



## **AUDIT COMMITTEE**

### **NOTICE OF MEETING**

To: **Presiding Member** Cr Malcolm Herrmann

#### **Members**

David Moffatt  
Peter Brass  
Paula Davies  
Cr Leith Mudge

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

**Monday 20 April 2020  
6.00pm  
36 Nairne Road, Woodside**

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

Committee Members will be participating in the meeting by electronic (remote) means as provide for in legislation and the Committee's Terms of Reference.

Committee meetings are open to the public however members of the community are encouraged to consider the COVID-19 social distancing guidelines when deciding whether to attend.

Public notice of the Agenda for this meeting is supplied under Section 88 of the Act.

**Andrew Aitken  
Chief Executive Officer**



## **AUDIT COMMITTEE**

**AGENDA FOR MEETING**  
**Monday 17 February 2020**  
**6.00pm**  
**36 Nairne Road, Woodside**

### **ORDER OF BUSINESS**

**1. COMMENCEMENT**

**2. APOLOGIES/LEAVE OF ABSENCE**

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

**3. MINUTES OF PREVIOUS MEETINGS**

- 3.1. Audit Committee Minutes – 17 February 2020

***Recommendation***

*That the minutes of the Audit Committee meeting held on 17 February 2020, as supplied, be confirmed as an accurate record of the proceedings of that meeting.*

**4. DELEGATION OF AUTHORITY**

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

**5. DECLARATION OF INTEREST BY MEMBERS OF THE COMMITTEE**

**6. OFFICER REPORTS**

- 6.1. Action Report & Work Plan Update
- 6.2. 2020-21 Long Term Financial Plan – Revised Draft
- 6.3. 2020-24 Strategic Plan – Revised Draft
- 6.4. Annual Business Plan Update

**7. NEXT MEETING**

The next Audit Committee meeting will be held at 6.00pm on 25 May 2020 at 63 Mount Barker Road, Stirling.

**8. CLOSE MEETING**

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 17 FEBRUARY 2020  
63 MT BARKER ROAD STIRLING**

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**In Attendance**

**Members:**

Cr Malcolm Herrmann	Presiding Member
Peter Brass	Independent Member
David Moffatt	Independent Member
Paula Davies	Independent Member
Councillor Leith Mudge	Council Member

**In Attendance:**

Andrew Aitken	Chief Executive Officer
Peter Bice	Director Infrastructure & Operations
Lachlan Miller	Executive Manager Governance & Performance
Mike Carey	Manager Financial Services
David Collins	Manager Sustainable Assets
James Sinden	Manager ICT
Sharon Leith	Sustainability Officer

**1. COMMENCEMENT**

The meeting commenced at 6.00pm.

**2. APOLOGIES/LEAVE OF ABSENCE**

**2.1. Apology**

Nil

**2.2. Leave of Absence**

Nil

**2.3. Absent**

Nil

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Presiding Member \_\_\_\_\_ 25 May 2020

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**3. MINUTES OF PREVIOUS MEETINGS**

**3.1. Audit Committee Meeting – 18 November 2019**

Moved Peter Brass  
S/- Paula Davies

**1/AC20**

That the minutes of the Ordinary Council meeting held on 18 November 2019 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

<b>Carried</b>
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**4. Delegation of Authority**

In accordance with the Audit Committee Terms of Reference, the Committee has no delegated decision-making powers. The Recommendations in Items 6.1, 7.2, 7.5, 7.6, 7.8 and 7.11 are to be submitted to Council for consideration.

**5. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF AUDIT COMMITTEE**

Nil

**6. MOTION ON NOTICE**

**6.1. Cyber Security**

Moved Cr Leith Mudge  
S/- Paula Davies

**2/AC20**

I move the Audit Committee recommends to the Council that:

Given the increasing number of cyber security threats that are being reported, that the Audit Committee recommends to Council the following:

1. Council acknowledge that cyber security threats are serious issues that have the potential to significantly impact on Council operations and therefore a need to ensure that risk mitigation systems are in place, resourced & managed in line with Strategic and Operational Management Plans.
2. The Strategic Internal Plan 2018/19-2022/23 is amended to set the scope for the Cyber Security Audit to be "Focusing on the cyber security risks to the Council, undertake an assessment of the adequacy of the control framework including an

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assessment against the maturity levels of the Australian Cyber Security Centre's Essential Eight Model."

