be conducted, a process review will be undertaken and the applicant will be advised of this at the time the review is commenced.

6.4. Natural Justice

- Those that may be affected by a decision will be accorded natural justice, which includes the principles of procedural fairness. As part of the review process all parties with an interest in the matter will have the opportunity to make a written submission expressing their point of view and responding to issues raised, including the provision of any relevant information.

- In undertaking a review, the CEO or Council will review the decision in question to ensure that the original decision maker complied with the following procedural requirements and made the best possible decision in the circumstances having regard to the following:
 - The decision maker had the power to make the decision
 - The decision maker considered all matters which were relevant to the making of the decision at the time and did not take into account matters which were not relevant, as well as any additional relevant information or material provided by the applicant.
 - The decision maker did not exercise a discretion or power in bad faith, for an improper purpose, or while subject to duress or the influence of another person
 - The decision maker had no conflict of interest, bias or perceived bias
 - The decision maker ensured that findings of fact were based on evidence
 - The decision was reasonable
 - The decision maker considered any relevant legislation, policies or procedures
- The details of any request for review will be kept confidential in so far as it is necessary, practicable and appropriate for conducting an effective review process.
- The applicant will be informed in writing of the outcome of the review (even including where a determination is made that the decision under review be upheld).
- Adequate reasons will be recorded for all internal review determinations.

6.5. Applications under this policy relating to Rates

- This procedure applies to applications that relate to the impact that any declaration of rates or service charges may have had on ratepayers.
- Council or the CEO will give priority to such applications and consider the impact of rates and services on ratepayers and the provisions available to ratepayers for rate relief or concessions as set out in the Act (e.g. remission or postponement of payment, issuing of fines and interest, particular land use categorisation).
- Specific review mechanisms exist in the Local Government Act 1999 to try the validity of a rate or service charge. This Policy does not apply to such a decision.

6.6. Remedies

- Where the review of a decision under this Policy results in the applicant's contention(s) being upheld, an appropriate remedy will be determined that is reasonable in all the circumstances.
- The remedy chosen will be proportionate and appropriate to the outcome of the review and may include (but is not limited to):
 - Varying or revoking the original decision
 - Returning the situation to its original status (such as not pursuing the construction of something, not implementing the original decision, etc)
 - The provision of an explanation
 - Offering to enter into formal mediation
 - The offering of an apology or admission of fault

- A change to Council policy, procedure or practice
 - The correction of Council records.
-
- Where appropriate, the any findings of an internal review will be considered in making improvements to Council's existing policies, practices and procedures.

7. DELEGATION

7.1. The Chief Executive Officer has the delegation to:

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


8. AVAILABILITY OF THE POLICY

8.1. 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 3

Internal Review of Council Decisions Policy 2017

COUNCIL POLICY

 Adelaide Hills COUNCIL	INTERNAL REVIEW OF COUNCIL DECISIONS
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Policy Number:	GOV-01
Responsible Department(s):	Governance & Risk
Relevant Delegations:	None
Other Relevant Policies:	Complaints Handling Code of Conduct for Council Employees Council Member Conduct Whistleblowers Protection Fraud & Corruption Prevention
Relevant Procedure(s):	None
Relevant Legislation:	<i>S270 Local Government Act 1999</i>
Policies and Procedures Superseded by this policy on its Adoption:	Internal Review of Council Decisions Policy 8.04.14, Item 12.1, 17
Adoption Authority:	SPDPC
Date of Adoption:	28 March 2017
Effective From:	10 April 2017
Minute Reference for Adoption:	Item 14.10, 69/17
Next Review:	No later than March 2020, or as required.

INTERNAL REVIEW OF COUNCIL DECISIONS

1. INTRODUCTION

- 1.1. This policy and procedure specifically addresses the manner in which requests for a review of a previous decision of Council will be dealt with, and provides a fair, consistent and structured process for any party dissatisfied with a decision which has been made by Council or its agents.
- 1.2. Section 270 of the *Local Government Act 1999* requires Council to maintain “policies, practices and procedures” for dealing with requests for service and complaints including a procedure about “the review of decisions of –
 - (a) the council;
 - (b) employees of the council;
 - (c) other persons acting on behalf of the council.”
- 1.3. Council has a three tier process for managing customer complaints, set out below, which includes immediate, informal resolution as well as established processes for review by senior staff.

Step 1 - Immediate response to resolve the complaint

All staff are empowered to handle complaints in the first instance and it is preferable that they are dealt with promptly at the initial point of contact and at the appropriate officer level.

Step 2 - Complaint escalated to a more senior officer

A complaint will be directed to a more senior officer in the Council, where circumstances indicate that the complaint would be more appropriately handled at a higher level. This may occur, for example, where an officer has been involved in the matter that is the subject of the complaint, where the complaint is about an issue that requires a decision to be made at a more senior level, or where a complaint concerns a matter that ranges across more than one Council work area.

Step 3 - Internal review of a Council decision by statutory process

Internal review of a Council decision is available under section 270 of the *Local Government Act 1999*. This is a process established by legislation that enables a Council to reconsider all the evidence relied on to make a decision, including new evidence if relevant. This process is generally a last resort in the complaint handling process, but may also be used in situations which are not able to be resolved by other means, such as a complaint about a decision of the CEO.

- 1.4. Council’s Complaints handling is available to the public.

- 1.5. This policy and procedure for review of a decision commences at the point where:
- A request for the review of a decision is received, or
 - A complaint escalates to Tier 3 under Council's complaint handling policy.
- 1.6. The aim of this policy and procedure, which is available on Council's website, is to ensure a fair, consistent and structured process for any party dissatisfied with a decision which has been made by Council or its agents.
- 1.7. The policy and procedure applies to all Council staff who may be involved in receiving an application for review of a Council decision.

2. KEY PRINCIPLES

- 2.1. The policy and procedure are based on five principles, which are fundamental in the way Council approaches requests for service, complaint handling and reviews of decisions. They are:
- Fair treatment: which requires impartiality, confidentiality and transparency at all stages of the process
 - Accessibility: to be accessible there must be broad public awareness about Council's policies and procedures and a range of contact options
 - Responsiveness: this will be achieved by providing sufficient resources, well trained staff and ongoing review and improvement of the systems
 - Efficiency: requests and complaints will be resolved as quickly as possible, while ensuring that they are dealt with at a level that reflects their level of complexity
 - Integration of different areas of Council where the matter under review overlaps functional responsibilities.

3. SCOPE

3.1. Application of policy and procedures

- 3.1.1. This policy and procedure applies when reviewing decisions of Council as outlined below.
- 3.1.2. Council also has defined procedures for dealing with complaints and requests for service. As a general rule, Council will promote these procedures in the first instance as they offer the potential for immediate resolution. An internal review is the third tier in Council's complaints handling process. It will apply:
- when matters cannot be resolved satisfactorily
 - when a decision has to be reviewed by the elected Council (See 8.1 Assignment of application for review)

3.2. Matters outside the scope of the policy and procedures

3.2.1. Other provisions in the *Local Government Act* prescribe appeal arrangements in certain circumstances. For example:

- objections to valuations made by a Council and appeals against orders made pursuant to section 254 of the *Local Government Act*.

3.2.2. Other legislation that has its own prescribed appeal procedures, including:

- the *Development Act 1993*
- the *Freedom of Information Act 1991*.

3.3. While Council prefers to work with its customers to resolve requests for review quickly and effectively, an applicant will always retain the right to seek other forms of resolution, such as contacting the Ombudsman, or taking legal action at any time. Note however that as a general rule, the Ombudsman prefers that matters be addressed by Council in the first instance, unless this is not appropriate in the circumstances.

4. COUNCIL'S COMMITMENT

4.1. Council, its committees, staff and contractors make decisions every day which impact on members of the community. It is imperative that these decisions are fair, objective and subject to review.

4.2. Council is committed to open, responsive and accountable government. This includes providing processes by which citizens adversely affected by a decision of Council can have their grievances considered.

4.3. This policy and procedure will be widely accessible to ensure that customers are fully aware of their right to request the review of a decision and the process that will be followed.

4.4. Everyone will be treated equally, in accordance with good administrative practice. Council's procedures are designed to ensure that:

- Every applicant has the opportunity to make an application for review of a decision covered by this procedure
- An unbiased assessment is undertaken
- Decisions are based on sound evidence
- Applicants receive information about the outcome of the review.

5. INTERPRETATION

Alternative Dispute Resolution includes mediation, conciliation or neutral evaluation as set out in section 271 of the *Local Government Act*.

Applicant is the party lodging the requests for review. Examples include residents, ratepayers, members of a community group, users of Council facilities and visitors to the area.

Business Day means a day when the Council is normally open for business, i.e. Monday to Friday, excluding public holidays.

Council refers to the Adelaide Hills Council.

Complaint means an expression of dissatisfaction with a product or service delivered by the Council or its representatives that has failed to reach the standard stated, implied or expected. This includes complaints about a service that has been, or should have been delivered. A complaint may be made in any form, including verbal, written or electronic means

Decision is a position adopted by Council or its employees. It will generally be a judgement reached after consideration of relevant information.

Decision-maker refers to the *individual* or entity responsible for the decision under review.

Employee includes a person employed directly by the Council in a full time, part time or casual capacity (*whether* that position is permanent or contractual) and persons providing services to, or on behalf of, the Council even though they may be employed by another party.

Reviewer refers to the *individual* or entity responsible for resolution of a request for review of a decision.

6. RECORDS MANAGEMENT

6.1. All documents, notes, photographs and correspondence must be retained and stored in accordance with Council's Records Management protocols as required by Section 125 of the Local Government Act.

6.2. All applications must be recorded in Council's records management system in such a way that the information can also be analysed for service improvement opportunities.

7. PROCEDURE

7.1. Making an application

7.1.1. An application for a review of a Council decision provides Council with an opportunity to revisit a decision which has aggrieved an interested party. This may include an individual or a group, ratepayer, resident or business owner. Depending on the particular circumstances, it may also include a person who is not the direct subject of the decision (for example, where a Council issues a permit for a person to keep more than the maximum number of dogs permitted under a by-law, a neighbour may seek an internal review of the decision.) Council will determine whether a person has a sufficient interest to apply for an internal review of a decision, on a case-by-case basis.

- 7.1.2. An application for review must be in writing and set out the reasons for applying for the review (that is, why the applicant believes that the decision is wrong). Although Council can be expected to have information and material relevant to the matter under review, an application for review may also include new, relevant information or evidence to support the application.
- 7.1.3. Applicants may wish to use the form prepared by Council (Appendix A).
- 7.1.4. Council will accept applications for the review of an internal decision up to six (6) months from that date that the decision was made by the Council. In exceptional circumstances, Council may, at its absolute discretion, accept applications for the review of a decision greater than six (6) months from the date of decision.

7.2. Assisting with the application for review

- 7.2.1. It is essential that no one is excluded from lodging an application for review because of any difficulties they may have representing themselves. All staff are expected to offer assistance where appropriate and provide it on request, including assistance in documenting the reasons for the review in writing when circumstances warrant.
- 7.2.2. If necessary arrange access to interpreters, aids or advocates to ensure that an applicant is treated equitably.

7.3. Internal Review Contact Officer

- 7.3.1. An Internal Review Contact Officer (IRCO) appointed by the Chief Executive Officer is the initial point of contact for applicants.
- 7.3.2. The role of the Internal Review Contact Officer is to:
- explain the procedure to the applicant and explore any alternative options to resolve the matter, such as alternative dispute resolution prior to an application for review.
 - acknowledge the receipt of the application
 - maintain a register of all applications for review received and the outcomes of the applications
 - outline the timeframes involved and the action to be taken in the first instance
 - undertake a preliminary investigation to determine what actions have already been taken to try to resolve the matter
 - keep the applicant informed of progress
 - ensure adequate records are maintained
 - report to Council at prescribed intervals on all applications lodged for review
- 7.3.3. All applications are to be referred to the IRCO immediately, including meeting with the applicant or transferring a telephone call when contact is first made.

7.4. Acknowledging an application for review

- 7.4.1. The IRCO is responsible for:
- 7.4.1.1. working in conjunction with the appropriately delegated officer to determine how the review will be handled
 - 7.4.1.2. advising the applicant of the process to be undertaken and the time of the next contact
 - 7.4.1.3. ensuring the application is properly lodged and assigned.
- 7.4.2. Applications for a review of a decision must be responded to within three [3] business days, acknowledging receipt and advising of the expected timeframe for dealing with the matter. Council will use its best endeavours to ensure that a review of the original decision will be completed within twenty-one [21] business days. However if the decision is to be reviewed by Council, a committee, or an external panel there may be delays caused by meeting cycle timelines. In more complex cases, a review may take longer.
- 7.4.3. The applicant will be regularly informed of progress, either by email, letter or telephone.

7.5. Applications for a review of the impact of rates or services charges

- 7.5.1. If Council receives an application for a review of a decision concerning the financial impact of Council rates or services charges, these will be dealt with as a matter of priority. Where circumstances warrant, Council will consider financial relief or the granting of concessions in line with the provisions of the *Local Government Act*.

7.6. Refusing an application for review

- 7.6.1. The Council, or a person assigned to consider the application, may refuse to consider an application for review if –
- the application is made by an employee of the council and relates to an issue concerning his or her employment; or
 - it appears that the application is frivolous or vexatious; or
 - the applicant does not have a sufficient interest in the matter.
- 7.6.2. Refusing an application for review will not be done lightly and reasons for the refusal will document the evidence on which a refusal is based.

8. UNDERTAKING A REVIEW

8.1. Assignment of applications for review

- 8.1.1. The elected Council will be the reviewer:
- when the decision being reviewed was made by the elected Council, a Committee of the Council or the CEO
 - when the decision relates to civic and ceremonial matters

- in other circumstances as determined by the CEO or resolution of the Council
- 8.1.2. Council has delegated to the Mayor the responsibility for determining who will undertake the investigation and the preparation of a report for Council consideration (this may be the CEO, his/her delegate, or an expert party from outside the organisation) and the Mayor will report the determination to the next Council/SPDPC meeting.
- 8.1.3. Where the elected Council is not the reviewer, a review methodology to suit the nature of the internal review to be undertaken will be chosen from the following:
- CEO or his/her delegate
 - A panel comprised of Council Members and Senior Staff
 - A panel of experts external to the organisation
 - The assistance of an external person
- 8.1.4. Wherever possible and appropriate, Council will seek to involve an external person or panel to assist with the review, including the enlistment of employees of other Councils.

8.2. Role of reviewer

- 8.2.1. The role of a reviewer is to review the decision in question to ensure that the decision-maker complied with the following procedural requirements and made the best possible decision in the circumstances:
- The decision must be within a power properly conferred on the decision-maker under the relevant Act.
 - A decision-maker must consider all matters which are relevant to the making of the decision and not take into account matters which are not relevant to the decision.
 - A decision-maker must not make a decision or exercise a power or discretion in bad faith or for an improper purpose.
 - A decision-maker must ensure that findings of fact are based on evidence.
 - Decisions must be reasonable.
 - Those who may be affected by a decision must be accorded procedural fairness, which includes the principles of natural justice.
 - A decision-maker must properly consider the application of existing policies.
 - A decision-maker must not exercise a discretionary power at the direction of another person.

8.3. Review process

- 8.3.1. In carrying out a review of a decision, the reviewer will consider all the information and material that was before the original decision-maker and any additional relevant information or material provided by the applicant. The reviewer will 'stand in the shoes' of the original decision-maker and make the best decision available on the evidence.
- 8.3.2. This means the reviewer will do more than simply consider whether the decision is legally and procedurally correct. The reviewer will also consider whether a different decision would be better, based on the evidence. The process of merits review, as described above, will typically involve a review of the facts that support a decision, including any new evidence that may come to light.

8.4. Providing 'Procedural Fairness'

- 8.4.1. Council will observe the principles of procedural fairness (also called 'natural justice') when exercising its statutory powers which could affect the rights and interests of individuals.
- 8.4.2. Put simply, 'procedural fairness' involves:
- Giving an applicant a right to put their case forward. This will generally involve giving an applicant the opportunity to provide all relevant documentary evidence, rather than an oral hearing
 - Ensuring that the reviewer does not have a personal interest in the outcome (is not biased) and
 - Acting only on proper evidence that is capable of proving the case.

8.5. Giving Reasons

- 8.5.1. While there is no statutory requirement to give reasons for a decision, Council will provide reasons for the decision of the reviewer where practicable.
- 8.5.2. Council will always give reasons to explain the outcome where:
- A decision is not in accordance with published policy;
 - A decision is likely to detrimentally affect rights or interests of individuals (or organisations) in a material way; or
 - Conditions are attached to any approval, consent, permit, licence or other authorisation.

9. REMEDIES

- 9.1. Where the review of a decision upholds the applicant's grievance, an appropriate remedy or response will be determined which is consistent and fair for both Council and applicant. The remedy chosen will be proportionate and appropriate to the failure identified.

- 9.2. As a general principle the applicant will, so far as possible, be put in the position he or she would have been in, had the decision not been made. This may mean changing a decision. Where circumstances are such that it is not possible to return to the original situation, or to rectify the outcome of the decision, it may only be possible to offer an apology.
- 9.3. The range of other possible outcomes includes:
- an explanation
 - mediation
 - an admission of fault
 - a change to policy, procedure or practice
 - a correction of misleading records
 - financial compensation, including a refund of any fees
 - the waiving of a debt
 - the remission of a penalty
 - disciplinary action
 - referral of a matter to an external agency for further investigation or prosecution.
- 9.4. The remedy or response may be one, or a combination of these actions. The chosen remedy will be proportionate and appropriate to the failure in service and take account of what the applicant is seeking as an outcome of the review.
- 9.5. If an apology is required it will be done promptly and the applicant advised that appropriate action will be taken to ensure the problem is not repeated.
- 9.6. Compensation will only be offered in cases where the loss or suffering is considered substantial. The Council itself and the CEO are the only people authorised to offer financial compensation and this will only occur after consultation with the Local Government Association Mutual Liability Scheme.
- 9.7. When advising an applicant of the outcome of a review, information will also be provided about alternative remedies, including any rights of appeal and the right to make a complaint to an external agency such as the SA Ombudsman.