3. The Cyber Security Audit currently scheduled for Q2 2020/21 be bought forward such that it can be performed as soon as is reasonably practicable.

<b>Carried Unanimously</b>
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## **7. OFFICER REPORTS – DECISION ITEMS**

Leave of the meeting was granted to bring Item 7.2, Climate Change Adaptation Governance & Risk Assessment and Item 7.3, Update on Asset Management Planning, forward on the agenda.

### **7.2 Climate Change Adaptation Governance & Risk Assessment**

Moved Cr Leith Mudge  
S/- Paula Davies

**3/AC20**

The Audit Committee resolves:

1. That the report be received and noted
2. That the Audit Committee recommends this report is presented to Council for information.
3. That the Audit Committee Work Plan be amended to provide for a biannual status report on the implementation of the Climate Change Adaptation Governance Assessment Report - July 2019.

<b>Carried Unanimously</b>
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### **7.3 Update on Asset Management Planning**

Moved Peter Brass  
S/- David Moffatt

**4/AC20**

The Audit Committee resolves

1. That the report be received and noted.
2. That, subject to no objections being raised by the External Auditor to the proposed approach, the Committee encourages the Administration in implementing the Opportunities for Improvement identified in the *Asset Management and Valuation Review Report* contained in Appendix 2.

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<b>Carried</b>
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**7.1. Action Report & Work Plan Update**

Moved Peter Brass  
S/- David Moffatt

**5/AC20**

**The Audit Committee resolves:**

- 1. The report be received and noted.**
- 2. That the 2020 Work Plan V1.1, at Appendix 3 be adopted.**

<b>Carried</b>
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**7.2. Climate Change Adaptation Governance & Risk Assessment**

This item was considered earlier in the agenda.

**7.3. Update on Asset Management Planning**

This item was considered earlier in the agenda.

**7.4. Quarterly Council Performance Report – Q2**

Moved Cr Leith Mudge  
S/- Peter Brass

**6/AC20**

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

<b>Carried</b>
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**7.5. 2019-20 Budget Review 2**

Moved Cr Leith Mudge  
S/- Paula Davies

**7/AC20**

**The Audit Committee:**

- 1. Resolves that the report be received and noted.**

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2. Recommends to Council:
- a. That the Operating Budget variations presented in Budget Review 2 result in no change to the Operating Surplus of \$411k for the 2019-20 financial year.
  - b. The proposed deferral of capital project income of \$1m and expenditure of \$496k to the 2020-21 financial year.
  - c. That the proposed operating and capital adjustments result in Council's current Net Borrowing Result of \$3.433m increasing to \$3.938m for the 2019-20 financial year.

<b>Carried Unanimously</b>
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**7.6. Long Term Financial Plan Review**

Moved Cr Leith Mudge  
S/- Paula Davies

**8/AC20**

The Audit Committee:

1. Receives and notes the report.
2. Notes the updated Long Term Financial Plan.
3. Recommends Council endorse the Long Term Financial Plan, as contained in Appendix 1 for community consultation in accordance with *Section 122 of the Local Government Act 1999*.

<b>Carried</b>
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**7.7. Debtors Report**

Moved Peter Brass  
S/- David Moffatt

**9/AC20**

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

<b>Carried</b>
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**7.8. Draft Fraud, Corruption, Misconduct and Maladministration Policy**

Moved Peter Brass

S/- Paula Davies

10/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. That the Audit Committee recommends to Council to adopt the draft *Fraud, Corruption, Misconduct and Maladministration Policy* as per Appendix 1.

<b>Carried Unanimously</b>
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**7.9. Risk Management Plan – Quarterly Update**

Moved Paula Davies

S/- Cr Leith Mudge

11/AC20

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

<b>Carried</b>
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**7.10. LGRS Risk Evaluation 2019 Results**

Moved Peter Brass

S/- Paula Davies

12/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. That the 17 December 2019 *LGRS Risk Evaluation Summary Report* contained in Appendix 1 be noted.
3. That, as per the Audit Committee's 2020 Workplan, the *LGRS Risk Evaluation Summary Report Action Plan* is presented to the May 2020 Audit Committee Meeting.