10. REPORTING

- 10.1. All applications will be recorded in Council's records management system in such a way that the information can also be analysed for service improvement opportunities.
- 10.2. The IRCO records the following information about all applications for review:
- the number of applications for review made
 - the kinds of matters to which the applications relate
 - the outcome of applications
 - such other matters as may be prescribed by the regulations.

-
- 10.3. The IRCO will submit a report to Council annually about section 270 applications for review of a decision, including:
- the number of applications for review made under this section
 - the kinds of matters to which the applications relate
 - the outcomes of applications under this section.
- 10.4. The IRCO will also provide information on how the outcomes have been used to improve Council's customer service, policies, procedures and practices.
- 10.5. This information, as specified in section 270(8), will be included in Council's Annual Report.

11. FURTHER INFORMATION

- 11.1. 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 A

*Request for
S270 Internal Review of Council Decision Form*

Adelaide Hills Council - Request for S270 Internal Review of Council Decision Form



Customer Details

Customers Name: Date.....

Residential Address:
.....

Postal Address:
(if different)

Telephone: (M)

E-mail:

Details of Council Decision

Date of Council Decision:

Council Decision:
.....
.....
.....
.....

Reasons for requesting review:
.....
.....
.....
.....


Your interest in the matter:
.....
.....

Signed: Date:

Appendix 4

Draft Request for Services Policy

COUNCIL POLICY

 Adelaide Hills COUNCIL	REQUEST FOR SERVICES
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Policy Number:	GOV-03
Responsible Department(s):	Community and Customer Service
Other Relevant Policies:	<i>Internal Review of Council Decisions Policy Complaint Handling Policy Unreasonable Complainant Conduct Policy</i>
Relevant Procedure(s):	<i>Request for Service Procedure</i>
Relevant Legislation:	<i>Local Government Act 1999</i>
Policies and Procedures Superseded by this policy on its Adoption:	<i>Request for Services Policy 13 June 2017, item 12.3</i>
Adoption Authority:	Council
Date of Adoption:	<i>To be entered administratively</i>
Effective From:	<i>To be entered administratively</i>
Minute Reference for Adoption:	<i>To be entered administratively</i>
Next Review:	No later than <date> than November 2023 or as required by legislation or changed circumstances

REQUEST FOR SERVICES POLICY

1. INTRODUCTION

This Policy sets out the principles and guidelines to be used when responding to requests for service.

This Policy is to be read in conjunction with other relevant Council policies, especially in making the distinction between a request for service and a complaint or a request for a review of a Council decision.

2. OBJECTIVES

The objectives of this policy are:

- To provide guidance on what may constitute a reasonable request for a service or an improvement to a service
- To distinguish between requests, complaints and feedback to Council and give direction on management of requests
- To establish a standardised process for assessing and processing requests including the collation of information which can be used to directly inform service improvements

3. DEFINITIONS

A **request for service** is an application to have Council or its representative take some form of action to provide or improve a Council service. This includes:

- Requests for action
- Routine enquiries about Council services
- Requests for approval
- Requests for the provision of services
- Reports of failure to comply with laws regulated by Council
- Requests for explanation of policies, procedures and decisions

Complaint means an expression of dissatisfaction with a product or service delivered by the Council or its representatives that has failed to reach the standard stated, implied or expected. This includes complaints about a service that has been, or should have been delivered. A complaint may be made in any form, including verbal, written or electronic means.

A request for a **review of a decision** is distinguished from a complaint by virtue of the complainant formally requesting that the Council reconsider the decision making process and all the evidence relied on to make a decision as per the provisions of the Internal Review of Council Decisions Policy.

Feedback means those comments, which are sometimes framed as complaints, where the intent is clearly for the matter to be noted, but where there is no implied or expressed expectation of follow up, review or action. A ~~“Request for service”~~ is an application to have Council or its representative take some form of action to provide or improve a Council service.

“Complaint” means an expression of dissatisfaction with a product or service delivered by the Council or its representatives that has failed to reach the standard stated, implied or expected. This includes complaints about a service that has been, or should have been delivered. A complaint may be made in any form, including verbal, written or electronic means.

A request for a formal **“review of a decision”** is distinguished from a complaint by virtue of the person clearly and purposefully asking for the decision to be reviewed so as to achieve a different outcome.

“Feedback” means those comments, which are sometimes framed as complaints, where the intent is clearly for the matter to be noted, but where there is no implied or expressed expectation of follow up, review or action.

4. POLICY STATEMENT

Principles

The following principles will be applied to managing requests for service:

- The community should be aware of the range of functions and services provided by the Council.
- The community should be aware of, and have access to, channels for requesting services, the level at which the service is provided and the standard for the provision of that service.
- It is not a reasonable use of the Council's, i.e. the community's, resources to allocate time and money to satisfying every request for service or improvement to service provision. Rather, resources should be allocated to meet service priorities required by legislation risk and those contained in adopted policies, strategic plans and business plans.
- Each request will be considered on its merits. People making requests will be treated fairly, with impartiality and transparency being applied to extent possible.
- Requests will be taken seriously and sufficient resourcing will be allocated to consider requests in a professional and timely manner.
- The outcome of a request should be communicated to the requestor where practicable.
- The manner in which a request is handled, and by whom, will depend on the level of complexity and seriousness of the request. At all times, requests should be handled by people competent to manage the process and communicate the outcomes.

Policy position

The following reflects the Council's position in respect to applying the above principles:

- A list of normal Council functions and services will be made available on the Council's website and reflected in Annual Business Plans and Annual Reports. Service levels and standards, as adopted and amended from time to time, will also be made available on the website.
- A range of communication strategies will be used to promote new or enhanced functions or services, or to inform the community of significant changes to service provision.
- In respect to requests for the provision of new or enhanced services, the Council will give consideration to:
 - Legislative obligations
 - An assessment of risk
 - Alignment with strategic priorities as identified within approved strategic management plans
 - Adopted policies and business plans

In all cases, requests will be assessed on their merits and considered against competing priorities and available resources.

- In respect to requests for the provision of existing services, the Council will provide those services in line with adopted services levels and standards and within the limitations of resources available at the time. There will be instances where requests need to be prioritised and these will generally be assessed on the basis of urgency.

- Procedures and systems will be developed which contain, as a minimum:
 - a. Processes for receiving and recording requests for services
 - b. Appropriate training and development to ensure Council staff and representatives can appropriately assess and respond to requests for services
 - c. Protocols for advising the requestor of the outcome of their request
 - d. Methods to use the information gained from requests for new or enhanced services to improve our services and operations.
 - ~~d. Methods for recording and escalating requests for new or enhanced services to the appropriate staff and, where applicable, for recommendations to be made to the Council~~
- No distinction will be made between the method of requesting a service, i.e. requests will be given the same regard whether they are made remotely or in person. Requests made through any form of media will be accepted, but depending on the seriousness and complexity of the complaint, the complainant may be requested to provide further information in a defined form.
- For the sake of clarity, requests made through an indirect channel, such as on 'blogs' or through social media directed to a third party, cannot reasonably be monitored and therefore cannot be accepted as a request for service.

Other types of Requests

- Where a customer is making a complaint, the *Complaint Handling Policy* will apply.
- Where a customer had requested that a decision be reviewed, the *Internal Review of Council Decision Policy* will apply.
- Feedback which does not constitute a request for service will be acknowledged, directed to the appropriate functional area and where relevant used to improve our services and operations.

Special provisions

~~Some requests for service may in fact be complaints about a service already provided or refused. Some requests may constitute feedback about service provision or may request a review of a Council decision. In these instances, the provisions of the Complaint Handling Policy and Internal Review of Council Decision Policy should be observed.~~

5. DELEGATION

5.1 The Chief Executive Officer has the delegation to:

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


6. AVAILABILITY OF THE POLICY

-
- 6.1 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 5

Draft Complaint Handling Policy

COUNCIL POLICY

 Adelaide Hills <small>COUNCIL</small>	COMPLAINT HANDLING
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Policy Number:	The Governance team will allocate the policy number.
Responsible Department(s):	Community Capacity
Other Relevant Policies:	<i>Internal Review of Council Decisions Policy Request for Services Policy Unreasonable Complainant Conduct Policy</i>
Relevant Procedure(s):	<i>Complaint Handling Procedure Request for Service Procedure</i>
Relevant Legislation:	Local Government Act 1999, Section 270 Local Government (General) Regulations 2013, Schedule 2A
Policies and Procedures Superseded by this policy on its Adoption:	<i>Complaint Handling, 13/06/17</i>
Adoption Authority:	Council
Date of Adoption:	<i>To be entered administratively</i>
Effective From:	<i>To be entered administratively</i>
Minute Reference for Adoption:	<i>To be entered administratively</i>
Next Review:	No later than November 2023 or as required by legislation or changed circumstances

COMPLAINT HANDLING POLICY

1. INTRODUCTION

- 1.1. This Policy sets out the principles and guidelines to be used when addressing complaints made about the actions of the Council, employees of the Council, or other people acting on behalf of the Council.
- 1.2. This Policy is to be read in conjunction with other relevant Council policies, especially in making the distinction between a complaint and request for a review of a Council decision.

2. OBJECTIVES

- 2.1. The objectives of this policy are:
 - To demonstrate the Council's commitment to addressing complaints in a timely, effective and fair way
 - To demonstrate the Council's commitment to using information gained from the community to improve its services and operations

3. DEFINITIONS

Complaint means an expression of dissatisfaction with a product or service delivered by the Council or its representatives that has failed to reach the standard stated, implied or expected. This includes complaints about a service that has been, or should have been delivered. A complaint may be made in any form, including verbal, written or electronic means.

A request for a **review of a decision** is distinguished from a complaint by virtue of the complainant formally requesting that the Council reconsider the decision making process and all the evidence relied on to make a decision as per the provisions of the Internal Review of Council Decisions Policy.

Feedback means those comments, which are sometimes framed as complaints, where the intent is clearly for the matter to be noted, but where there is no implied or expressed expectation of follow up, review or action.

4. POLICY STATEMENT

4.1. Principles

- 4.1.1. The Council welcomes complaints as a way of improving its services and programs as well as providing an opportunity to improve services and operations or simply to 'put things right'.
- 4.1.2. The community should be aware of, and have access to, complaint making channels and the process to lodge a complaint. The process for handling the complaint should be communicated to the complainant.
- 4.1.3. Each complaint will be considered on its merits. Complainants will be treated fairly, with impartiality, confidentiality and transparency being applied to the extent possible.
- 4.1.4. Complaints will be taken seriously and sufficient resourcing will be allocated to handle complaints in a professional and timely manner.
- 4.1.5. The outcome of a complaint should be used to improve the way the Council operates.
- 4.1.6. The manner in which a complaint is handled, and by whom, will depend on the level of complexity and seriousness of the complaint. At all times, complaints should be handled by people competent to manage the process and communicate the outcomes.
- 4.1.7. It is not a reasonable use of the Council's, i.e. the community's resources to allocate time and money to investigating vexatious or frivolous complaints.
- 4.1.8. Complainants should be informed of the outcome of any complaint requiring investigation.

4.2. Policy Position

- 4.2.1. Complaints will broadly be dealt with according to a three step approach, with complaints being dealt with at the first point of contact wherever possible:

Step 1 - Immediate response to resolve the complaint

Council aims to resolve complaints at the first level, the frontline. Wherever possible staff will be adequately equipped to respond to complaints at the initial point of contact.

Step 2 - Complaint escalated to a more senior officer

Where it is not possible to resolve a complaint at the initial point of contact, Council may escalate the complaint to a more senior officer. This may occur, for example, where an officer has been involved in the matter that is the subject of the complaint, where the complaint is about an issue that requires a decision to be made at a more senior level, or where a complaint concerns a matter that involves multiple departments.

Step 3 - Internal review of a Council decision

Where a complainant is dissatisfied with the outcome, they may seek an internal review as set out in the *Internal Review of Council Decisions Policy*. This is a mechanism

that enables the Council to reconsider the decision making process and all the evidence relied on to make a decision, including new evidence if relevant. This process is generally a last resort in the complaint handling process, but may also be used in situations which are not able to be resolved by other means.

- 4.2.2. No distinction will be made between the method of making the complaint, i.e. complaints will be given the same regard whether they are made remotely or in person. Complaints made through any form of media will be accepted, but depending on the seriousness and complexity of the complaint, the complainant may be requested to provide further information in a defined form.
- 4.2.3. All complaints will be recorded in an appropriate information management system in such a way that complaint information can be analysed for service improvement opportunities.
- 4.2.4. Complainants will be advised of the likely timeframe required to investigate and resolve a complaint and regularly updated as to progress where necessary.
- 4.2.5. Employees will be trained to manage complaints efficiently and effectively, and provided with a level of delegated authority appropriate for the nature of complaints they are expected to resolve.

4.2.6. Procedures

Procedures will be developed which contain guidelines on:

- Receipt of complaints
- Acknowledgment of complaints
- Initial assessment and addressing of complaints, including keeping complainants updated of any progress
- Providing reasons for decisions and options for further review available to the complainant
- Closing complaints, record keeping, redress and review

4.2.7. Remedies

Where complaints are found to be justified the Council will, where practicable, remedy the situation in a manner which is consistent and fair for both Council and complainants. The solution chosen will be proportionate and appropriate to the circumstances. As a general principle the complainant should, so far as possible, be put in the position he or she would have been in, had things not occurred as they did. This may mean providing the desired service or changing a decision. Sometimes, however, it may only be possible to offer an apology.

Where complainants make assertions that financial compensation is expected, the matter will need to be referred to the Local Government Association Mutual Liability Scheme for case management. The rules of the Scheme will be observed and this will be communicated to the complainant.

4.2.8. Feedback

Feedback which does not constitute a complaint (see definitions) will be acknowledged and the feedback will be directed to the appropriate functional area, but in most cases, a formal investigation will not occur.

4.3. **Special Provisions**

There are specific procedures which apply to particular types of complaints. If the complaint would be more properly dealt with by another process, this will be explained to the complainant at the outset.

For example:

- Complaints against a Council Member, the Chief Executive Officer or employees under the applicable Code of Conduct as in effect from time to time
- Freedom of Information applications
- Claims for financial compensation, e.g. 'insurance claims'
- Persons claiming protection under the *Public Interest Disclosure Act 2018*
- Decisions made under legislation other than the *Local Government Act 1999*, such as the *Development Act 1993* or *Expiation of Offences Act 1996*.
- Complaints which constitute a request for a review of a Council decision will be treated according to the provisions of the *Internal Review of Council Decision Policy*

4.4. **Unreasonable complaints**

4.4.1. Council may receive complaints that are unreasonable. Unreasonable Complainant Conduct is divided into five categories of conduct:

- Unreasonable persistence
- Unreasonable demands
- Unreasonable lack of cooperation
- Unreasonable arguments
- Unreasonable behaviours

4.4.2. Complaints that escalate to unreasonable complainant conduct will be dealt with in accordance with Council's *Unreasonable Complainant Conduct Policy*.

4.5. **Employee code of conduct complaints**

Where a person alleges:

- an employee (or a relative of an employee) has sought or received a gift or benefit that is, or could reasonably be taken to be, intended or likely to create a sense of obligation on the part of the employee to a person or to influence the employee in the performance or discharge of the employees functions or duties; or
- an employee has failed to record, or correctly record, details of a gift or benefit received by the employee (or a relative of an employee) on the gift and benefits register; or
- the Chief Executive Officer has not appropriately maintained a register for gifts and benefits received by employees of the Council,

they may submit a complaint alleging that an employee of council has contravened or failed to comply with the Code of Conduct for Council Employees, as prescribed in Schedule 2A of the *Local Government (General) Regulations 2013*.

A complaint of this nature must be given to the Chief Executive Officer. It will be investigated and resolved according to the industrial and human resource procedures of the Council.

In the case of a complaint against the Chief Executive Officer, a complaint must be given to the Principal Member of the Council (Mayor), except in circumstances where it would be inappropriate to do so (such as where legislation requires the matter to which the complaint relates to remain confidential). In such circumstances the matter should be dealt with in accordance with the legislative requirements.

4.6. Council Member code of conduct complaints

Where a person alleges that a Council Member has breached the provisions of the *Code of Conduct for Council Members* and/or the *Council Member Conduct Policy*, the complaint should be made to the Chief Executive Officer in accordance with the Code of Conduct Complaint Handling Procedure contained in the *Council Member Conduct Policy* (available on the Council website).

5. DELEGATION

5.1 The Chief Executive Officer has the delegation to:

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


6. AVAILABILITY OF THE POLICY

6.1 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 6

Complaint Handling Policy 2018

COUNCIL POLICY

 Adelaide Hills COUNCIL	COMPLAINT HANDLING
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Policy Number:	GOV-04
Responsible Department(s):	Community and Customer Service
Other Relevant Policies:	Internal Review of Council Decisions Policy Request for Services Policy
Relevant Procedure(s):	Complaint Handling Procedure
Relevant Legislation:	Local Government Act 1999, Section 270 Local Government (General) Regulations 2013, Schedule 2A
Policies and Procedures Superseded by this policy on its Adoption:	Complaint Handling, 10/06/14, Item 12.1, 34 Complaint Handling, 13/06/17, Item 12.3, SP22/17
Adoption Authority:	Council
Date of Adoption:	27 March 2018
Effective From:	2 April 2018
Minute Reference for Adoption:	Item 12.7, 73/18
Next Review:	No later than June 2020 or as required by legislation or changed circumstances

COMPLAINT HANDLING POLICY

1. INTRODUCTION

This Policy sets out the principles and guidelines to be used when addressing complaints made about the actions of the Council, employees of the Council, or other people acting on behalf of the Council.

This Policy is to be read in conjunction with other relevant Council policies, especially in making the distinction between a complaint and request for a review of a Council decision.

2. OBJECTIVES

The objectives of this policy are:

- To demonstrate the Council's commitment to addressing complaints in a timely, effective and fair way
- To demonstrate the Council's commitment to using information gained from the community to improve its services and operations

3. DEFINITIONS

"Complaint" means an expression of dissatisfaction with a product or service delivered by the Council or its representatives that has failed to reach the standard stated, implied or expected. This includes complaints about a service that has been, or should have been delivered. A complaint may be made in any form, including verbal, written or electronic means.

A request for a formal **"review of a decision"** is distinguished from a complaint by virtue of the person clearly and purposefully asking for the decision to be reviewed so as to achieve a different outcome.

"Vexatious complaints" are those complaints which are made without sufficient grounds and are submitted only to cause disruption, delay or annoyance.

"Frivolous complaints" are those complaints which lack seriousness, sense or are made without an apparent purpose.

"Feedback" means those comments, which are sometimes framed as complaints, where the intent is clearly for the matter to be noted, but where there is no implied or expressed expectation of follow up, review or action.

4. POLICY STATEMENT

Principles

The following principles will be applied to the handling of complaints:

- The community should be aware of, and have access to, complaint making channels and the process to lodge a complaint. The process for handling the complaint should be communicated to the complainant.
- Each complaint will be considered on its merits. Complainants will be treated fairly, with impartiality, confidentiality and transparency being applied to the extent possible.

- Complaints will be taken seriously and sufficient resourcing will be allocated to handle complaints in a professional and timely manner.
- The outcome of a complaint should be used to improve the way the Council operates.
- The manner in which a complaint is handled, and by whom, will depend on the level of complexity and seriousness of the complaint. At all times, complaints should be handled by people competent to manage the process and communicate the outcomes.
- It is not a reasonable use of the Council's, i.e. the community's, resources to allocate time and money to investigating vexatious or frivolous complaints.
- Complainants should be informed of the outcome of any complaint requiring investigation.

Policy position

The following reflects the Council's position in respect to applying the above principles:

- The Council welcomes complaints as a way of improving its services and programs as well as providing an opportunity to improve services and operations or simply to 'put things right'.
- This policy will be made widely accessible to ensure that the Council's community, customers, stakeholders and partners are fully aware of their right to complain. Procedures associated with this policy, including information about how to lodge a complaint and how it will be handled, will be made available on the Council's website.
- Complaints will broadly be dealt with according to a three step approach, with complaints being dealt with at the first point of contact wherever possible:

Step 1 - Immediate response to resolve the complaint

All staff are empowered to handle complaints in the first instance and it is preferable that they are dealt with promptly at the initial point of contact and at the appropriate officer level.

Step 2 - Complaint escalated to a more senior officer

A complaint will be directed to a more senior officer in the Council, where circumstances indicate that the complaint would be more appropriately handled at a higher level. This may occur, for example, where an officer has been involved in the matter that is the subject of the complaint, where the complaint is about an issue that requires a decision to be made at a more senior level, or where a complaint concerns a matter that ranges across more than one Council work area.

Step 3 - Internal review of a Council decision by statutory process

Internal review of a Council decision is available under section 270 of the *Local Government Act 1999*. This is a process established by legislation that enables a Council to reconsider all the evidence relied on to make a decision, including new evidence if relevant. This process is generally a last resort in the complaint handling process, but may also be used in situations which are not able to be resolved by other means, such as a complaint about a decision of the CEO.

-
- Procedures will be developed which contain, as a minimum:
 - a. An approach to acknowledging the complaint.
 - b. The method to assess the nature, complexity and level of seriousness of the complaint, including whether there are specific statutory procedures or other agencies responsible for the type of complaint.
 - c. Criteria to determine the best approach according to the three tiers, including selection of an appropriate person to handle the complaint, being cognisant of the principle of impartiality.
 - d. Processes for undertaking investigations, which will vary depending on the nature and complexity of the complaint.
 - e. The process for communicating the outcome to the complainant.
 - f. Guidelines for advising the complainant of further avenues of complaint if they are not satisfied with the outcome.
 - g. Performance measures for the complaint handling procedures.
 - No distinction will be made between the method of making the complaint, i.e. complaints will be given the same regard whether they are made remotely or in person. Complaints made through any form of media will be accepted, but depending on the seriousness and complexity of the complaint, the complainant may be requested to provide further information in a defined form.
 - All complaints will be recorded in Council's records management system in such a way that the information can also be analysed for service improvement opportunities.
 - Complainants will be advised of the likely timeframe required to investigate and resolve a complaint and regularly updated as to progress where necessary.
 - Employees will be trained to manage complaints efficiently and effectively, and provided with a level of delegated authority appropriate for the nature of complaints they are expected to resolve.
 - Complaints deemed to be vexatious or frivolous will be responded to in a manner appropriate to the case, but generally without resources being allocated to undertake further investigation. The complainant should, where practicable, be advised that the complaint will not be progressed and why.
 - Feedback which does not constitute a complaint (see definitions) will be acknowledged and the feedback will be directed to the appropriate functional area, but in most cases, a formal investigation will not occur.
 - Complaints which constitute a request for a review of a Council decision will be treated according to the provisions of the Internal Review of Council Decision Policy.
 - Where complaints are found to be justified the Council will, where practicable, remedy the situation in a manner which is consistent and fair for both Council and complainants. The solution chosen will be proportionate and appropriate to the circumstances. As a general principle the complainant should, so far as possible, be put in the position he or she would have been in, had things not gone wrong. This may mean providing the desired service or changing a decision. Sometimes, however, it may only be possible to offer an apology.

- Where complainants make assertions that financial compensation is expected, the matter will need to be referred to the Local Government Association Mutual Liability Scheme for case management. The rules of the Scheme will be observed and this will be communicated to the complainant.

Special provisions

There are specific procedures which apply to particular types of complaints. If the complaint would be more properly dealt with by another process, this will be explained to the complainant at the outset. For example:

- Complaints against a Councillor, the Chief Executive Officer or employee staff under the applicable Code of Conduct
- Freedom of Information applications
- Claims for financial compensation, e.g. 'insurance claims'
- Persons claiming protection under whistle-blower protection legislation
- Decisions made under legislation other than the Local Government Act, such as the Development Act 1993 or Expiation of Offences Act 1996.

Employee code of conduct complaints

Where a person alleges:

- an employee (or a relative of an employee) has sought or received a gift or benefit that is, or could reasonably be taken to be, intended or likely to create a sense of obligation on the part of the employee to a person or to influence the employee in the performance or discharge of the employees functions or duties; or
- an employee has failed to record, or correctly record, details of a gift or benefit received by the employee (or a relative of an employee) on the gift and benefits register; or
- the Chief Executive Officer has not appropriately maintained a register for gifts and benefits received by employees of the Council,

they may submit a complaint alleging that an employee of council has contravened or failed to comply with the Code of Conduct for Council Employees, as prescribed in Schedule 2A of the Local Government (General) Regulations 2013.

A complaint of this nature must be given to the Chief Executive Officer. It will be investigated and resolved according to the industrial and human resource procedures of the Council.

In the case of a complaint against the Chief Executive Officer, a complaint must be given to the principal member of the Council, except in circumstances where it would be inappropriate to do so (such as where legislation requires the matter to which the complaint relates to remain confidential). In such circumstances the matter should be dealt with in accordance with the legislative requirements.

5. DELEGATION

The Chief Executive Officer has the delegation to approve, amend and review any procedures that shall be consistent with this Policy.

6. AVAILABILITY OF THE POLICY

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

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 12.5

Originating Officer: Mike Carey, Manager Financial Services

Responsible Director: Terry Crackett, Director Corporate Services

Subject: 2018-19 General Purpose Financial Statements

For: Decision

SUMMARY

This report presents the Adelaide Hills Council's 2018-19 General Purpose Financial Statements (**Appendix 1**) to Council for adoption and subsequent inclusion in the 2018-19 Annual Report.

The Audit Committee considered the 2018-19 General Purpose Financial Statements at its meeting on 18 November 2019 where it resolved to advise Council that it had reviewed the General Purpose Financial Statements and was satisfied that they presented fairly the state of affairs of the Council.

RECOMMENDATION

Council resolves:

1. That the report be received and noted.
 2. That, in accordance with Section 127 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999*, Council adopts the General Purpose Financial Statements for the financial year ended 30 June 2019.
 3. To authorise the Mayor and CEO to sign the General Purpose Financial Statements for the financial year ended 30 June 2019.
-

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal 5: Organisational Sustainability
Strategy: Governance

The Council is committed to open, participative and transparent decision making and administrative processes. We diligently adhere to legislative requirements to ensure public accountability and exceed those requirements where possible.

Cognisant that this matter is to be considered and, potentially resolved, during an ‘election period’ the provisions of the *Caretaker Policy* have been reviewed and it is not considered that resolving on this matter constitutes either a designated decision (prohibited by legislation) or a significant decision (prohibited by Policy).

➤ **Legal Implications**

Section 126 (4)(a) of the *Local Government Act 1999* required the Audit Committee to review the Financial Statements to ensure that they present fairly the state of affairs of the Council.

Section 127 of the *Local Government Act 1999* states that a council must prepare for each financial year financial statements and notes in accordance with standards prescribed by the regulations and that a copy of the audited statements be submitted by the council to the persons or bodies prescribed by the regulations on or before the day prescribed by the regulations.

➤ **Risk Management Implications**

Completing the year end general purpose financial statements in accordance with the timetable will assist in mitigating the risk of:

Loss of reputation as a result of not meeting legislative timelines for the delivery of Council's Annual Report.

Inherent Risk	Residual Risk	Target Risk
Medium (4D)	Low (2E)	Low (2E)

Council's Annual Report is required to be completed by 30 November each year. The adoption of the General Purpose Financial Statements at this meeting will assist in meeting this timeline.

➤ **Financial and Resource Implications**

The General Purpose Financial Statements (Financial Statements) are considered to be the most significant output from Council's financial management and reporting processes, and are required for inclusion in the Annual Report.

Funding and resources required to prepare the Financial Statements is provided for as part of the annual budget process.

The revaluation of Road assets that was undertaken as at 30 June resulted in a significant increase in valuation. Whilst not impacting on Council's cash position, this increased valuation will impact on future reported operating results given the increase in depreciation that results.

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

It is important to the Community to be aware and understand Council's financial result for the year in the context of its longer term financial sustainability. Council's audited Financial Statements are provided to the community within the Annual Report.

➤ **Environmental Implications**

Not applicable.

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

Council Committees: Council's Financial Statements were considered by the Audit Committee at its meeting on 18 November 2019.

Advisory Groups: Not applicable

Administration: A 2018-19 Preliminary End of Year Financial Results and Carry Forwards report was presented to Council on 27 August 2019. As part of this report all budget holders reviewed the end of year financial position for their respective areas of responsibility to ensure variations were identified and explained and reviewed by the Executive Leadership Team.

Community: Not applicable

2. BACKGROUND

At its 28 February 2018 meeting, Council resolved to appoint Galpins Accountants, Advisers and Business Consultants (Galpins) for the provision of external audit services for a period of three (3) years commencing with the audit of the 2017-18 financial year ending 30 June 2018.

The Annual Financial Statements (or General Purpose Financial Report) in **Appendix 1** have been prepared in accordance with Australian equivalents to international Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board and relevant South Australian local government legislation.

The Audit Committee considered the draft 2018-19 General Purpose Financial Statements at its meeting on 18 November 2019 where it resolved the following:

7.3. 2018-19 Draft General Purpose Financial Statements

Presentation by Juliano Freitas, Galpins

Moved Cr Leith Mudge

S/- Geoff Purdie

41/AC19

The Audit Committee resolves:

1. That the report be received and noted.
2. That in accordance with Section 126(4)(a) of the Local Government (Financial Management) Regulations 1999, the Audit Committee advises Council that it has reviewed:
 - a. the General Purpose Financial Statements of the Council for the financial year ended 30 June 2019 as contained in Appendix 1, and
 - b. the External Auditor Galpins' Audit Clearance Report as contained in Appendix 2, and is satisfied that they present fairly the state of affairs of the Council.
3. To recommend that the Adelaide Hills Council 2018-19 General Purpose Financial Statements, contained in Appendix 1, can be certified by the Chief Executive Officer and the Mayor.
4. That it notes the confirmation of Galpins Auditor Independence Statement provided as Appendix 3 and considers that the Certification of Auditor Independence statement contained in Appendix 4 can be certified by the Chief Executive Officer and the Presiding Member of the Audit Committee in accordance with the requirements of Regulation 22(3) of the Local Government (Financial Management) Regulations 2011.

Carried

3. ANALYSIS

Introduction

The following sections provide a summary in relation to key sections of the General Purpose Financial Statements.

3.1 Statement of Comprehensive Income

The Statement of Comprehensive Income shows an overall operating surplus of \$951k for 2018-19 compared with a surplus of \$508k for the previous year.

Statement of Comprehensive Income	2018-19 \$000s	2017-18 \$000s	Movement \$000s
Council	819	724	95
Equity Result from Subsidiaries	132	(216)	348
Operating Surplus	951	508	443

As shown above, Council's operating result is similar to the previous year, but was impacted on by a number of large one off items between the two years, as discussed below.

Overall, Council's operating revenue increased by \$1.0m (2.3%) with expenditure increasing by \$584k (1.3%). Key movements from 2017-18 include:

- General rates increase of \$1.0m, reflecting the general rates increase of 3.3% and rates growth of 0.8%. (refer Note 2a in the Financial Statements).
- User charges of just over \$1m, were \$472k less than the previous year as a result of the following:
 - the sale of all but one of Council's retirement villages in October 2018
 - reduced rental income as a result of the divestment of the southern side of the Adelaide Hills Business and Tourism Centre holdings in September 2018
 - the loss of the recyclable income stream as a result of the China Sword impact
- Operating Grants, Subsidies and Contributions decreased by \$385k from the previous year with a number of offsets relating to timing of grants. These include:
 - Receipt of the 2018-19, 2019-20 and 2020-21 Supplementary Local Roads Grants totalling \$1.0m in the current year in comparison to \$353k recorded in 2017-18
 - Receipt of a contribution from the State Government of \$393k compared to \$1.1m in 2017-18 to cover repair to public infrastructure and disaster operations from a storm event in the previous year
 - A reduction in Roads to Recovery grant funding of \$656k from over \$1m in 2017-18 to \$368k in 2018-19 as a result of larger road funding being paid in previous years. The 2018-19 financial year was the last year of a 5 year program
 - a Financial Assistance Grant reduction of \$71k as a result of Council receiving 2 quarters of the grants in the previous financial year. For 2017-18 Council recorded \$77k more than the 2017-18 untied financial assistance grant as it is required to be treated on a cash basis, whereas for 2018-19, Council recorded \$11k less than the actual 2018-19 Financial Assistance Grant allocation. This is also referenced in Section 3 Income Recognition under Financial Statements Note 1 Summary of Significant Accounting Policies.
 - Sundry grants of \$570k were over \$300k higher than the previous year, and largely related to a contribution of \$200k by DPTI to the Kersbrook Primary School Koala Crossing and a number of smaller one off grants
- Employee Costs increased in line with:
 - Council's Enterprise Development Agreement increase for the year
 - increases in Community Home Support employee costs which was offset by a \$50k increase in the grant allocation received, and
 - changes from the previous year FTE complement for the following positions, namely Senior Infrastructure Planning Officer, Governance & Risk Coordinator, Corporate Planning and Performance Coordinator, Procurement Coordinator, Arts & Heritage Hub Director, Public Programs Officer, Fabrik and CWMS Officer.
- The reduction in Materials, Contracts & Other Expenses of \$730k to \$19.2m was largely as a result of the inclusion of \$1.2m in 2017-18 that related to the additional provisioning of remediation and post closure costs for closed landfills within the Council area as opposed to \$170k for 2018-19. This decrease was offset by:
 - increases in waste costs of \$201k due to the increased cost of disposal of recyclables as a result of the China Sword, and
 - an increase in contractor costs of \$200k relating to the Kersbrook Primary School koala crossing expenditure. This project is being delivered by Council on behalf of DPTI and as such is treated as operating expenditure (offset by funding)
 - Depreciation increased by \$580k from the previous year across a number of categories with the most significant increases occurring in the buildings,

stormwater, Community Wastewater Management System assets and roads asset categories .

- Council's net result from Equity Accounted Council Businesses was a net gain of \$132k in comparison to a loss of \$216k for the previous year. This improvement largely relates to the Adelaide Hills Regional Waste Management Authority which has been impacted in previous years as a result of legal costs in defending a claim in the Supreme Court.

3.2 Statement of Financial Position

Statement of Financial Position	2018-19 \$'000	2017-18 \$'000	Movement \$'000
Assets	431,566	376,320	55,246
Liabilities	19,954	28,173	(8,219)
Net Assets	411,612	348,628	62,984

The Statement of Financial Position shows the total assets and total liabilities held by Council. As at 30 June 2019, the overall net assets (total assets less total liabilities) held by Council was \$411.6m compared with \$348.6m for the previous year, representing an increase in equity of \$63.0m. The increase in equity is represented largely by an increase in asset valuation of \$59.5m together with the Net Surplus of \$3.3m.

All infrastructure assets categories as well as buildings were revalued in 2018-19 with a significant increase in road assets (\$53m, previously revalued using cost indices) with relatively minor increases in all other revalued asset categories.

During the year, Council sold the majority of its retirement villages and divested some of its property holdings at Adelaide Hills Business and Tourism Centre site at Lobethal.

In terms of Infrastructure Property Plant & Equipment it is also noted that:

- an amount of \$1.5m has been transferred to Non-current Assets held for Resale recognising the settlement in the 2019-20 financial year of land and buildings on the northern side of the Adelaide Hills Business & Tourism Centre (AHBTC) site.
- whilst Council entered into a Contract for the divestment of the Council's retirement village portfolio in August 2018, there were a number of contractual requirements to work through as part of the sale. As such, given that the definition of a non-current assets held for sale is highly restrictive, the sale of one remaining retirement village, Bridgewater is still conditional and as such has remained under land and buildings in the Statement for Financial Position.

Borrowings at 30 June 2019 of \$10.0m, were favourable to budget and a reduction of \$4.9m from the balance at 30 June 2018 of \$14.9m.

3.3 Cash Flow Statement

Statement of Cash Flows	2018-19 \$'000	2017-18 \$'000	Movement \$'000
Net cash from Operating Activities	10,341	11,710	(1,369)
Net cash from Investing Activities	(3,830)	(13,363)	9,533
Cash Flows from Financing Activities	(78)	(122)	44
Net Increase/(Decrease) in Cash Held	6,433	(1,775)	8,208
Cash & Cash Equivalents	2,024	(4,409)	6,433

Council generated \$10.3m from its Operating Activities during the financial year compared to \$11.7m during 2017-18. The reduction in net cash from operating activities from the previous year largely related to the decrease in cash received from operating grants as well as the reduction in user charges as a result of the sale of retirement villages and AHBTC divestments. Details of how this reconciles with the net surplus and changes in net assets are shown in Note 11 of the Financial Statements.