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<b>Carried</b>
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**7.11. 2019/20 External Audit Plan**

Moved Peter Brass  
S/- Paula Davies

**13/AC20**

The Audit Committee resolves:

1. That the report be received and noted
2. To recommend to Council the approval of the *2019/20 External Audit Plan* by Galpins Accountants, Auditors and Business Consultants as contained in Appendix 1.

<b>Carried Unanimously</b>
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**7.12. Internal Audit Quarterly Update**

Moved David Moffatt  
S/- Cr Leith Mudge

**14/AC20**

The Audit Committee resolves to receive and note the report.

<b>Carried Unanimously</b>
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**7.13. Audit Actions Implementation Update**

Moved Peter Brass  
S/- Cr Leith Mudge

**15/AC20**

The Audit Committee resolves:

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

<b>Carried Unanimously</b>
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**7.14. Audit Committee Presiding Members Report 2019**

Moved Peter Brass  
S/- David Moffatt

16/AC20

That the report be received and noted.

<b>Carried</b>
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**7.15. Audit Committee Meeting**

Moved Cr Malcolm Herrmann  
S/- Cr Leith Mudge

17/AC20

That the May Audit Committee Meeting be Monday 25 May 2020 (moved from 18 May 2020).

<b>Carried</b>
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**8. NEXT MEETING**

The next ordinary meeting of the Audit Committee will be held on Monday 20 April 2020 from 6.00pm at 36 Nairne Road, Woodside.

**9. CLOSE MEETING**

The meeting closed at 8.12pm.

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 20 April 2020  
AGENDA BUSINESS ITEM**

**Item:** 6.1

**Responsible Officer:** Steven Watson  
Governance & Risk Coordinator  
Office of the Chief Executive

**Subject:** Action Report & Work Plan Update

**For:** Information

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**SUMMARY**

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

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

**RECOMMENDATION**

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

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**1. GOVERNANCE**

➤ **Strategic Management Plan/Council Policy**

Goal	Organisational Sustainability
Strategy	Governance

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

➤ **Legal Implications**

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

➤ **Risk Management Implications**

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

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

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

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

➤ **Financial and Resource Implications**

Council's current budget contains provision for the costs associated with the notification and conduct of audit Committee meetings

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

The timing and location of Audit Committee meetings should be considerate of the desire for community members to attend.

➤ **Sustainability Implications**

There are no direct sustainability implications arising from this report.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

*Council Committees:* Not Applicable

*Advisory Groups:* Not Applicable

*Administration:* Executive Manager Governance & Performance  
Executive Assistant Corporate Services

*Community:* Not Applicable

Action Report

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

Work Plan

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

Workplan Amendment

A Work Plan has been developed to assist the Committee members and staff in scheduling discussion and reports to ensure appropriate coverage of the functions over the 12 month period. The Audit Committee adopted an Updated Work Plan for 2020 at its 17 February 2020 meeting.

## 2. ANALYSIS

### Action Report

There are seven (7) completed items and four (4) outstanding items on the Audit Committee Action Report (**Appendix 1**) arising from the August and November 2019 and February 2020 Committee meetings. Commentary against each of the items is provided for the Committee's information.

### Work Plan and Reporting Schedule

As per the *2020 Audit Committee Work Plan and Reporting Schedule (Appendix 2)*, the following items are detailed below are included in the February 2020 (this) meeting:

Item	Commentary	Month Scheduled
<b>Financial Reporting</b>		
Long Term Financial Plan (LTFP)		February
Annual Business Plan	Included in this meeting	April
Budget Review 1		November
Budget Review 2		February
Budget Review 3		May
End of Year Financial Report		November
End of financial year reporting timetable		May
End of financial year update		August
Final Annual Financial Statements (incl management representation letter)		October
<b>Internal Control and Risk Management</b>		
Placement of Council's insurance portfolio (for noting)		August
Internal Financial Controls update		May
Risk Management Plan update		Feb/May/August/Nov
Results of LGRS Risk Management Review		February
LGRS Risk Evaluation - Action Plan Review		May/August