During the year, Council spent just under \$14.0m on the construction and purchase of renewal and new assets compared to \$14.7m in 2017-18.

The resultant Cash Flow Statement shows a repayment of Council's short term borrowing of \$4.9m by year end as a result of asset sales and a balance of cash and cash equivalents of \$2.0m at 30 June 2019.

3.4 Financial Key Performance Indicators

These Financial Indicators have been calculated in accordance with Information Paper 9 – Local Government Financial Indicators revised in May 2015 and included as 'Note 15 Financial Indicators' within the Financial Statements.

Financial Indicators	2018-19	2017-18	2016-17
Operating Surplus	2%	1%	1%
Adjusted Operating Surplus Ratio *	1%	1%	(1%)
Net Financial Liabilities Ratio	34%	55%	47%
Asset Sustainability Ratio	93%	121%	75%

*The Adjusted Operating Surplus Ratio removes the distortion of Federal Government advance payments in 2017-18 and 2018-19.

Overall, given the 2018-19 result, Council is well positioned to continue to be financially sustainable. Council will continue to review and monitor future financial results and its financial position in conjunction with its Long Term Financial Plan (LTFP).

3.4.1 Operating Surplus Ratio

This ratio expresses the operating surplus as a percentage of total operating revenue.

As mentioned above, there are a number of offsetting items that have had a financial impact on the ratio for 2018-19. However, as they largely balance out, the result has not changed significantly from the previous year with an increase of 1% to 2% and is in Council's target range of 0% - 10%.

3.4.2 Adjusted Operating Surplus Ratio

This ratio removes the distortion of Federal Government advance grant payments movement of \$11k reduction and the \$690k of 2019-20 and 2020-21 Supplementary Local Roads Grants paid in advance, from Operating Surplus, reducing the ratio to 1%. The \$11k represents the advance payment of two quarters of the 2019-20 Federal Assistance Grant of \$836k offset by \$847k, also representing two quarters of the 2018-19 Grant received in June 2018.

3.4.3 Net Financial Liabilities Ratio

This ratio expresses the net financial liabilities as a percentage of total operating revenue with Council's target range being between 0% to 100%.

As a result of asset sales and the subsequent reduction in short term borrowings, Council's net financial liabilities has decreased reasonably significantly to 34% at 30 June 2019. As per the previous year, this ratio is well within Council's target range and in alignment with the LTFP.

3.4.4 The Asset Renewal Funding Ratio

This is a ratio that represents the net cost of replacing assets compared to the level of depreciation. Council's target range is between 90% and 110%.

The 2018-19 ratio of 93% reflects an amount less than 100% as a result of the carrying forward of renewal expenditure of \$2.7m to 2019-20. The ratio for 2018-19 is within Council's target range of 90% to 110%.

3.5 2018-19 Audit Clearance Report

The role of the external auditor is to provide an audit opinion to Council with respect to the General Purpose Financial Statements. In addition, Council's Auditor Galpins is required to provide an opinion on the compliance of the Adelaide Hills Council with the requirements of Section 125 of the *Local Government Act 1999* in relation to the Internal Controls established by the Council.

The Council is responsible for implementing and maintaining an adequate system of internal controls in accordance with Section 125 of the *Local Government Act 1999*.

The Auditor's responsibility is to express a conclusion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council for the period 1 July 2018 to 30 June 2019 to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law in all material respects.

The Auditors procedures included assessing the controls of Council based on the criteria in the *Better Practice Model—Internal Financial Controls*.

The External Auditors Galpins have provided their final Audit Completion Report on matters arising from the audit. This Audit Completion Report (see **Appendix 2**) indicates that Galpins intend to issue unmodified opinions in relation to the financial statements and internal controls.

4. OPTIONS

Council has the following options:

- I. To adopt the General Purpose Financial Statements as recommended by the Audit Committee; or
- II. To defer adoption of the General Purpose Financial Statements in order for further information to be provided.

5. APPENDICES

- (1) 2018-19 General Purpose Financial Statements
- (2) Galpins Final Audit Completion Report

Appendix 1

2018-19 General Purpose Financial Statements

Adelaide Hills Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Adelaide Hills - A place for everyone



General Purpose Financial Statements
for the year ended 30 June 2019

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General Purpose Financial Statements

for the year ended 30 June 2019

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

Andrew Aitken
CHIEF EXECUTIVE OFFICER

Jan-Claire Wisdom
MAYOR

Date:

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Income			
Rates Revenues	2a	36,915	35,512
Statutory Charges	2b	1,172	1,069
User Charges	2c	1,007	1,479
Grants, Subsidies and Contributions	2g	5,123	5,508
Investment Income	2d	41	30
Reimbursements	2e	516	447
Other Income	2f	648	488
Net Gain - Equity Accounted Council Businesses	19	138	-
Total Income		45,560	44,533
Expenses			
Employee Costs	3a	15,923	14,956
Materials, Contracts & Other Expenses	3b	19,231	19,961
Depreciation, Amortisation & Impairment	3c	8,826	8,246
Finance Costs	3d	623	646
Net loss - Equity Accounted Council Businesses	19	6	216
Total Expenses		44,609	44,025
Operating Surplus / (Deficit)		951	508
Asset Disposal & Fair Value Adjustments	4	(95)	(2,401)
Amounts Received Specifically for New or Upgraded Assets	2g	425	867
Physical Resources Received Free of Charge	2h	1,982	2,068
Net Surplus / (Deficit) ¹		3,263	1,042
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	59,526	55,488
Share of Other Comprehensive Income - Equity Accounted Council Businesses		240	20
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	9a	(184)	-
Other Equity Adjustments - Equity Accounted Council Businesses		139	32
Total Other Comprehensive Income		59,721	55,540
Total Comprehensive Income		62,984	56,582

¹ Transferred to Statement of Changes in Equity

Adelaide Hills Council

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	2,025	491
Trade & Other Receivables	5b	2,541	2,853
Inventories	5c	19	13
Subtotal		4,585	3,357
Non-Current Assets Held for Sale	20	1,530	1,260
Total Current Assets		6,115	4,617
Non-Current Assets			
Financial Assets	6a	-	50
Equity Accounted Investments in Council Businesses	6b	1,350	838
Infrastructure, Property, Plant & Equipment	7a	424,101	370,815
Total Non-Current Assets		425,451	371,703
TOTAL ASSETS		431,566	376,320
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	5,446	8,645
Borrowings	8b	62	4,918
Provisions	8c	3,048	3,478
Total Current Liabilities		8,556	17,041
Non-Current Liabilities			
Borrowings	8b	10,000	10,000
Provisions	8c	1,398	651
Total Non-Current Liabilities		11,398	10,651
TOTAL LIABILITIES		19,954	27,692
Net Assets		411,612	348,628
EQUITY			
Accumulated Surplus		141,348	137,081
Asset Revaluation Reserves	9a	269,691	210,121
Other Reserves	9b	573	1,426
Total Council Equity		411,612	348,628

Statement of Changes in Equity
for the year ended 30 June 2019

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2019					
Balance at the end of previous reporting period		137,081	210,121	1,426	348,628
a. Net Surplus / (Deficit) for Year		3,263	-	-	3,263
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	59,526	-	59,526
- IPP&E Impairment (Expense) / Recoupments Offset to ARR	7a	-	(184)	-	(184)
- Share of OCI - Equity Accounted Council Businesses	19	12	228	-	240
- Other Equity Adjustments - Equity Accounted Council Businesses	19	139	-	-	139
Other Comprehensive Income		151	59,570	-	59,721
Total Comprehensive Income		3,414	59,570	-	62,984
c. Transfers between Reserves		853	-	(853)	-
Balance at the end of period		141,348	269,691	573	411,612
2018					
Balance at the end of previous reporting period		135,571	154,633	1,842	292,046
a. Net Surplus / (Deficit) for Year		1,042	-	-	1,042
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	55,488	-	55,488
- Share of OCI - Equity Accounted Council Businesses	19	20	-	-	20
- Other Equity Adjustments - Equity Accounted Council Businesses	19	32	-	-	32
Other Comprehensive Income		52	55,488	-	55,540
Total Comprehensive Income		1,094	55,488	-	56,582
c. Transfers between Reserves		416	-	(416)	-
Balance at the end of period		137,081	210,121	1,426	348,628

Adelaide Hills Council

Statement of Cash Flows

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		37,094	35,348
Statutory Charges		1,172	1,069
User Charges		1,007	1,479
Grants, Subsidies and Contributions (operating purpose)		5,183	6,322
Investment Receipts		41	30
Reimbursements		516	447
Other Receipts		622	246
<u>Payments</u>			
Payments to Employees		(15,723)	(15,199)
Payments for Materials, Contracts & Other Expenses		(18,950)	(17,386)
Finance Payments		(623)	(646)
Net Cash provided by (or used in) Operating Activities	11b	10,339	11,710
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		425	867
Sale of Replaced Assets		497	489
Sale of Surplus Assets		7,942	-
Sale of Investment Property		1,204	-
Repayments of Loans by Community Groups		72	43
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(10,090)	(10,493)
Expenditure on New/Upgraded Assets		(3,877)	(4,251)
Capital Contributed to Equity Accounted Council Businesses		-	(18)
Net Cash provided by (or used in) Investing Activities		(3,827)	(13,363)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		-	1
<u>Payments</u>			
Repayments of Borrowings		(77)	(33)
Repayment of Bonds & Deposits		(1)	-
Repayment of Aged Care Facility Deposits		-	(90)
Net Cash provided by (or used in) Financing Activities		(78)	(122)
Net Increase (Decrease) in Cash Held		6,434	(1,775)
plus: Cash & Cash Equivalents at beginning of period	11	(4,409)	(2,634)
Cash & Cash Equivalents at end of period	11	2,025	(4,409)

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

Adelaide Hills Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 63 Mt Barker Road, Stirling 5152. These financial statements

include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Other entities in which Council has an interest but does not control are reported in Note 19.

3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$2,265,645	\$1,494,710	+ \$770,935
2017/18	\$1,597,298	\$1,520,627	+\$76,671
2018/19	\$1,526,078	\$1,537,852	- \$11,774

In addition, the 2019/20 and 2020/21 Supplementary Local Road Grants of \$690,138 was paid in advance in June 2019.

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense. Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

5.2 Other Real Estate Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$5,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$5,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000
Artworks	\$5,000

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and how the asset categories are valued are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment

Office Furniture and Equipment	5 to 10 years
Vehicles and Road-making Equip	10 years
Other Plant & Equipment	5 to 10 years

Building & Other Structures

Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years

Infrastructure

Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years

Other Assets

Artworks	indefinite
----------	------------

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

11 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries the entire risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

payments are charged to expense over the lease term.

12 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

13 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

14 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

15 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

Adelaide Hills Council early adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* from the year ended 30 June 2018 and as such the application of these are included in the preparation of these financial reports.

AASB 15 – *Revenue from Contracts* and AASB 1058 *Income of Not-for-Profit Entities* impact on the timing of recognition of income such that it depends on whether such a transaction gives rise to a liability or other performance obligation related to an asset received by Council.

The early adoption resulted in capital and other special purpose grants for which there is a reasonable likelihood that the grants will have to be refunded if obligations are not discharged in accordance with terms and conditions, being recognised as a current liability titled Grants – Deferred Revenue until funds are expended in accordance with the relevant agreements.

Other than AASB 15 and AASB 1058 adopted previously, Adelaide Hills Council has not applied any Australian Accounting Standards and

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

Interpretations that have been issued but are not yet effective. Council will implement them when they are effective.

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. Although the effect on profit and loss will be non-material, the value of the Right of use asset, and the lease liability, to be disclosed is \$300k at 30 June 2019.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements.

The standards are not expected to have a material impact upon Council's future financial statements are:

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 1059 Service Concession Arrangements: Grantors (Appendix D)
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments

- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

Effective for annual reporting periods beginning on or after 1 January 2021

- AASB 17 Insurance Contracts
- AASB 17 Insurance Contracts (Appendix D)

16 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

17 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 2. Income

\$ '000	Notes	2019	2018
(a). Rates Revenues			
General Rates			
General Rates		34,523	33,141
Less: Mandatory Rebates		(241)	(218)
Less: Discretionary Rebates, Remissions & Write Offs		(247)	(172)
Total General Rates		34,035	32,751
Other Rates (Including Service Charges)			
Natural Resource Management Levy		975	931
Community Wastewater Management Systems		1,646	1,478
Separate & Special Rates		4	5
Stirling Business Association Separate Rate		85	87
Total Other Rates		2,710	2,501
Other Charges			
Penalties for Late Payment		106	176
Legal & Other Costs Recovered		64	84
Total Other Charges		170	260
Total Rates Revenues		36,915	35,512
(b). Statutory Charges			
Development Act Fees		526	452
Animal Registration Fees & Fines		407	421
Parking Fines / Expiation Fees		38	28
Other Licences, Fees & Fines		112	103
Searches		89	65
Total Statutory Charges		1,172	1,069
(c). User Charges			
Cemetery/Crematoria Fees		278	328
Community Centres		123	127
Sundry		82	163
Adelaide Hills Business and Tourism Centre (AHBTC)		397	495
Retirement Villages		127	366
Total User Charges		1,007	1,479

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		6	6
- Banks & Other		33	16
- Loans to Community Groups		2	8
Total Investment Income		41	30
(e). Reimbursements			
Private Works		15	8
Electricity		304	227
Other		197	212
Total Reimbursements		516	447
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		284	201
Sundry		364	287
Total Other Income		648	488
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		425	867
Total Amounts Received Specifically for New or Upgraded Assets		425	867
Supplementary Local Roads Funding		1,035	353
Untied - Financial Assistance Grant		1,526	1,597
Roads to Recovery		368	1,024
Home and Community Care Grant		948	899
Library and Communications		283	285
Sundry		570	262
Natural Disaster Recovery Funding		393	1,088
Total Other Grants, Subsidies and Contributions		5,123	5,508
Total Grants, Subsidies, Contributions		5,548	6,375
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		3,483	3,093
State Government		1,724	3,068
Other		341	214
Total		5,548	6,375
(ii) Individually Significant Items			
Grant Commission (FAG) Grant in Advance Recognised as Income		836	847
Supplementary Local Roads Grants in Advance Recognised as Income		690	-

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(h). Physical Resources Received Free of Charge			
Land & Improvements		1,982	-
Roads, Bridges & Footpaths		-	129
Stormwater Drainage		-	1,100
Kerb & Gutter		-	14
Retaining Walls		-	350
Public Artwork		-	475
Total Physical Resources Received Free of Charge		1,982	2,068

Note 3. Expenses

(a). Employee Costs

Salaries and Wages		12,454	11,517
Employee Leave Expense		2,803	2,721
Superannuation - Defined Contribution Plan Contributions	18	1,156	1,054
Superannuation - Defined Benefit Plan Contributions	18	232	249
Workers' Compensation Insurance		374	435
Personal Income Protection Insurance		242	217
Other		112	27
Less: Capitalised and Distributed Costs		(1,450)	(1,264)
Total Operating Employee Costs		15,923	14,956
Total Number of Employees (full time equivalent at end of reporting period)			
		183	171

(b). Materials, Contracts and Other Expenses

(i) Prescribed Expenses

Auditor's Remuneration			
- Auditing the Financial Reports		25	18
Bad and Doubtful Debts		-	(23)
Elected Members' Expenses		417	372
Election Expenses		59	46
Operating Lease Rentals - Cancellable Leases		299	332
Subtotal - Prescribed Expenses		800	745

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
(b). Materials, Contracts and Other Expenses (continued)			
(ii) Other Materials, Contracts and Expenses			
Contractors		6,897	6,649
Energy		710	697
Legal Expenses		278	255
Levies Paid to Government - NRM levy		966	920
Levies - Other		558	571
Parts, Accessories & Consumables		2,737	2,791
Professional Services		106	103
Sundry		424	519
Contributions & Donations		710	735
Insurance		580	585
Work-in-Progress Write-off		65	119
Landfill Remediation		170	1,187
Waste		3,810	3,664
Telephone (incl data)		228	224
Bank Fees		84	87
Licencing - ICT		108	110
Subtotal - Other Material, Contracts & Expenses		18,431	19,216
Total Materials, Contracts and Other Expenses		19,231	19,961
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings		1,242	1,147
Infrastructure			
- Stormwater		482	386
- Community Wastewater Management Systems		398	297
- Roads		3,803	3,689
- Bridges		284	270
- Footpaths		403	367
- Retaining Walls		146	128
- Guardrails		140	139
- Kerb & Gutter		396	390
- Traffic Controls		41	41
- Street Furniture		83	69
- Sport & Recreation		337	313
- Playgrounds		83	83
- Cemeteries		35	33
Plant & Equipment		870	865
Furniture & Fittings		83	29
Subtotal		8,826	8,246
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		8,826	8,246

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
(d). Finance Costs			
Interest on Overdraft and Short-Term Drawdown		50	76
Interest on Loans		573	570
Total Finance Costs		623	646

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced

Proceeds from Disposal	497	489
Less: Carrying Amount of Assets Sold	(1,719)	(2,890)
Gain (Loss) on Disposal	(1,222)	(2,401)

(ii) Assets Surplus to Requirements

Proceeds from Disposal	11,235	-
Less: Carrying Amount of Assets Sold	(7,994)	-
Less: Other Amounts Relating to the Sale of Surplus Assets	(2,059)	-
Gain (Loss) on Disposal	1,182	-

Non-Current Assets Held for Sale

Proceeds from Disposal	1,204	-
Less: Carrying Amount of Assets Sold	(1,259)	-
Gain (Loss) on Disposal	(55)	-

Net Gain (Loss) on Disposal or Revaluation of Assets	(95)	(2,401)
---	-------------	----------------

Note 5. Current Assets

(a). Cash & Cash Equivalents

Cash on Hand at Bank	1,651	124
Short Term Deposits & Bills, etc.	374	367
Total Cash & Cash Equivalents	2,025	491

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 5. Current Assets (continued)