<b>Internal Audit</b>		
Internal Audit quarterly update		February/May/August/November
Internal audit reports	NIL	As Required
Implementation of internal audit actions progress report		February
Internal Audit Plan review		May
<b>External Audit</b>		
External audit interim letter	Verbal update to be provided.	April
Implementation of external audit actions progress report		February/August
External Audit Plan review		February
Meeting attendance by external auditors		February/October
Review of auditor independence and legislative compliance		October
Audit Committee Completion Report		October/November
<b>Public Interest Disclosure</b>		
Public Interest Disclosure Policy review (replaces Whistleblowers)		April 2021
<b>Other Business</b>		
Audit Committee self-assessment review		November
Presiding Member's Report		November
Work Plan and Reporting Schedule		November
Audit Committee Meeting Dates		November
Debtors Report		February/August
Annual Report		November
Audit Committee's Terms of Reference		February
Directors Presentation	Postponed	February/April/May/August
Other Reports		As Required

### **3. OPTIONS**

The Committee has the following options:

- I. To note the status of the Action Report and 2020 Workplan V1.1 as presented (recommended).
- II. To alter or substitute elements of the Action Report and/or Work Plan/s. (not recommended)

### **4. APPENDICES**

- (1) Audit Committee Action Report
- (2) 2020 Audit Committee Work Plan (v1.1)