\$ '000	Notes	2019	2018
(b). Trade & Other Receivables			
Rates - General & Other		1,278	1,476
Council Rates Postponement Scheme		95	76
Accrued Revenues		577	712
Debtors - General		363	297
Other Levels of Government		72	132
Prepayments		156	140
Loans to Community Organisations		-	22
Subtotal		2,541	2,855
Less: Allowance for Doubtful Debts		-	(2)
Total Trade & Other Receivables		2,541	2,853
(c). Inventories			
Stores & Materials		19	13
Total Inventories		19	13

Note 6. Non-Current Assets

(a). Financial Assets

Receivables

Loans to Community Organisations		-	50
Total Receivables		-	50
Total Financial Assets		-	50

(b). Equity Accounted Investments in Council Businesses

Gawler River Floodplain Management Authority (GRFMA)	19	878	600
Eastern Waste Management Authority (EWMA)	19	101	69
Adelaide Hills Regional Waste Management Authority (AHRWMA)	19	371	169
Total Equity Accounted Investments in Council Businesses		1,350	838

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 7a (i). Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2018				Asset Movements during the Reporting Period											as at 30/6/2019			
		At	At	Acc.	Carrying	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in Equity) (Note 9)	WIP Transfers	Adjustments & Transfers	Other Physical Resources Free of Charge	Tfrs from/(to) "Held for Sale" category	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At	At	Acc.	Carrying
		Fair Value	Cost	Dep'n	Value	New / Upgrade	Renewals										Fair Value	Cost	Dep'n	Value
Capital Work in Progress		-	2,804	-	2,804	3,877	10,090	(1,043)	-	-	(12,730)	-	-	-	-	-	-	2,997	-	2,997
Land - Community		87,161	-	-	87,161	-	-	(1,631)	-	(49)	-	-	1,982	(408)	-	1,560	88,615	-	-	88,615
Buildings	3	73,614	-	25,522	48,092	-	-	(7,473)	(1,242)	(135)	1,759	-	-	(1,122)	-	626	65,282	-	24,777	40,505
Infrastructure																				
- Stormwater	3	37,279	-	10,489	26,790	-	-	(5)	(482)	-	1,036	-	-	-	-	913	39,600	-	11,348	28,252
- Community Wastewater Management Systems	3	19,091	-	5,708	13,383	-	-	(15)	(398)	-	580	-	-	-	-	405	20,253	-	6,298	13,955
- Roads	3	213,604	-	84,119	129,485	-	-	(1,042)	(3,803)	-	4,741	(195)	-	-	-	53,331	285,788	-	103,271	182,517
- Bridges	3	17,399	-	7,765	9,634	-	-	(24)	(284)	-	243	-	-	-	-	321	18,210	-	8,320	9,890
- Footpaths	3	13,186	-	5,347	7,839	-	-	(90)	(403)	-	1,107	-	-	-	(419)	-	14,828	-	6,794	8,034
- Retaining Walls	3	7,839	-	2,125	5,714	-	-	(1)	(146)	-	213	-	-	-	-	1,907	11,275	-	3,588	7,687
- Guardrails	3	6,282	-	1,155	5,127	-	-	-	(140)	-	64	-	-	-	-	173	6,564	-	1,339	5,225
- Kerb & Gutter	3	31,450	-	16,655	14,795	-	-	(66)	(396)	-	422	-	-	-	-	500	32,728	-	17,472	15,256
- Traffic Controls	3	2,096	-	757	1,339	-	-	(4)	(41)	-	-	-	-	-	-	24	2,124	-	806	1,318
- Street Furniture	3	3,210	-	1,289	1,921	-	-	(3)	(83)	-	91	(463)	-	-	-	26	2,446	-	956	1,490
- Sport & Recreation	3	16,527	-	9,517	7,010	-	-	(4)	(337)	-	793	-	-	-	-	124	17,496	-	9,911	7,585
- Playgrounds	3	1,721	-	587	1,134	-	-	-	(83)	-	-	-	-	-	-	19	1,753	-	683	1,070
- Cemeteries	3	1,933	-	1,247	686	-	-	-	(35)	-	69	-	-	-	-	16	2,041	-	1,306	735
- Other Infrastructure		-	-	-	-	-	-	-	-	-	-	1,568	-	-	-	-	-	2,196	628	1,568
Plant & Equipment		-	11,041	5,581	5,460	-	-	(372)	(870)	-	1,449	1,319	-	-	-	-	-	12,543	5,556	6,987
Furniture & Fittings		-	3,655	2,002	1,653	-	-	-	(83)	-	163	(1,318)	-	-	-	-	-	2,748	2,333	415
Public Artworks		-	788	-	788	-	-	-	-	-	-	(788)	-	-	-	-	-	-	-	-
Total Infrastructure, Property, Plant & Equipment		532,392	18,288	179,865	370,815	3,877	10,090	(11,772)	(8,826)	(184)	-	123	1,982	(1,530)	(419)	59,945	609,003	20,484	205,386	424,101
Comparatives		490,115	17,205	196,287	311,033	4,251	10,493	(2,890)	(8,246)	-	-	(122)	2,068	(1,260)	-	55,488	532,392	18,288	179,865	370,815

Note 7a (ii). Investment Property

Nil

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

\$ '000

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Other Information (continued)

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land & Land Improvements

Council being of the opinion that it is not possible to attribute value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports.

Land - Level 2: The majority of land is based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset. Land assets revaluation was undertaken by Council officers based on the Valuer General's site values as at 1 January 2018.

Land - Level 3: Crown Land which is subject to restriction for its use or sale has been valued by Council officers based on the Valuer General's site values as at 1 January 2018 less allowances for the restriction on sale (requiring Ministerial consent) which are unobservable inputs that have a significant effect on valuation.

Buildings & Other Structures

- Basis of valuation: Fair Value
- Date of valuation: 1 July 2017.
- Valuer: APV Valuers & Asset Management
- Council discloses Buildings as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement, and the level of fair value hierarchy to be Level 3, as no relevant observable inputs (Markets) are available.
- There were no Assets Valued where it was considered that the highest and best use was other than its current use.

Infrastructure

- Council discloses each of the above as an individual class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement, and the level of fair value hierarchy to be Level 3, as no relevant observable inputs (Markets) are available.
- There were no Assets Valued where it was considered that the highest and best use was other than its current use.

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Infrastructure (continued)

Roads, Footpaths & Retaining Walls

- Valuations were derived as at June 2019 referencing individual rates in Rawlinsons and Council Contracts to determine an overall rate for Council assets including road seal, road pavement, footpaths and retaining walls by Steve Walker, Principal, Asset Engineering.
- Road Seals rates were established by using Council's recent contract rates for resealing which includes profiling, raising top stones, supply and laying of asphaltic concrete and supply and laying of spray seal
- Road Pavement rates were established by using rates from Rawlinsons applicable to the reconstruction of road pavements and compared against Council's actual costs.
- Footpath rates were established by using rates from Council's schedule of rates contract to establish rates for brick paved, asphaltic concrete and concrete.
- Retaining Wall rates were established by using rates from Rawlinsons for retaining walls on a square metre basis for differing heights and referenced against Council's actual constructions in previous years

Stormwater, Bridges, Guardrails, Kerb & Gutter, Traffic Controls, Street Furniture, Sport and Recreation Facilities (S&R), Playgrounds and Cemeteries

- Valuations were performed by Council Officers at depreciated current replacement cost at 30 June 2019 based on Australia Bureau of Statistics Time Series data, Tables 17 (Construction Industries) specific to Adelaide for June 2019

Community Wastewater Management Systems (CWMS)

- Basis of valuation: Fair Value
- Date of valuation: 1 July 2017 noting that effective date of valuation as per APV Valuers is 30 June 2017
- Valuer: APV Valuers & Asset Management

Plant & Equipment

- Basis of valuation: Historic Cost

Furniture & Fittings

- Basis of valuation: Historic Cost

All Other Assets

- Basis of valuation: Deemed Cost

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 8. Liabilities

\$ '000	Notes	2019 Current	2019 Non Current	2018 Current	2018 Non Current
(a). Trade and Other Payables					
Goods & Services		3,351	-	2,936	-
Payments Received in Advance		622	-	715	-
Accrued Expenses - Employee Entitlements		425	-	391	-
Accrued Expenses - Other		197	-	351	-
Aged Care Facility Deposits		782	-	4,075	-
Deposits, Retentions & Bonds		4	-	5	-
Other		65	-	172	-
Total Trade and Other Payables		5,446	-	8,645	-
(b). Borrowings					
Bank Overdraft		-	-	4,900	-
Loans		62	10,000	18	10,000
Total Borrowings		62	10,000	4,918	10,000
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Employee Entitlements (including oncosts)		2,843	109	2,695	89
Future Reinstatement / Restoration, etc		205	1,289	783	562
Total Provisions		3,048	1,398	3,478	651

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 9. Reserves

\$ '000	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
(a). Asset Revaluation Reserve					
Land - Community	59,752	1,560		(49)	61,264
Buildings	31,564	626	-	(135)	32,055
Infrastructure					
- Stormwater	18,563	913	-	-	19,476
- Community Wastewater Management Systems	5,221	405	-	-	5,626
- Roads	64,463	53,331	-	-	117,794
- Bridges	4,072	321	-	-	4,393
- Footpaths	533	(419)	-	-	114
- Retaining Walls	2,604	1,907	-	-	4,511
- Guardrails	2,932	173	-	-	3,105
- Kerb & Gutter	13,544	500	-	-	14,044
- Traffic Controls	540	24	-	-	564
- Street Furniture	1,209	26	-	-	1,235
- Sport & Recreation	2,817	124	-	-	2,941
- Playgrounds	89	19	-	-	108
- Cemeteries	2,217	16	-	-	2,233
JV's / Associates - Other Comprehensive Income	-	228	-	-	228
Total Asset Revaluation Reserve	210,121	59,754	-	(184)	269,691
Comparatives	154,633	55,488	-	-	210,121

\$ '000	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
(b). Other Reserves					
Investment in Associates	324	-	-	(324)	-
Community Wastewater Management Systems	388	-	(200)	-	188
Retirement Village Lobethal	72	-	-	(72)	-
Retirement Village Woodside	217	-	-	(217)	-
Retirement Village Fee Bond	42	-	-	(42)	-
Torrens Valley Community Centre	137	-	-	-	137
Library	1	-	-	-	1
Scott Creek Progress Association	6	-	-	-	6
Environmental Fund Reserve	232	-	-	-	232
Significant Trees Reserve	7	2	-	-	9
Total Other Reserves	1,426	2	(200)	(655)	573
Comparatives	1,842	27	(443)	-	1,426

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2019	2018
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p>			
Cash & Financial Assets			
Unexpended amounts received from State or Federal Government			
Community Wastewater Management Systems Investigations		351	345
Total Cash & Financial Assets		351	345
Total Assets Subject to Externally Imposed Restrictions		351	345

Note 11. Reconciliation to Statement of Cash Flows

(a). Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Total Cash & Equivalent Assets	5	2,025	491
Less: Short-Term Borrowings	8	-	(4,900)
Balances per Statement of Cash Flows		2,025	(4,409)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 11. Reconciliation to Statement of Cash Flows (continued)

\$ '000	Notes	2019	2018
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		3,263	1,042
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		8,826	8,246
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(132)	216
Non-Cash Asset Acquisitions		(1,982)	(2,068)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(425)	(867)
Net (Gain) Loss on Disposals		95	2,401
Expense of Capital Items		-	121
		9,645	9,091
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		292	(94)
Change in Allowances for Under-Recovery of Receivables		-	28
Net (Increase)/Decrease in Inventories		(6)	1
Net (Increase)/Decrease in Other Current Assets		(2)	(56)
Net Increase/(Decrease) in Trade & Other Payables		96	1,449
Net Increase/(Decrease) in Unpaid Employee Benefits		168	104
Net Increase/(Decrease) in Other Provisions		149	1,186
Net Increase/(Decrease) in Other Liabilities		(3)	1
Net Cash provided by (or used in) operations		10,339	11,710
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2h	1,982	2,068
Amounts recognised in Income Statement		1,982	2,068
Total Non-Cash Financing & Investing Activities		1,982	2,068
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdrafts		200	200
Corporate Credit Cards		180	180
Asset Finance - Leasing		750	600
LGFA Cash Advance Debenture Facility		10,200	10,200

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Adelaide Hills Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
\$ '000										
Business Undertakings	-	-	-	-	-	-	-	-	431,566	376,320
Community Capacity	1,727	1,541	6,755	5,930	(5,028)	(4,389)	1,440	1,319	-	-
Corporate Services	38,089	38,297	9,664	11,255	28,425	27,042	817	822	-	-
Infrastructure & Operations	4,537	3,312	24,712	16,401	(20,175)	(13,089)	2,783	4,139	-	-
Development & Regulatory Services	1,207	1,384	3,478	10,439	(2,271)	(9,056)	83	95	-	-
Total Functions/Activities	45,560	44,533	44,609	44,025	951	508	5,123	6,375	431,566	376,320

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

COMMUNITY CAPACITY

Communications, Engagement & Events, Community Capacity Director's Office, Community Development (Management & Partnerships), Community Grants, Community Programs, Cultural Development, Customer Service, Economic Development, FABRIK Arts and Heritage Hub, Library Services, Positive Ageing (Home and Social Support), Positive Ageing Project (Collaborative), Service Strategy & Innovation, The Summit Community Centre, Torrens Valley Community Centre, Volunteering and Youth Development.

CORPORATE SERVICES

Adelaide Hills Business Tourism Centre, Cemeteries, Corporate Services Director's Office, Financial Services, Governance & CEO Office, ICT, Information Management, Organisational Development & Work Health & Safety, Property Management and Retirement Villages.

INFRASTRUCTURE & OPERATIONS

Civil Services, Community Wastewater Management System (CWMS), Emergency Management, Infrastructure & Operations Director's Office, Open Space Biodiversity, Open Space Operations, Open Space - Sport & Recreation Planning, Sustainability, Sustainable Assets and Waste.

DEVELOPMENT & REGULATORY SERVICES

Animal Management, Development & Regulatory Services Director's Office, Fire Prevention, Mt Lofty Waste Control Project, Parking and By-Laws, Planning & Development, Policy Planning and Public Health.

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 1.25% and 1.75% (2018: 1.50% and 2.00%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 6.6% (2018: 6.75%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Receivables

Retirement Home Contributions

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Liabilities

Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Retirement Home Contributions

Accounting Policy:

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

Terms & Conditions:

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

Carrying Amount:

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed rates between 4.6% and 6.75% (2018: 4.6% and 6.75%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
Financial Assets					
Cash & Equivalents	2,024	-	-	2,024	2,025
Receivables	2,385	-	-	2,385	2,385
Total Financial Assets	4,409	-	-	4,409	4,410
Financial Liabilities					
Payables	4,401	-	-	4,401	4,399
Current Borrowings	65	-	-	65	62
Non-Current Borrowings	568	6,257	5,230	12,055	10,000
Total Financial Liabilities	5,034	6,257	5,230	16,521	14,461
2018					
Financial Assets					
Cash & Equivalents	491	-	-	491	491
Receivables	2,716	-	-	2,716	2,713
Other Financial Assets	-	53	-	53	50
Total Financial Assets	3,207	53	-	3,260	3,254
Financial Liabilities					
Payables	7,539	-	-	7,539	7,539
Current Borrowings	4,919	-	-	4,919	4,918
Non-Current Borrowings	568	6,595	5,460	12,623	10,000
Total Financial Liabilities	13,026	6,595	5,460	25,081	22,457

The following interest rates were applicable
to Council's Borrowings at balance date:

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	3.35%	-	3.72%	4,900
Fixed Interest Rates	5.68%	10,062	5.56%	10,018
		10,062		14,918

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 14. Commitments for Expenditure

\$ '000

Notes

2019

2018

(a). Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Infrastructure	1,750	695
Plant & Equipment	304	245
	2,054	940

These expenditures are payable:

Not later than one year	2,054	940
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	2,054	940

(b). Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	73	97
	73	97

These expenditures are payable:

Not later than one year	24	23
Later than one year and not later than 5 years	49	74
Later than 5 years	-	-
	73	97

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2019	2019	2018	2017

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	951	2%	1%	1%
Total Operating Income	45,560			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	15,388	34%	55%	47%
Total Operating Income	45,560			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio	1%	1%	(1%)
Adjusted Net Financial Liabilities Ratio	34%	55%	48%

3. Asset Renewal Funding Ratio

Net Asset Renewals	10,090	93%	128%	75%
Infrastructure & Asset Management Plan required expenditure	10,853			

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 16. Uniform Presentation of Finances

\$ '000	2019	2018
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	45,560	44,533
less Expenses	(44,609)	(44,025)
Operating Surplus / (Deficit)	951	508
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(10,090)	(10,493)
<i>add back</i> Depreciation, Amortisation and Impairment	8,826	8,246
<i>add back</i> Proceeds from Sale of Replaced Assets	497	489
Subtotal	(767)	(1,758)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(3,877)	(4,251)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	425	867
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	9,146	-
Subtotal	5,694	(3,384)
Net Lending / (Borrowing) for Financial Year	5,878	(4,634)

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 17. Operating Leases

\$ '000

2019

2018

Leases Providing Revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

(i) Investment Property

Council has not classified any Land or Buildings as "Investment Property".

(ii) Lease Payment Commitments of Council

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	252	337
Later than one year and not later than 5 years	48	428
Later than 5 years	-	-
	300	765

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 18. Superannuation

\$ '000

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018/19; 9.50% in 2017/18). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2017/18) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 19. Interests in Other Entities

\$ '000

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
	2019	2018	2019	2018
Joint Ventures	283	(164)	1,350	838
Total	283	(164)	1,350	838

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Eastern Waste Management Authority	Waste Management	101	69
Gawler River Floodplain Management Authority	Floodplain Management	878	600
Adelaide Hills Regional Waste Management Authority	Waste Management	371	169
Total Carrying Amounts - Joint Ventures & Associates		1,350	838

Eastern Waste Management Authority

Eastern Waste is a regional subsidiary pursuant to S.43 of the *Local Government Act 1999*. Council has an interest in the assets and liabilities of Eastern Waste. The other member Councils are Norwood, Payneham & St. Peters, Burnside, Mitcham, Campbelltown, Prospect and Walkerville.