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# **Appendix 1**

## *Audit Committee Action Report*

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Meeting Date	Meeting	Res No.	Item Name	Previously Declared COI	Action Required (Council Resolution)	Responsible Director	Responsible Officer	Status	Date of Update	Due Date	Status (for Council reporting)
18/02/2019	Audit Committee	6/AC19	Risk Management Plan Update	None Declared	Requests an update to the Committee Workplan to include the Risk Management Framework Review for the August 2019 Audit Committee Meeting.	Andrew Aitken	Steven Watson	In Progress	16/04/2020	29/02/2020	<p>Risk Management Policy was recommended by the Audit Committee to Council for the May 2019 Ordinary Council Meeting. Council adopted the Policy.</p> <p>With the impending LGRS Evaluation occurring in the current financial year, it was felt undertaking a Risk Management Framework review would be an inefficient use of council resources and potentially undertake work that in real terms should be undertaken once the LGRS Evaluation is complete. Subsequently the Risk Management Framework Review has been delayed to follow the 2019 LGRS Evaluation and any outcomes therein.</p> <p>09 Jan 2020 - The LGRS Evaluation has now occurred and the results are being prepared for the Audit Committee to consider.</p> <p>10 Feb 2020 - The LGRS Evaluation Results Report going to 17 Feb 2020 Audit Committee Meeting.</p>
12/08/2019	Audit Committee	30/AC19	Placement of Council’s Insurance Portfolio	None Declared	A further report be provided to the Committee on the items not covered in its insurance portfolio	Andrew Aitken	Lachlan Miller	In Progress	10/12/2019	18/05/2020	A full report on the insurance classes available with be provided t the May 2020 Audit Committee meeting in advance of the commencement of the 2020-21 placement program.
12/08/2019	Audit Committee	36/AC19	Internal Audit Quarterly Update	None Declared	Administrative Action – Management Response to be updated to take into account the views of the Audit Committee	Andrew Aitken	Lachlan Miller	Completed	10/12/2019	17/02/2020	Commentary will be updated for next round of Agreed Action updates in February 2020.
18/11/2019	Audit Committee	41/AC19	2018-19 Draft General Purpose Financial Statements	None declared	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	Terry Crackett	Mike Carey	Completed	10/12/2019	26/11/2019	Council's General Purpose Financial Statements were presented to Council at its meeting on 26 November 2019 and subsequently certified by the Chief Executive Office and Mayor and Audit Reports signed off by Galpins Council's External Auditors
17/02/2020	Audit Committee	2/AC20	MON Cyber Security	None declared	The Audit Committee recommends to the Council that given the increasing number of cyber security threats that are being reported, that the Audit Committee recommends to Council the following:Council acknowledge that cyber security threats are serious issues that have the potential to significantly impact on Council operations and therefore a need to ensure that risk mitigation systems are in place, resourced & managed in line with Strategic and Operational Management Plans.The Strategic Internal Plan 2018/19-2022/23 is amended to set the scope for the Cyber Security Audit to be “Focusing on the cyber security risks to the Council, undertake an assessment of the adequacy of the control framework including an assessment against the maturity levels of the Australian Cyber Security Centre's Essential Eight Model."The Cyber Security Audit currently scheduled for Q2 2020/21 be bought forward such that it can be performed as soon as is reasonably practicable	Andrew Aitken	Lachlan Miller	Completed	21/02/2020	31/03/2020	Council considered the Audit Committee's recommendations at its 24 March 2020 meeting and resolved accordingly. Work has commenced on the cyber security audit however is being delayed due to COVID-19 restrictions.
17/02/2020	Audit Committee	3/AC20	Climate Change Adaptation Governance & Risk Assessment	None declared	The Audit Committee recommends this report is presented to Council for information.	Peter Bice	Sharon Leith	Not Started	7/04/2020	29/05/2020	The information will now be circulated to Council Members via email noting change to priority only items to Council meetings and deferring of workshops.
17/02/2020	Audit Committee	3/AC20	Climate Change Adaptation Governance & Risk Assessment	None declared	The Audit Committee Work Plan be amended to provide for a biannual status report on the implementation of the Climate Change Adaptation Governance Assessment Report - July 2019	Andrew Aitken	Steven Watson	Completed	10/03/2020	31/03/2020	Workplan amended to include a biannual status report on the implementation of the Climate Change Adaptation Governance Assessment Report - July 2019
17/02/2020	Audit Committee	7/AC20	7.5.2019-20 Budget Review 2	None declared	The Audit Committee recommends to Council:That the Operating Budget variations presented in Budget Review 2 result in no change to the Operating Surplus of \$411k for the 2019-20 financial year.The proposed deferral of capital project income of \$1m and expenditure of \$496k to the 2020-21 financial year.That the proposed operating and capital adjustments result in Council's current Net Borrowing Result of \$3.433m increasing to \$3.938m for the 2019-20 financial year	Terry Crackett	Mike Carey	Completed	11/03/2020	29/02/2020	BR2 approved by Council 25 Feb 2020
17/02/2020	Audit Committee	8/AC20	Long Term Financial Plan Review	None declared	The Audit Committee recommends Council endorse the Long Term Financial Plan for community consultation in accordance with <i>Section 122 of the Local Government Act 1999</i>	Terry Crackett	Mike Carey	Completed	10/03/2020	28/02/2020	Council Report adopted by Council 25 Feb 2020
17/02/2020	Audit Committee	10/AC20	Draft Fraud, Corruption, Misconduct and Maladministration Policy	None declared	The Audit Committee recommends to Council to adopt the draft Fraud, Corruption, Misconduct and Maladministration Policy	Andrew Aitken	Lachlan Miller	In Progress	21/02/2020	28/04/2020	Developing the CEO investigation procedure for inclusion in the draft policy
17/02/2020	Audit Committee	13/AC20	2019/20 External Audit Plan	no	Audit Committee recommends to Council the approval of the <i>2019/20 External Audit Plan</i> by Galpins Accountants, Auditors and Business Consultants	Andrew Aitken	Lachlan Miller	Completed	21/02/2020	25/02/2020	Adopted by Council at 25 february 2020 meeting.

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## **Appendix 2**

*2020 Audit Committee Work Plan (v1.1)*

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**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE**  
**DRAFT - 2020 Work Plan and Reporting Schedule**