Gawler River Floodplain Management Authority

Gawler River Floodplain Management Authority is a regional subsidiary pursuant to S.43 of the *Local Government Act 1999*. Council has an interest in the assets and liabilities of Gawler River Floodplain Management Authority. Other members are Barossa, Gawler, Light, Adelaide Plains and Playford Councils.

Adelaide Hills Regional Waste Management Authority

Adelaide Hills Regional Waste Management Authority is a regional subsidiary pursuant to S.43 of the *Local Government Act 1999*. Council has an interest in the assets and liabilities of Adelaide Hills Regional Waste Management Authority. Other members are Alexandrina, Mt. Barker and Murray Bridge Councils.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2019	2018	2019	2018	2019	2018
Eastern Waste Management Authority	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%
Gawler River Floodplain Management Authority	3.9%	3.6%	3.9%	3.6%	16.7%	16.7%
Adelaide Hills Regional Waste Management Authority	33.1%	32.9%	41.4%	47.6%	25.0%	25.0%

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 19. Interests in Other Entities (continued)

\$ '000

(c) Movement in Investment in Joint Venture or Associate

	Eastern Waste Management Authority		Gawler River Floodplain Management Authority	
	2019	2018	2019	2018
Opening Balance	69	103	600	554
Share in Operating Result	19	(47)	(6)	(8)
Share in Other Comprehensive Income	5	1	229	-
New Capital Contributions	-	18	-	-
Adjustments to Equity	8	(6)	55	54
Council's Equity Share in the Joint Venture or Associate	101	69	878	600

	Adelaide Hills Regional Waste Management Authority	
	2019	2018
Opening Balance	169	327
Share in Operating Result	119	(160)
Share in Other Comprehensive Income	7	18
Adjustments to Equity	76	(16)
Council's Equity Share in the Joint Venture or Associate	371	169

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

\$ '000

2019

2018

Non Current Assets & Disposal Group Assets

Infrastructure, Property, Plant & Equipment (Northern side of AHBTC)	1,530	1,260
Total Non Current Assets & Disposal Group Assets	1,530	1,260

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 4 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

As at 30 June 2019 an equity accounted Council business (AHRWMA) is a defendant in Supreme Court procedures in which it is asserted that the AHRWMA made some misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. AHRWMA has fully defended the claim and some legal costs might still be incurred. The trial judgement was brought down on 15 November 2019 and the claim was dismissed. Both the allocation of costs and the prospect of an appeal are yet to be determined.

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2019, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is aware of the following "non adjusting events" that merit disclosure;

Adelaide Hills Business Tourism Centre

Council entered into two separate contracts for the sale of land and buildings on the Northern side of the Adelaide Hills Business Tourism Centre site at Lobethal prior to June 2019 with settlement occurring in August 2019 and September 2019 respectively. Given that the sale was highly probable at year end and only conditional on terms normal for such property sales, an amount of \$1.530m representing the value of those land and buildings in Council's financial accounts was transferred to Non-current Assets held for Sale to recognise the financial status at 30 June 2019.

Retirement Villages

In August 2018, Council resolved to sell its Retirement Village portfolio to Clayton Church Homes (CCH). As a result of contract negotiations and due diligence it was discovered that a portion of the Bridgewater Village is the subject of an unregistered charitable trust and is Community Land. As such, it was necessary to excise the Bridgewater village from the transaction at that time. However, Council has provided CCH with a first right of refusal to purchase the Bridgewater Village if the Trust is able to be varied and the community land.

As a result, there is a number of contractual conditions precedent still to be fulfilled prior to the sale of Bridgewater Village being unconditional. Given the highly restrictive definition of a non-current assets held for resale these assets have remained within the land and buildings categories under Infrastructure, Property Plant & Equipment in the Statement for Financial Position.

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 23. Related Party Transactions

\$ '000	2019	2018
---------	------	------

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 24 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	1,544	1,485
Post-Employment Benefits	112	108
Total	1,656	1,593

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Planning and Building Application Fees	-	2
Market Stall Registration	-	1
Total	-	3

During 2018/19 four Key Management Personnel were Board Members/Deputy Board Members of six entities, namely Adelaide Hills Tourism, the Dog and Cat Management Board of SA, the Local Government Association, the Local Government Professionals SA, Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island and State Library of SA respectively but it is not considered that those members control or jointly control those organisations. During the financial year the Adelaide Hills Council:

- paid \$102,300 for Adelaide Hills Tourism for funding and \$390 for tickets for SA Tourism Awards
- received grants (materials and operating grants) amounting to \$288,500 from the SA Libraries Board and paid a materials levy of \$23,361 and \$13,680 for library management software
- paid an amount of \$58,404 to the Dog & Cat Management Board for amounts collected on behalf of DACO and recorded a levy of \$46,282
- paid an amount of \$19,419 to LG Professionals SA for coaching programs, bronze memberships, conferences and training
- paid an amount of \$79,081 to the Local Government Association for membership fees, tender and contracts usage and seminar fees
- paid an amount of \$79,913 to Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island representing funding contributions and subscriptions to that entity

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions (continued)

\$ '000

One Key Management Personnel received salary and wages from The Hut Community Centre Inc. During the 2018-19 financial year, Adelaide Hills Council paid the following amounts to The Hut Community Centre:

- Funding Agreement \$149,720
- Funding for the Provision of Community Home Support Program \$11,500
- Donation - Best Community Entry \$250
- Hall hire \$156
- Reimbursement of expenses of \$6,556

During 2018/19 eight Key Management Personnel were members on eleven management committees of groups that received contributions from Adelaide Hills Council. Details of those contributions are as follows:

- Adelaide Hills Swimming Centre \$84,913, being a maintenance grant
- Birdwood High School, \$150 donation for a speech night prize
- Kersbrook Public Hall Inc, which received:
 - \$6,448 relating to a public total maintenance grant and
 - \$1,302 as a rate rebate
- Lights of Lobethal \$2,500, being a community grant
- Piccadilly CFS \$2,410, being a community funding grant for a defibrillator
- Piccadilly Oval Committee (Piccadilly Valley Community Rec. Centre Inc.) which received:
 - \$3,471 for reimbursement of invoices in relation to stormwater
 - \$2,404 for reimbursement of invoices in relation to the wastewater system
 - \$30,000 as a contribution towards a new building
- RSL Gumeracha Sub branch \$300, being a minor grant to support a World War 1 centenary event
- The Scott Creek Progress Association \$5,200 being a oval maintenance grant
- Top of the Torrens Gallery which received a community grant of \$2,500
- Woodside Hall which received:
 - \$6,000 relating to a community and recreation facility grant for stormwater
 - \$1,905 for reimbursement of insurance
 - \$40 for hall hire
- The Scott Creek Progress Association \$7,050 including a \$1,900 Community Grant
- Woodside Recreation Grounds Committee, \$11,700 being a contribution for oval maintenance.

Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Financial Statements

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Financial Statements

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Internal Controls

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Internal Controls

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

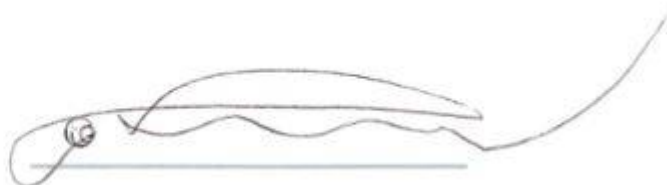
Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Council for the year ended 30 June 2019, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



Andrew Aitken
CHIEF EXECUTIVE OFFICER



Malcolm Herrmann
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 18 November 2019

Adelaide Hills Council

General Purpose Financial Statements

for the year ended 30 June 2019

Statement by Auditor

I confirm that, for the audit of the financial statements of Adelaide Hills Council for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Tim Muhlhausler
Galpins

Dated this 8th day of November 2019.

Appendix 2

Galpins Final Audit Completion Report

Galpins

Accountants, Auditors & Business Consultants

2018/19 Audit Completion Report

Adelaide Hills Council



Mount Gambier

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EXECUTIVE SUMMARY

To the members of the audit committee of Adelaide Hills Council

We are pleased to present our Audit Completion Report for the financial year ended 30 June 2019. The purpose of this document is to summarise the key accounting and audit matters that have arisen during the engagement and our audit conclusions.

We intend to issue the following opinions (subject to the satisfactory completion of the items described in section 1 – *Status of our Audit Work* of this document):

Intended opinions	Type of opinion	Proposed Auditor's Report
Opinion on the Financial Statements	Unmodified	Refer to the Appendix 1 of this report.
Controls Opinion	Unmodified	Refer to the Appendix 2 of this report.

We have included in this report the following information to ensure that councillors, management and audit committee members are aware of all significant matters relating to the audit.

Matters	Sections
Status of our audit work	Section 1
Summary of Audit Risks and Overall Responses	Section 2
Key Audit Matters	Section 3
Internal Controls Opinion and Recommendations	Section 4
Final Management Letter	Section 5
Immaterial Uncorrected Misstatements	Section 6
Proposed Independent Auditor's Report on the Financial Report	Appendix 1
Proposed Independent Auditor's Report on the Internal Controls	Appendix 2
Draft Statement by Auditor	Appendix 3
Better Practice Model (BPM) Risks	Appendix 4
Risk Ratings	Appendix 5

We also confirm our intention to sign the statement by auditor regarding our independence, and confirm that for the audit of the year ended 30 June 2019 we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

Yours faithfully



Tim Muhlhausler CA Registered Company Auditor

Date: 8 November 2019

1. Status of Our Audit Work

Below a summary of the status of audit activities and key documents related to the completion of our final audit.

Activities/Documents	Responsibility	Status
Final draft of the financial report	Management	Completed
Final audit visit	Audit	Completed
Final substantive procedures	Audit	Completed
Audit verification of the final draft of the financial report	Audit	Completed
Final draft of the financial report after audit verification	Management	Completed
Audit Completion Report	Audit	Completed
Final financial report after considerations from the audit committee	Management	To be completed
Signed certification of financial statements	Management	To be completed
Signed certification of auditor independence	Management	To be completed
Signed management representation letter	Management	To be completed
Signed statement by auditor	Audit	To be completed
Review of the subsequent events up to the date of the auditor's report.	Audit	To be completed
Final Independent Auditor's Report on the Internal Controls	Audit	To be completed
Final Independent Auditor's Report on the Financial Report	Audit	To be completed

Our final independent auditor's reports on the internal controls and on the financial report will be issued upon receipt of the final financial report (containing the signed certification of financial statements and the signed certification of auditor independence) and the signed management representation letter.

2. Summary of Audit Risks and Overall Responses

Below, a summary of our initial audit risks identified in our audit plan presented to the audit committee, the audit approach and responses to address these risks and the final audit risks (residual risks) after the execution of our audit procedures.

Statement of Comprehensive Income – Income

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Rates and charges	High	36,915	RA1/RA2/RA3/RA4/RE1/RE2	Controls and substantive tests	Low	Fairly presented
Statutory charges	Moderate	1,172	US1/US2/US3/RE1/RE2	Substantive tests	Low	Fairly presented
User charges	Moderate	1,007	US1/US2/US3/RE1/RE2	Substantive tests	Low	Fairly presented
Grants	Moderate	5,123	GR1/GR2/GR3/RE1/RE2	Controls and substantive tests	Low	Fairly presented
Investment Income	Low	41	II1	Substantive tests	Low	Fairly presented
Reimbursements	Low	516	OR1	Substantive tests	Low	Fairly presented
Other Income	Low	648	OR1	Substantive tests	Low	Fairly presented
Equity Accounted Businesses	Low	138	OR1/OE1	Substantive tests	Low	Fairly presented

Statement of Comprehensive Income - Expenses

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Employee costs	High	15,923	PA1/PA2/PA3/PA4/PA5/PA6	Controls and substantive tests	Low	Fairly presented
Materials / Contracts / Other Expenses	High	19,231	PP1/PP2/PP3/PP4/PP5/PP6 CO1/CO2/CO3 CC1/CC2/CC3	Controls and substantive tests	Low	Fairly presented
Depreciation and amortisation	High	8,826	FI4	Controls and substantive tests	Low	Fairly presented
Finance Costs	Low	623	BO1	Substantive tests	Low	Fairly presented
Equity Accounted Businesses	Low	6	OR1/OE1	Substantive tests	Low	Fairly presented

Statement of Comprehensive Income – Other Comprehensive Income

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Asset Disposals & FV Adjust	High	(95)	FI1/FI3	Controls and substantive tests	Low	Fairly presented
Amounts Received Specifically for New or Upgraded Assets	Moderate	425	GR1/GR2/GR3/RE1/RE2	Substantive tests	Low	Fairly presented
Physical Resources Received Free of Charge	Low	1,982	FI1	Substantive tests	Low	Fairly presented

Statement of Financial Position – Assets

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Cash and cash equivalents	High	2,025	BA1/BA2/IN1/IN2/IN3	Controls and substantive tests	Low	Fairly presented
Trade and other receivables	Moderate	2,541	DE1/DE2/DE3/DE4/DE5/PR1	Controls and substantive tests	Low	Fairly presented
Inventories	Low	19	STK1	Substantive tests	Low	Fairly presented
Non-current assets held for sale	High	1,530	OTH1	Substantive tests	Low	Fairly presented
Financial Assets – NC	Low	-	LO1	Substantive tests	Low	Fairly presented
Equity Accounted Businesses	Low	1,350	OR1/OE1	Substantive tests	Low	Fairly presented
IPPE	High	424,101	FI1/FI2/FI3/FI4/FI5	Controls and substantive tests	Low	Fairly presented

Statement of Financial Position – Liabilities

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Trade and other payables	High	5,446	AP1/AP2/AP3/AP4/AP5/TA1/AE1	Controls and substantive tests	Low	Fairly presented
Borrowings	Low	62	BO1/BO2/BO3/BO4	Substantive tests	Low	Fairly presented
Provisions	Moderate	3,048	EP1	Substantive tests	Low	Fairly presented
Borrowings - NC	Low	10,000	BO1/BO2/BO3/BO4	Substantive tests	Low	Fairly presented
Provisions - NC	Moderate	1,398	EP1	Substantive tests	Low	Fairly presented

Statement of Financial Position – Equity

Accounts	Initial Audit Risk	\$ '000	Risks as per BPM – REF*	Audit Response	Residual Risk	Results
Accumulated Surplus	Low	141,348	N/A	Substantive tests	Low	Fairly presented
Asset Revaluation Reserves	High	269,691	FI3	Controls and substantive tests	Low	Fairly presented
Other Reserves	Low	573	N/A	Substantive tests	Low	Fairly presented

Intended Audit Opinion

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, the financial report prepared by the Council presents fairly, in all material respects, the Council's financial position as at the end of current financial year and its financial performance for the year ended on that date.

* A list of the main risks as per the Better Practice Model (BPM) addressed during our audit and related risk references is provided in Appendix 4.

3. Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial report. We address these matters in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

3.1 Valuation of Infrastructure assets

Why the matter is significant	How the matter was addressed
<p>Infrastructure assets are valued at fair value. The fair values of these assets were based on depreciated current replacement costs which is comprised by the gross replacement cost less accumulated depreciation.</p> <p>Council values the gross replacement cost using the estimated average cost (unit cost) at which it could construct a substitute asset of comparable quality in the normal course of business. There was inherent subjectivity involved in making judgments in relation to assumptions used to estimate unit rates which also involved determining the:</p> <ul style="list-style-type: none"> ▪ components of assets that are replaced at different times in the asset lifecycle ▪ costs required to replace these components using current prices for materials, labour, and plant costs ▪ indices for measuring subsequent changes in unit rates. <p>The useful lives of assets and the measurement of accumulated depreciation are determined by external valuers. Significant judgement is used to determine the different useful lives for different components of assets and to calculate the depreciation that would have accumulated since original construction using these estimated useful lives.</p> <p>The significant professional judgments used to estimate the gross replacement cost and the accumulated depreciation are also relevant to the calculation of the annual depreciation expense of these assets.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> ▪ reconciled closing balances to the asset registers ▪ reconciled the movements in note 7 to the asset register ▪ reviewed the basis for valuation used by external valuers ▪ assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards ▪ reviewed the fair value hierarchy provided in note 7 for each category of asset ▪ reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports ▪ reviewed the useful lives mentioned above for different components and compared them to other local government entities ▪ performed a recalculation of depreciation ▪ reviewed the methodology used by Council to perform componentisation of infrastructure assets and compared the methodology used to Council's actual asset management practices and to other local government entities ▪ reconciled the unit rates used for different components of infrastructure assets to the unit rates provided in the revaluation report ▪ reviewed the unit rates mentioned above and compared them to different local government entities ▪ assessed the adequacy of disclosures in the financial report.

3.2 Valuation of Land and Buildings

Why the matter is significant	How the matter was addressed
<p>Land and buildings are valued at fair value. The basis of valuation to be used for these assets depends on a number of factors such as the nature of the asset, purpose of their use, the highest and best use of the asset, potential restrictions to the disposal of these assets among other factors.</p> <p>Valuation of land depends on whether the land is classified as Crown land or community land. Community land and Crown land are valued using unobservable (level 3) inputs as the allowance for the restriction on sale (requiring Ministerial consent) is usually an unobservable input, and is likely to have a significant effect on valuation.</p> <p>Land, where Council has an unfettered right to sell them, is usually valued at current market value based on their highest and best use. Level 2 inputs are primarily used for land during the valuation process.</p> <p>Valuation of buildings depends on the nature of these assets. Some Council buildings have no active market due to the specialised nature of the assets and the services they provide. For such buildings fair value is usually determined on the basis of replacement with a new building having similar service potential. Valuation techniques used to measure fair value of these buildings include significant unobservable inputs (level 3).</p> <p>For buildings that have an active market, buildings are assessed on market value principles which is deemed to be their fair value based on level 2 inputs. The most significant input into this valuation approach is sales transactions of comparable properties within the City, adjusted for any pertinent differences.</p> <p>The significant professional judgments used to estimate the value of land and buildings are also relevant to the calculation of the annual depreciation expense of these assets.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> reconciled closing balances to the asset registers reconciled the movements in note 7 to the asset registers reviewed the basis for valuation used by external valuers assessed the competence of external valuers (experts) in accordance with Australian Accounting Standards analysed the nature of the land building assets and concluded whether the fair value hierarchy provided in note 7 for each category of asset was reasonable reconciled the useful lives used to calculate the accumulated depreciation and the depreciation for the period to the revaluation reports reviewed the useful lives mentioned above for different components and compared them to other local government entities performed a recalculation of depreciation; and assessed the adequacy of disclosures in the financial report.