<b>Terms of Reference</b>		
<b>Financial Reporting &amp; Prudential Requirements</b>	Long Term Financial Plan (LTFP)	Annual
	Annual Business Plan	Annual
	Budget Review 1	Annual
	Budget Review 2	Annual
	Budget Review 3	Annual
	End of Year Financial Report	Annual
	End of financial year reporting timetable	Annual
	End of financial year update	Annual
	Final Annual Financial Statements (incl management representation letter)	Annual
<b>Internal Control and Risk Management</b>	Placement of Council's insurance portfolio (for noting)	Annual
	Internal Financial Controls update	Annual
	Risk Management Plan update	Quarterly
	LGRS Risk Evaluation - Results	Biennial
	LGRS Risk Evaluation - Action Plan Review	Bi-annual
<b>Internal Audit</b>	Internal Audit quarterly update	Quarterly
	Internal audit reports	As required
	Implementation of internal audit actions progress report	Bi-annual
	Internal Audit Plan review	Annual
<b>External Audit</b>	External audit interim letter	Bi-annual
	Implementation of external audit actions progress report	Bi-annual
	External Audit Plan review	Annual
	Meeting attendance by external auditors	Annual
	Review of auditor independence and legislative compliance	Annual
	Audit Completion Report	Annual
<b>Public Interest Disclosure</b>	Public Interest Disclosure Policy review (replaces Whistleblowers)	Triennial
<b>Other Business</b>	Audit Committee self assessment review	Annual
	Presiding Member's Report	Annual
	Work Plan and Reporting Schedule	Annual
	Audit Committee Meeting Dates	Annual
	Debtors Report	Bi-annual
	Council's Annual Report	Annual
	Action Report & Work Plan Update	All Mtgs
	Audit Committee's Terms of Reference	Annual
	Climate Change Adaptation Governance Assessment Report - July 2019	Bi-annual
	Directorate Risk Profile Presentation	Quarterly
	Other Reports	As required
<b>Version Control:</b>	V1.1 - Adopted 17 Feb 2020	

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2019 Results				Next Eval 2021	

	verbal	verbal	letter		
				in camera	
				draft	final

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**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 20 April 2020  
AGENDA BUSINESS ITEM**

**Item:** 6.2

**Responsible Officer:** Mike Carey  
Manager Financial Services  
Corporate Services

**Subject:** 2020-21 Long Term Financial Plan - Revised Draft

**For:** Decision

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**SUMMARY**

The purpose of this report is to enable the Audit Committee to fulfil its role under its Terms of Reference in relation to the Council's strategic management plans and to seek a recommendation to Council for the LTFP's adoption.

Council's draft Long Term Financial Plan (LTFP) has been developed in alignment with the two other strategic management plans required under s122 of the *Local Government Act 1999* (the Act) being the Strategic Plan and its Infrastructure and Asset Management Plan. The LTFP is structured to demonstrate the proposed financial performance and position of the Council over a 10 year period. The assumptions and projections contained therein provide a financially sustainable position to support the achievement of the Strategic Plan and the Asset Management Plans.

On 25 February 2020 an update of Council's LTFP was endorsed for community consultation. The consultation subsequently took place between 2 March 2020 and 27 March 2020 and resulted in no responses being received.

In terms of changes to the draft LTFP, it is proposed to incorporate a specific reference to the COVID-19 pandemic under the Risk section of the document and to detail the Key Financial Indicators on a numerical basis within the final LTFP document.

It is noted that the financial impacts of two significant events for Council, namely the Cudlee Creek Bushfire Recovery and the COVID-19 pandemic will not be fully understood for a reasonable period of time, however it is likely to be substantial. This impact from both an expenditure and funding perspective will therefore be a matter for future LTFP consideration.

Notwithstanding, given the possible significance of the financial impacts of the 2020-21 Budget on future years, documentation will be provided as part of the 2020-21 Annual Business Plan and Budget to illustrate the impact of the 2020-21 budget settings on the long term financial performance of the Council, and hence whether financial sustainability is being achieved.

## RECOMMENDATION

The Audit Committee resolves:

1. That the report be received and noted.
  2. To advise Council that the Committee has reviewed the draft **2020-21 Long Term Financial Plan (LTFP)**, as contained in Appendix 1, in terms of the assumptions underpinning the LTFP, its consistency with the Strategic Plan and Asset Management Plans and the adequacy of the plans in the context of maintaining financial sustainability
  3. That, on the basis of the Committee's review, to recommend the LTFP's adoption to Council.
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### 1. GOVERNANCE

#### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Goal	Organisational Sustainability
Strategy	Risk and Responsibility
Strategy	Financial Sustainability
Strategy	Governance

#### ➤ Legal Implications

The LTFP is prepared as a part of the Strategic Management Plans and in accordance with Section 122(1)(a) of the *Local Government Act 1999 (the Act)* and Regulation 5 of the *Local Government (Financial Management) Regulations 2011*.

Section 126 of the Act sets out the role of the Audit Committee with subsection (4)(ab) being of specific relevance in that the Committee functions shall include 'proposing, and providing information relevant to, a review of the council's strategic management plans'. Council has further elaborated on this function in the Committee's Terms of reference as the Committee shall:

*Provide comment on the assumptions underpinning Council's Strategic Management Plans (Strategic Plan, Annual Business Plan and Budget and Long Term Financial Plan), the consistency between plans and the adequacy of Council's plans in the context of maintaining financial sustainability*

#### ➤ Risk Management Implications

Preparing a LTFP as required by the Act and Regulations will assist in mitigating the risk of:

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

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

It ensures that financial resources are deployed in areas that align with Council's Strategic Management Plans, are affordable and supported within the Council's LTFP.

➤ **Financial and Resource Implications**

The LTFP is the fundamental instrument of accountability addressing the financial and resource implications for Council's planned activities over a ten year timeframe to assess the financial sustainability of Council.

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

There is an expectation that Council has appropriate corporate governance processes in place including an effective internal control environment.

➤ **Sustainability Implications**

The Council's sustainability (financial, social and environmental) is a key consideration in the development of the LTFP.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

*Council Committees:* The Audit Committee considered the draft LTFP on 17 February 2020.

*Council Workshops:* A workshop of Council was held on 11 February 2020 to provide an overview of the process undertaken to develop the draft LTFP as well as a review the key inputs and resulting sustainability ratios.

*Advisory Groups:* Not Applicable

*Administration:* The Executive Leadership Team (ELT) has reviewed and endorsed the updated draft LTFP for presentation to Council. In addition, the functional leads across the organisation provided input on the funding requirements to be captured in the draft LTFP to support the implementation of the Strategic Plan / Functional Strategies.

*External Agencies:* Not Applicable

*Community:* In accordance with Section 122 of the Act consultation with the community was undertaken on the draft LTFP following endorsement by Council on 25 February 2020. The consultation process subsequently took place between 2 March 2020 and 27 March 2020 and involved the following:

- Publishing the draft LTFP on Council's Engage HQ platform
- Advertising the availability of the LTFP in local papers, and
- Making copies available at Council Service Centres.

At the conclusion of the consultation period there were no responses received.

## **2. BACKGROUND**

Council considers that its LTFP is a fundamental instrument of accountability and provides projections for Council's planned activities over a ten year timeframe.

The Act requires Council to prepare a LTFP as part of its Strategic Management Plan, and to update it on the same basis. Members of the public are to be given a reasonable opportunity to be involved in the development and review of the Council's plan.

The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving Council's corporate objectives as specified in its Strategic Plan and Corporate Plans. At the same time the LTFP ensures that there is an understanding of the impact of decisions made today on future sustainability. This means ensuring the cost effective delivery of works and services, and the appropriate maintenance and renewal of our asset base in a financially sustainable manner based on Council's adopted infrastructure and asset management plan.

The LTFP provides a decision making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost effective services to our community in the future in a financially sustainable manner.

A council's LTFP must contain a summary of the proposed operating and capital investment activities in the Uniform Presentation of Finance format for a period of at least ten years. It should include estimates of the key ratios, operating surplus, net financial liabilities and asset sustainability. This illustrates the expected long term financial performance of the Council, and hence whether financial sustainability is being achieved.

Each year, the LTFP is updated after the audited financial statements for the previous year have been adopted. An assessment of assumptions and indices is also undertaken as well as consideration of alignment with Council's Strategic Plan and any new/updated functional and other strategies endorsed by Council since the previous LTFP has been adopted.

This draft LTFP is also updated for the latest adopted budget including budget amendments undertaken as part of formal Budget Reviews. One of the outputs of the draft LTFP is to produce an uplifted 2020-21 LTFP budget that is capable of being used as a "target" for the 2020-21 budget setting process.

This draft LTFP is then presented to the Audit Committee and subsequently Council prior to a formal Community Consultation process in line with Council's Public Consultation Policy.