3.3 Accounting treatment of capitalisation of assets

Why the matter is significant	How the matter was addressed
<p>Councils are asset intensive and highly dependent on multiple assets to deliver services to customers. Hence, there is a high volume of transactions and significant amounts involved in relation to capitalisation of assets.</p> <p>Due to the unique characteristics of Council's assets a number of considerations are taken into account when an expenditure is capitalised which include:</p> <ul style="list-style-type: none"> whether Council is incurring capital expenditure to physical resources that are controlled by Council. Control is the most difficult of the characteristics of an asset to be defined as this usually goes beyond the legal ownership; Inclusions and exclusions of costs at initial recognition of an assets in accordance with AASB 116; Cost involved in dismantling and removing the asset and/or restoring the site under AASB 137; Borrowing costs to be capitalised into the cost of IPPE where the asset is a "qualifying asset" as per AASB 123; and accounting for subsequent costs and defining the nature of these costs as being capital or maintenance expenditure. 	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> performed analytical procedures to define whether the amounts capitalised for the FY was in accordance with our expectation and our understanding of the entity; reviewed internal controls in place for capitalisation of assets; selected a sample of additions and performed an assessment of the nature of the addition and concluded whether the addition was recognised in accordance with Australian Accounting Standards; reviewed the WIP schedule and selected a sample of transfers out to ensure that the asset was appropriately valued and capitalised in the right account; and reviewed the WIP schedule in order to identify projects that should have been capitalised but were not.

3.4 Accounting for non-current assets held for sale

Why the matter is significant	How the matter was addressed
<p>Accounting for sales of non-current assets and liabilities and presentation of discontinued operations contain several judgements that affect timing, presentation of the statement of comprehensive income and the statement of financial position.</p> <p>The definition of a non-current asset (or disposal group) as held for sale is highly restrictive. The asset must:</p> <ul style="list-style-type: none"> be available for immediate sale in its present condition (subject only to terms that are usual and customary for sales of such assets); and its sale must be highly probable. <p>Australian Accounting Standards provide a number of criterion that an entity must meet to classify an asset as held for sale.</p> <p>Council shall present and disclose information that enables users of the financial statements to evaluate the financial effects of discontinued operations and disposals of non current assets and liabilities.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> reviewed the criterion used to classify the asset as held for sale reviewed council minutes verified sales agreements in place (if any) inspected settlement agreements (if any) compared the value agreed between the parties to the WDV of the asset reviewed the related note disclosures.

3.5 Revenue Recognition

Why the matter is significant	How the matter was addressed
<p>AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities commence from 1 January 2019 – effectively 1 July 2019 for SA Councils.</p> <p>The main change for Council is that income from capital and other specific purpose grants previously recognised on receipt may be recognised over time as performance obligations are met (where these obligations are sufficiently specific and rise from enforceable contracts) and a liability recognised for unspent monies.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> evaluated Council's work to implement AASB 15 and AASB 1058 and assessed whether Council's accounting practices comply with Australian Accounting Standards performed analytical procedures to identify any variance that would represent a risk or incorrect application of AASB 15 and AASB 1058 reviewed a sample of grant agreements and assessed whether agreements contain sufficiently specific performance obligations evaluated the accounting treatment used by Council to account for the existing grant agreements in place selected for our tests tested a sample of financial transactions for compliance with Australian Accounting Standards.

3.6 Management Override of Controls

Why the matter is significant	How the matter was addressed
<p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare a fraudulent report by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, the risk of material misstatement due to fraud is a significant risk.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> tested the appropriateness of journal entries recorded in the general ledger reviewed accounting estimates for biases performed final analytical procedures to conclude as to whether the financial report is consistent with our understanding of the entity requested written representation from Management reviewed IT access controls rights processes in place reviewed processes in place to ensure independent reviews of exception reports generated by Council reviewed processes in place to ensure independent reviews of audit trails of changes to master files.

3.7 Other High Risk Areas

The other high risk areas described in this section are account balances and/or audit areas that are not subject to a high degree of professional judgement, however we assessed their inherent risks as being high due to the materiality of the account balances, the high volume of transactions involved and other reasons outlined below:

Account balance	Why the risk is High	Overall audit response
Rates and charges	<ul style="list-style-type: none"> - largest revenue item - it is usually used as a reference point for analysing expenditure decisions - politically sensitive – reputational risk involved if rates are raised incorrectly. 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - comparison of total capital values from the VG report to the total capital value recorded in the rates system - reconciliation of the rates modelling to the rates system and to the general ledger - recalculation of rates for a sample of rate payers
Employee costs	<ul style="list-style-type: none"> - one of the largest expense items - high volume of transactions / data – subject to error. - errors impact individuals financially. 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of employee files (contracts, awards, EBs) - inspection of timesheets - recalculation of a sample of individual payments.
Materials, Contracts & Other expenses	<ul style="list-style-type: none"> - one of the largest expense items - High volume of transactions / date – subject to error - fraud risk area (procurement, payments and credit cards) - procurement and contracting are key focus areas for ICAC and the Auditor-General's Department. 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of supporting documents (contracts, invoices, purchase orders, subsequent payments, etc) for a sample of expenses
Cash and cash equivalents	<ul style="list-style-type: none"> - material balance - fraud risk - if there is any instance of errors and/or fraud it will be indicative of broader errors - Poor attitude to cash controls may be indicative of overall culture related to the entity's controls environment - public money 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - bank confirmation - inspection of bank statements - verification of outstanding reconciling items - reperformance of bank reconciliations.
Trade and other payables	<ul style="list-style-type: none"> - one of the largest liabilities - material balance - opportunity for understatements - if there is a poor use of accrual basis of accounting it will be indicative of poor culture - payments represent an opportunity for fraud 	<ul style="list-style-type: none"> - walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - reconciliation between subsidiary ledgers and the general ledger - inspection of subsequent payments for a sample of creditors - inspection of a sample of subsequent payments for completeness test.

4. Internal Controls Opinion and Recommendations

We have performed an extensive review of the Council's financial controls for the purpose of forming our control opinion as required by section 129 of the *Local Government Act 1999* based on council's obligations under s125 of that Act.

Our controls 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.

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively		2019 Findings			
		2019	2018	H	M	L	BP
Purchasing & Procurement/Contracting	10	7	4	-	3	-	-
Fixed Assets	16	13	11	-	3	-	-
General Ledger	11	8	8	-	2	1	-
Accounts Payable	13	11	10	-	2	-	-
Rates / Rates Rebates	10	10	7	-	-	-	-
Payroll	19	18	16	-	1	-	-
Receipting	5	4	3	-	-	1	-
Credit Cards	5	5	5	-	-	-	-
Banking	5	5	5	-	-	-	-
Debtors	6	6	6	-	-	-	-
Total	100	87	75	-	11	2	-

Overall the Council demonstrated a high level of compliance with the implementation of an internal control framework consistent with the principles within the Better Practice Model.

During our interim audit visit we found that the majority of key internal controls reviewed were in place and were operating effectively (87 out of 100 core controls reviewed). Risks were rated based on an assessment of the risk of non-compliance with s125 of the Local Government Act 1999 as described in the Appendix 5 – Risk Ratings.

An **interim audit management letter** was issued and presented to the audit committee containing our overall assessment of the council's internal controls and all the controls weaknesses identified during our review of the Council's financial controls.

We recommended that Council prioritises the moderate risk findings, as failure in compensating controls addressing the same risk or existence of multiple moderate weakness within the same business cycle may lead to a material weakness and non-compliance with s125 of the Local Government Act.

In our opinion, subject to the satisfactory completion of the items described in the section 1 of this report, the Council has complied, in all material aspects, with Section 125 of the Local Government Act 1999 in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities.

5. Final Management Letter

We have identified the following additional performance improvement observations when performing our substantive procedures during our final audit:

		Risk
1. Manual spreadsheets being used as asset registers		Low
Finding	Financial Management uses manual spreadsheets as asset registers for plant and equipment.	
Risk	Risk of errors in the asset registers and, consequently, risk of the financial statements being misstated.	
Recommendation	Management to consider include all classes of assets in Confirm or another electronic asset register.	

		Risk
2. Plant hire rates are not reviewed on a regular basis		Low
Finding	Audit noted an absence of formal processes to ensure that plant hire rates (rates used to calculate the cost of usage of plant items) are reviewed on a regular basis.	
Risk	Risk of capitalised values in internal management reporting and external financial statements being misstated.	
Recommendation	Management determines an appropriate frequency for review of the plant hires rates, and conducts reviews in accordance with this determination.	

		Risk
3. Employees with excessive annual leave balances		Low
Finding	Audit identified ten employees with annual leave balances in excess of 300 hours.	
Risk	Leave balances exceeding the allowable balances under the relevant EB. Staff not taking leave has financial implications as leave is paid at higher rates than it was accrued, and may lead to health safety and welfare issues.	
Recommendation	Implement strategies to systematically reduce excessive leave balances, and review monitoring procedures to ensure that employees do not accumulate excessive annual leave balances.	

Risks were rated based on an assessment of the risk of non-compliance with s125 of the Local Government Act 1999 as described in the Appendix 5 – Risk Ratings.

6. Immaterial Uncorrected Misstatements

Valuation of the right of use and the leave liabilities of assets to which AASB 16 Leases will be applied

Description:

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts – except leases with a maximum term of 12 months and leases for non-material amounts – be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

Whilst AASB 16 Leases will be only effective during the 2019/20 financial year, the standard also requires Council to disclose in the 2018/19 financial report the value of the right of use and the lease liability (generally determined by the net present value of the minimum lease payments) related to assets to which the standard will be applied in the subsequent financial year.

The amount of \$300,000 disclosed by Council in note 1 – Summary of Significant Accounting Policies (item 15 – New accounting standards and UIG Interpretations) is the gross amount of the minimum lease payments (i.e. not the net present value).

The difference between the gross amount presented and the net present value of the minimum leave payments is not expected to be material.

7. Contact Details



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Appendix 1 – Proposed Independent Auditor’s Report on the Financial Report

To the members of Adelaide Hills Council

Opinion

We have audited the accompanying financial report of Adelaide Hills Council (the Council), which comprises the statements of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Adelaide Hills Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2019, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council’s Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council’s financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably

be expected to influence the economic decision of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:

Appendix 2 – Proposed Independent Auditor’s Report on the Internal Controls

To the members of Adelaide Hills Council

Independent Assurance Report on the Internal Controls of Adelaide Hills Council

Opinion

We have audited the compliance of Adelaide Hills Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2018 to 30 June 2019 have been conducted properly and in accordance with the law.

In our opinion, Adelaide Hills Council has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2018 to 30 June 2019.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Council’s Responsibility for Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Performs Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of Use

This report has been prepared for the members of the Council in accordance with section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:

Appendix 3 – Statement by Auditor

I confirm that, for the audit of the financial statements of Adelaide Hills Council for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants*, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

Date:

Appendix 4 – Better Practice Model (BPM) Risks

The risks outlined below are the main BPM risks addressed when determining our audit approach / response as described in section 2 of this report.

Business Cycles	Risk REF	Risks
Rates	RA1	Council does not raise the correct level of rate income
	RA2	Rates and rate rebates are either inaccurately recorded or not recorded at all
	RA3	The property master file data does not remain pertinent
	RA4	Rates are not collected on a timely basis
User Pay Income / Fee for services	US1	The fee charged does not reasonably reflect the value of the services provided
	US2	Council does not apply User Pay principles consistently
	US3	User pay income is either inaccurately recorded or not recorded at all
Investment / Interest Income	II1	Investment income is either inaccurately recorded or not recorded at all
Other Revenue	OR1	Other revenue is either inaccurately recorded or not recorded at all
Grants	GR1	Council loses recurrent grant funding to provide existing services
	GR2	Grant funding is not claimed by Council on a timely basis or not claimed at all
	GR3	Grants are either inaccurately recorded or not recorded at all
Receipting	RE1	Receipts are either inaccurately recorded or not recorded at all
	RE2	Receipts are not deposited at the bank on a timely basis
Purchasing & Procurement	PP1	Council does not obtain value for money in its purchasing and procurement
	PP2	Purchase of goods and services are made from non-preferred suppliers
	PP3	Purchase orders are either recorded inaccurately or not recorded at all
	PP4	Purchase orders are made for unapproved goods and services
	PP5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file
Payroll	PA1	Payroll expense is inaccurately calculated
	PA2	Payroll disbursements are made to incorrect or fictitious employees
	PA3	Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all
	PA4	Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
	PA5	Voluntary and statutory payroll deductions are inaccurately processed or without authorisation
	PA6	Employees termination payments are not in accordance with statutory and enterprise agreements
Credit cards	CC1	Credit cards are issued to unauthorised employees
	CC2	Credit cards are used for purchases of a personal nature
	CC3	Credit card limits are set at inappropriate levels

Business Cycles	Risk REF	Risks
Other Expenses	OE1	Other expenses are invalid, inaccurately recorded or not recorded at all
Contracting	CO1	Council is not able to demonstrate that all probity issues have been addressed in the Contracting process
	CO2	Council does not obtain value for money in relation to its Contracting
	CO3	Commitments are made for unapproved goods and services
Banking	BA1	Banking transactions are either inaccurately recorded or not recorded at all
	BA2	Fraud (i.e. misappropriation of funds)
Investments	IN1	Council makes poor investment decisions
	IN2	Investment transactions are either not recorded or are recorded inaccurately
	IN3	Investment income is inaccurately calculated or not recorded in the appropriate period
Debtors	DE1	Debtors are either inaccurately recorded or not recorded at all
	DE2	Rebates and credit notes to debtors are either inaccurately recorded or not recorded at all
	DE3	An appropriate provision for doubtful debts is not recorded
	DE4	Debtors are either not collected on a timely basis or not collected at all
	DE5	The Debtors master file data does not remain pertinent.
Fixed Assets	FI1	Fixed asset acquisitions, disposals and write-offs are fictitious, inaccurately recorded or not recorded at all. Fixed Asset Register (FAR) does not remain pertinent
	FI2	Fixed assets are inadequately safeguarded
	FI3	Fixed assets are not valued correctly initially or on subsequent revaluation
	FI4	Depreciation charges are either invalid, not recorded at all or are inaccurately recorded which includes inappropriate useful lives and residuals
	FI5	Fixed asset maintenance and/or renewals are inadequately planned
Prepayments	PR1	Prepayments are either inaccurately recorded or not recorded at all
Loans to Community groups	LO1	Loans to community groups are inaccurately recorded or not recorded at all
Accounts Payable	AP1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all
	AP2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all
	AP3	Disbursements are not authorised properly
	AP4	Accounts are not paid on a timely basis
	AP5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file
Accrued Expenses	AE1	Accrued Expenses are either inaccurately recorded or not recorded at all
Borrowings	BO1	Borrowings are either not recorded or are recorded inaccurately
	BO2	Loans are taken out without appropriate approval

Business Cycles	Risk REF	Risks
	BO3	Loans are not repaid in accordance with agreed terms
	BO4	Loan repayments are not recorded at all or are recorded inaccurately
Employee Provisions	EP1	Employee provisions are either inaccurately recorded or not recorded at all
Taxation	TA1	Tax liabilities are either inaccurately recorded or not recorded at all
Inventories	STK1	Inventory received is either recorded inaccurately or not recorded at all.
Other	OTH1	Other accounts at risk of either recorded inaccurately or not recorded at all.

Appendix 5 – Risk Ratings

The audit findings identified during our interim audit documented in our interim management letter and in section 4 of this report were rated as follows:

Category	Description
Potential Material Weaknesses	The issue described could lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on the council's financial risk. However, multiple low-level risk weakness within the same business cycle may lead to a material weakness in the council's internal controls and non-compliance with s125 of the Local Government Act.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 12.6

Originating Officer: Mike Carey, Manager Financial Services

Responsible Director: Terry Crackett, Director Corporate Services

Subject: 2018-19 End of Year Financial Results

For: Decision

SUMMARY

Council is required, pursuant to Regulation 10 of the *Local Government (Financial Management) Regulations 2011* to consider a report showing the audited financial results of the Council for the Statement of Comprehensive Income, Statement of Financial Position and Financial Indicators compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.

This report meets those legislative requirements in relation to Council's financial performance to budget for the year ended 30 June 2019 and was presented to the Audit Committee on 18 November 2019.

In addition, in accordance with Council's *Treasury Policy* and Section 140 of the *Local Government Act 1999*, a council must review the performance of its investments at least annually and it is considered appropriate to also include this analysis in this report.

RECOMMENDATION

Council resolves that:

- 1. the report be received and noted.**
 - 2. the 2018-19 End of Year Financial Results in comparison to budget have been appropriately considered by Council.**
-

1. GOVERNANCE

➤ Strategic Management Plan/Council Policy

Goal 5 Organisational Sustainability
Strategy Financial Sustainability

The Council is committed to open, participative and transparent decision making and administrative processes. We diligently adhere to legislative requirements to ensure public accountability and exceed those requirements where possible.

Legislation requires Council to review and monitor Council's Annual Budget with reference to actual results and its overall financial position to ensure Council continues to be financially sustainable.

➤ Legal Implications

Sections 124-130 of the *Local Government Act 1999* covering Accounts, financial statements and audit.

Section 140 of the *Local Government Act 1999* - Review of Investments requires Council to at least once in each year, review the performance of its investments.

Regulation 10 of the *Local Government (Financial Management) Regulations 2011* (the *Regulations*) requires Council to report on the financial results of Council by no later than 31 December in each year.

➤ Risk Management Implications

Monitoring and reporting on Council's financial results will assist in mitigating the risk of:

Inaccurate budgets and unforecasted deficits leading to inadequate resourcing for current and future activities.

Inherent Risk	Residual Risk	Target Risk
Medium (4D)	Low (2E)	Low (2E)

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

The 2018-19 financial result means that Council is well positioned to continue to be financially sustainable into the future. Council will continue to review and monitor future financial results and its financial position in conjunction with its Long Term Financial Plan (LTFP).

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

It is important to the Community to be aware and understand Council's financial results for the year in the context of its longer term financial sustainability. Council's audited Financial Statements are provided to the community within its Annual Report.

➤ **Environmental Implications**

Not applicable.

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

Council Committees: The 2018-19 Financial Results were presented to the Audit Committee at its meeting on 18 November 2019.

Advisory Groups: Not Applicable

Administration: A 2018-19 Preliminary End of Year Financial Results and Carry Forwards report was presented to Council on 27 August 2019. As part of this report all budget holders reviewed the end of year financial position for their respective areas of responsibility to ensure variations were identified and explained and reviewed by the Executive Leadership Team.

Community: Not Applicable

2. **BACKGROUND**

This report provides details of Council's financial performance to budget for the year ended 30 June 2019.

Council is required, pursuant to *Regulation 10* of the *Regulations* to consider a report showing the audited financial results of the Council for the Statement of Comprehensive Income, Statement of Financial Position and Financial Indicators compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.

The Statement of Comprehensive Income, Statement of Financial Position and Financial Indicators and associated commentary for 2018-19, are shown as **Attachment 1** to this Report. As the Statement of Comprehensive Income largely focuses on Council's Operating Income and Expenditure, discussion on these items is included in **Attachments 2 & 3** of the report.

In addition, in accordance with Council's *Treasury Policy* and Section 140 of the *Local Government Act 1999*, a council must review the performance of its investments at least annually. Given the timing of this report covering financial performance, it is considered that it is appropriate to also consider annual investment performance at this time.

A 2018-19 Preliminary End of Year Financial Results and Carry Forwards report was presented to Council on 27 August 2019.

The 2018-19 Financial Results were presented to the Audit Committee at its meeting on 18 November 2019 where the following recommendation was adopted.

7.2. 2018-19 End of Year Financial Report

Moved Peter Brass
S/- Cr Leith Mudge

40/AC19

The Audit Committee resolves:

1. That the report be received and noted
2. To note the Audited 2018-19 Financial Results compared to Budget contained within this report

Carried

3. ANALYSIS

Summary of Financial Performance

\$000's	Actual 30 June 2019	Budget 30 June 2018	YTD Variance Fav/(Unfav)
Operating income	45,560	44,511	1,049
Operating expenditure	44,609	44,113	(496)
Operating Surplus before Capital	951	398	553
Capital Income	13,361	14,513	(1,152)
Capital Expenditure	13,967	17,832	3,865
Net expenditure - Capital projects	(606)	(3,319)	2,713
Depreciation	8,826	8,758	68
Net Lending / (Borrowing) for Financial Year	9,171	5,837	3,334

In terms of Council's operating result, Council's Operating Surplus before Capital is \$951k which is \$553k favourable to budget. From a budget comparison perspective, the variance largely consists of the following:

- early receipt of \$690k of Supplementary Local Road Funding relating to 2019-20 and 2020-21 financial years
- additional cemetery income of \$99k compared to budget
- additional property income relating to AHBTC of \$163k and unbudgeted Property Insurance Recoveries in the order of \$99k
- Rate Income was less than budgeted, largely as a result rate write offs of \$222k. These write offs followed detailed review of approximate 30 properties held in estate that have been in arrears for many years (most prior to the formation of Adelaide Hills Council). Following investigation most of the arrears is for land that was initially used as a private / public road and as such not separately rateable. Processes will be undertaken using Section 185 of the Act to enable sale / transfer to adjoining owners.

- Additional provisioning of remediation and post closure costs of \$170k relating to closed landfills within the Council area.

Further discussion on these items is included in **Attachments 1-3** of the report.

Statement of Financial Position

\$000s	Actuals 30 June 2019	Budget 30 June 2019	Movement
Assets	431,566	379,055	52,511
Liabilities - Borrowings	(10,000)	(12,272)	2,272
Other Liabilities	(9,954)	(9,662)	(292)
Net Assets (Liabilities)	411,612	357,121	54,491

The Statement of Financial Position shows an overall net assets position favourable to budget by \$54.5m. This was largely as a result as the increase of \$60m in infrastructure assets due to the revaluation of infrastructure assets. The most significant increase related to roads with a revaluation increase of \$53m.

Borrowings at \$10m with the short term cash advance debenture facility at Nil was favourable to budget by \$2.2m.

As a result of Council's Net Lending result being favourable to budget, Council's Actual Net Financial Liabilities at 30 June 2019 were \$15.4m (34%) as opposed to \$18.6m budgeted.

Cash Flow Position

\$000s	Actuals 30 June 2019	Budget 30 June 2019	Movement
Net Flows from Operating	10,339	9,056	1,283
Net Flows from Investing Activities	(3,827)	(3,298)	(529)
New Flows from Financing Activities	(78)	(3,130)	3,052
Net Change in Cash Position	6,434	2,628	3,806
Cash & Investments	2,025	491	1,534
CAD Drawdown	Nil	(2,272)	2,272
Net Cash Position	2,025	(1,781)	3,806
Fixed Term Borrowings	(10,000)	(10,000)	-
Net Borrowings	(7,975)	(11,781)	3,806

Operational cash flows were favourable to budget for the year resulting in a significantly better than anticipated cash position and no new borrowing required for the year. This resulted in favourable net borrowings to budget of \$3.8m.

Overall Capital Result

Council's capital works variation to budget of \$2.7m comprises an unfavourable capital income variance of \$1.2m and a favourable capital expenditure variance of \$3.9m as a result of carry forwards.

Discussion on the capital result by Asset Category was presented in the Preliminary End of Year Results and Carry Forward Report presented to Council and approved on 27 August 2019.

Annual Investment Performance

In accordance with Council's Treasury Policy and Section 140 of the *Local Government Act 1999*, a council must review the performance of its investments at least annually.

Given that Council is utilising its short term drawdown facility throughout the period, Council's investments are kept at a minimum during the year. As such the focus of Treasury Management has been on minimising interest expense and maintaining appropriate working capital rather than investment return.

As a result, interest earnings largely relate to:

- cash balances being transferred to an overnight investment account from Council's general bank account with NAB, and
- where grants and other funds are placed directly with the Local Government Finance Authority (LGFA).

Both the NAB and LGFA investments are in accordance with Council's Treasury Policy.

Year	RBA cash rate for June	LGFA Weighted Average Return	NAB Weighted Average Return	Overall Weighted Average Return	\$ Investment Earnings for year	2017-18 Budget
2014-15	2.00%	2.36%	2.85%	2.61%	\$38k	\$68k
2015-16	1.75%	1.88%	2.38%	2.00%	\$58k	\$56k
2016-17	1.50%	1.52%	2.02%	1.77%	\$36k	\$81k
2017-18	1.50%	1.50%	2.00%	1.75%	\$30k	\$34k
2018-19	1.25%	1.48%	1.98%	1.73%	\$41k	\$38k

As shown in the above table, revenue from investments was slightly favourable to budget by \$3k for the 2018-19 financial year.

4. OPTIONS

Council has the following options:

- I. To resolve that the report be received and confirm that the 2018-19 End of Year Financial Results in comparison to budget have been appropriately considered by Council (**Recommended**); or
- II. To defer this report in order for further information to be provided. This would need to be provided to the December Council meeting in order to meet Regulations (**Not recommended**).

5. APPENDICES

- (1) Audited 2018-19 Financial Results Compared to Budget
- (2) Operating Income
- (3) Operating Expenditure

Appendix 1

Audited 2018-19 Financial Results Compared to Budget

Adelaide Hills Council

Statement of Comprehensive Income for the year ended 30 June 2019

\$ '000	Actuals 2019	Budget 2019	Variance	Note
Income				
Rates Revenues	36,915	37,136	(221)	
Statutory Charges	1,172	1,100	72	
User Charges	1,007	891	116	
Grants, Subsidies and Contributions	5,123	4,391	732	
Investment Income	41	38	3	
Reimbursements	516	377	139	
Other Income	648	479	169	
Net Gain - Equity Accounted Council Businesses	138	100	38	
Total Income	45,560	44,511	1,049	A
Expenses				
Employee Costs	15,923	16,461	538	
Materials, Contracts & Other Expenses	19,231	18,226	(1,005)	
Depreciation, Amortisation & Impairment	8,826	8,758	(68)	
Finance Costs	623	668	45	
Net loss - Equity Accounted Council Businesses	6	-	(6)	
Total Expenses	44,609	44,113	(496)	B
Operating Surplus / (Deficit)	951	398	553	
Asset Disposal & Fair Value Adjustments	(95)	-	(95)	C
Amounts Received Specifically for New or Upgraded Assets	425	1,087	(662)	D
Physical Resources Received Free of Charge	1,982	-	1,982	E
Net Surplus / (Deficit) ¹	3,263	1,484	1,778	
Other Comprehensive Income				
<i>Amounts which will not be reclassified subsequently to operating result</i>				
Changes in Revaluation Surplus - I,PP&E	59,526	5,069	54,457	F
Share of Other Comprehensive Income - Equity Accounted Council Businesses	240	-	240	G
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	(184)	-	(184)	G
Other Equity Adjustments - Equity Accounted Council Businesses	139	-	139	G
Total Other Comprehensive Income	59,721	5,069	54,652	
Total Comprehensive Income	62,984	6,553	56,430	

Note	Comments - Statement of Comprehensive Income
A	Refer to Attachment 2 - Operating Income
B	Refer to Attachment 3 - Operating Expenditure
C	Council does not budget for the impairment of assets or write-down of asset values relating to the capitalisation of assets and subsequent disposal of the renewed asset.
D	Variance largely relates to the carry forward of \$422k of 2018-19 budgeted Capital Grants to 2019-20 in line with Accounting Standards and \$200k of budgeted capital grants not received
E	Council received contributed assets in relation to land from the Woodforde Development transferred to Council. These contributions are not budgeted for.
F	All infrastructure assets classes were revalued in 2018-19 with a significant increase in Road assets of \$53m (previously revalued using cost indices). A nominal amount of \$5m was budgeted for revaluations.
G	These relate to end of year adjustments. Council does not budget for these amounts

Adelaide Hills Council
Statement of Financial Position
as at 30 June 2019

\$ '000	Actuals 2019	Budget 2019	Variance	Note
ASSETS				
Current Assets				
Cash and Cash Equivalents	2,025	491	1,534	A
Trade & Other Receivables	2,541	2,853	(312)	
Other Financial Assets	-	-	-	
Inventories	19	13	6	
Subtotal	4,585	3,357	1,228	
Non-Current Assets Held for Sale	1,530	-	1,530	B
Total Current Assets	6,115	3,357	2,758	
Non-Current Assets				
Financial Assets	-	28	(28)	
Equity Accounted Investments in Council Businesses	1,350	938	412	
Infrastructure, Property, Plant & Equipment	424,101	374,732	49,369	B
Total Non-Current Assets	425,451	375,698	49,753	
TOTAL ASSETS	431,566	379,055	52,511	
LIABILITIES				
Current Liabilities				
Trade & Other Payables	5,446	5,533	87	
Borrowings	62	2,272	2,210	A
Provisions	3,048	3,478	430	
Total Current Liabilities	8,556	11,283	2,727	C
Non-Current Liabilities				
Trade & Other Payables	-	-	-	
Borrowings	10,000	10,000	-	
Provisions	1,398	651	(747)	C
Total Non-Current Liabilities	11,398	10,651	(747)	
TOTAL LIABILITIES	19,954	21,934	1,980	
Net Assets	411,612	357,121	54,491	
EQUITY				
Accumulated Surplus	141,348	140,574	774	
Asset Revaluation Reserves	269,691	215,121	54,570	B
Other Reserves	573	1,426	(853)	
Total Council Equity	411,612	357,121	54,491	

Note	Comment - Statement of Financial Position
A	Both operational and capital cash flows were favourable to budget for the year resulting in an overall improvement in net borrowings compared to budget and no requirement to access Council's Cash Advance Debenture after asset sales were realised.
B	The overall balance is more than budgeted as a result of annual revaluation of Infrastructure Assets increasing by \$54m more than budgeted offset by a number of projects not being completed by year end and requiring carry forward to the 2019-20 financial year of just under \$5m. In addition, an amount of \$1.530m relating to the northern side of AHBTC has been transferred to Non-Current Assets Held for Sale under Current Assets. This was not reflected in Council's Budget
C	Provisions have increased by \$317k overall. Of this Long Service Leave has increased by \$168k and there was an increase of \$149k in provisioning of remediation and post closure costs relating to closed landfills within the Council area. Movement in provisions are not budgeted for.

Adelaide Hills Council

Financial Indicators

as at 30 June 2019

\$ '000	Amounts 2019	Actuals 2019	Budget 2019	Variance	Note
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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	951	2%	1%	1%	A
Total Operating Revenue	45,560				

This ratio expresses the operating surplus as a percentage of total operating revenue.

1a. Adjusted Operating Surplus Ratio

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

	273	1%	1%	0%	A
	45,560				

2. Net Financial Liabilities Ratio

Net Financial Liabilities	15,388	34%	42%	8%	B
Total Operating Revenue	45,560				

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

3. Asset Renewal Funding Ratio

Net Asset Renewals	10,090	93%	114%	(21%)	C
Infrastructure & Asset Management Plan required expenditure	10,853				

Asset renewals expenditure is defined as capital expenditure or the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

Note	Comment - Financial Indicators
A	Largely as a result of receiving 2 years of the Supplementary Local Roads Grant, totalling \$690k in advance in June 2019, Council Operating Surplus was more than budgeted by \$553k, with a corresponding increase in the Operating Surplus Ratio. The Operating Surplus ratio was also impacted by a writedown of \$222k in relation to rates and the unbudgeted increase in landfill provision of \$170k.
B	Council's net financial liabilities ratio was favourable to budget by \$3.2m as a result of a better than budgeted cash flow from operating activities in part due to grants received in advance and the carrying forward of nearly \$2.9m of net capital expenditure to the 2019-20 year.
C	The carry forward of approximately \$2.7m of renewal expenditure to the 2019-20 financial year had an impact on the Asset Sustainability Ratio compared to Budget

Appendix 2

Operating Income

Operating Income compared to Budget - Favourable to Budget

\$ '000	Actuals 2019	Budget 2019	Variance
Income			
Rates Revenues	36,915	37,136	(221)
Statutory Charges	1,172	1,100	72
User Charges	1,007	891	116
Grants, Subsidies and Contributions	5,123	4,391	732
Investment Income	41	38	3
Reimbursements	516	377	139
Other Income	648	479	169
Net Gain - Equity Accounted Council Businesses	138	100	38
Total Income	45,560	44,511	1,049

Income is favourable by \$1.049m (2.4%) compared to budget.

Rate income was less than budgeted, largely as a result of writing off of amounts outstanding in the order of \$222k in relation to properties that where rate notices had been unable to be delivered for many years. A number of these have been determined to be roads or property proposed to be vested to Council with the remainder likely to be transferred to Council under Section 185 of the Local Government Act. \$94k of the amount written off related to the charging of fines and interest over many years.

For Statutory Income, favourable variances related to Development Act fees of \$56k, Animal Management Fees of \$12k and Search fees of \$21k offsetting an unfavourable variance in Parking Fines/Expiations of \$20k.

The \$116k favourable variance for User Charges largely relates to favourable cemetery income to budget in the order of \$99k for the year as well as favourable AHBTC (Adelaide Hills Business and Tourism Centre) Income variances of \$38k due to the delay in sale of properties in the Woollen Mill precinct.

For Grants & Subsidies the favourable variance of \$732k largely relates to the unbudgeted receipt of the 2019-20 and 2020-21 Supplementary Local Road Grants of \$690k in June 2019.

The favourable variance in Reimbursement Income largely relates to unbudgeted property management reimbursements relating to the delay in the sale of AHBTC properties.

Other income was favourable to budget in relation to insurance recoveries, including a claim for the rotunda outside the Coventry library.

In terms of the results for Joint Ventures and Associates, there was an large improvement in the result for Adelaide Hills Regional Waste Management Authority with Adelaide Hills Council recording \$119k surplus as its share of the operating result compared to a loss of \$160k for the 2017-18 financial year.

Appendix 3

Operating Expenditure

Operating Expenditure compared to Budget - Unfavourable to Budget			
\$ '000	Actuals 2018	Budget 2018	Variance
Expenses			
Employee Costs	15,923	16,461	538
Materials, Contracts & Other Expenses	19,231	18,226	(1,005)
Depreciation, Amortisation & Impairment	8,826	8,758	(68)
Finance Costs	623	668	45
Net loss - Equity Accounted Council Businesses	(6)	-	(6)
Total Expenses	44,609	44,113	(496)
<p>An unfavourable expenditure variance of \$496k (1.1%) has occurred for the year.</p> <p>For employee costs, a number of favourable variances were realised as a result of a vacancies across the organisation including Service Improvement, Communication & Engagement, Civil Services and Information Management. A large proportion of these were backfilled by contract labour recorded under Materials, Contract & Other resulting in an offset across these two account categories.</p> <p>The unfavourable variance from budget within Materials, Contracts & Other Expenses was largely as a result of:</p> <ul style="list-style-type: none"> • Additional provisioning of remediation and post closure costs of \$170k relating to closed landfills within the Council area • contract labour in the order of \$500k used to offset employee vacancies discussed above as well as additional contract labour/contractors in the order of \$140k in Sport & Recreation and Open Space apprentices • plant and vehicle expenditure over budget as a result of higher maintenance costs in the order of \$80k • unbudgeted costs for AHBTC for utilities (power \$50k and water \$11k) due to delay in sale of property but more than offset by favourable reimbursement income for these properties • unbudgeted Capital Work-in-Progress write-off of \$65k and a \$30k contribution for the Piccadilly Netball/Tennis Clubrooms budgeted under capital but recorded as operating expenditure under accounting principles <p>In relation to depreciation, actual expenditure was \$45k higher than budget with the most significant increase above budget occurring in buildings and Community Wastewater Management System (CWMS) asset categories.</p> <p>The loss of \$6k from Council's Equity Accounted Council Businesses resulted from Gawler River Floodplain Management Authority, as depreciation is not cash funded. Adelaide Hill's share of this subsidiary's operating result is 3.9% for the year ended 30 June 2019.</p>			