At the Audit Committee meeting on 17 February 2020, it was resolved as follows:

**7.6. Long Term Financial Plan Review**

Moved Cr Leith Mudge  
S/- Paula Davies

8/AC20

The Audit Committee:

1. Receives and notes the report.
2. Notes the updated Long Term Financial Plan.
3. Recommends Council endorse the Long Term Financial Plan, as contained in Appendix 1 for community consultation in accordance with *Section 122 of the Local Government Act 1999*.

Carried
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Subsequently, at Council's meeting on 25 February 2020, it was resolved as follows:

**12.4 Long Term Financial Plan for Consultation**

Moved Cr Malcolm Herrmann  
S/- Cr Leith Mudge

32/20

Council resolves:

1. That the report be received and noted
2. To endorse the Draft Long Term Financial Plan, as contained in Appendix 1 for community consultation in accordance with Section 122 of the *Local Government Act 1999*.
3. That the CEO be authorised to:
  - a. Make any formatting, nomenclature or other minor changes to the Plan prior to being released for public consultation and
  - b. Determine the consultation timings, media and processes while ensuring consistency and compliance with the provisions of applicable legislation and Council's *Public Consultation Policy*.

Carried Unanimously
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### 3. ANALYSIS

Although there was some interest in the LTFP from the online engagement, there were no responses submitted during the consultation process.

In terms of a final LTFP for adoption, it is proposed only to incorporate some minor changes to the draft LTFP document as follows:

- include specific reference to the COVID-19 pandemic under the Risk section of the document, being page 7 of the document.
- include the numerical Key Financial Indicators for the 10 year period on the last page of the document (currently these are shown graphically on pages 3 and 4 of the document)

As a result of a significant reallocation of Council resources to address the Cudlee Creek Bushfire Recovery, and now the COVID-19 pandemic this has not allowed the financial impacts of these significant events to be fully developed to the level appropriate to incorporate these costings into the 2020-21 LTFP.

Further, for both events, the financial impact will not be fully understood for a reasonable period of time, however there is the potential for it to be substantial. This impact from both an expenditure and funding perspective will therefore be a matter for future LTFP consideration.

Council is required by Section 122(a) of the Act to adopt an updated LTFP annually after adopting the council's annual business plan for a particular financial year. It is anticipated that the next version of the LTFP will be prepared for Audit Committee review once the 2020-21 Budget is set and actual results for 2019-20 are known. Similarly to previous years, it is likely that the next LTFP will be presented to the Audit Committee early in the 2021 calendar year, with that timing allowing for the full financial impacts of Cudlee Creek Bushfire Recovery, and the COVID-19 pandemic to be incorporated.

Notwithstanding, given the possible significance of the financial impacts of the 2020-21 Budget on future years, it is considered appropriate to provide a summary of the proposed operating and capital investment activities of Council in the Uniform Presentation of Finances format (as required for the LTFP) for a period of three years as part of the 2020-21 Annual Business Plan and Budget documentation.

The documentation will include estimates of the key ratios, operating surplus, net financial liabilities and asset sustainability for that period as well. It is anticipated that this will appropriate illustrate the impact of the 2020-21 budget settings on the long term financial performance of the Council, and hence whether financial sustainability is being achieved.

#### In Summary

As highlighted in earlier discussion, the LTFP provides a decision making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost effective services to our community in the future in a financially sustainable manner. As the LTFP is a fluid document, which is continually reviewed, modified and refined as new information is considered and incorporated, the current draft 2020-21 LTFP with minor amendments is considered appropriate as a guiding document, forming a base for the development of the 2020-21 budget as well as future years.

#### **4. OPTIONS**

The Committee has the following options:

- I. To advise Council that the Committee has reviewed the draft *2020-21 Long Term Financial Plan* in terms of the assumptions underpinning the LTFP, its consistency with the Strategic Plan and Asset Management Plans and the adequacy of the plans in the context of maintaining financial sustainability and recommend its adoption (Recommended)
- II. To amend any/all of the draft *2020-21 Long Term Financial Plan* prior submission to the Council for final adoption
- III. To not recommend the draft *2020-21 Long Term Financial Plan* for submission to the Council for final adoption (Not recommended)

#### **5. APPENDICES**

- (1) Proposed 2020-21 Final LTFP for Council Adoption

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# **Appendix 1**

*Proposed 2020-21 Final LTFP for Council Adoption*

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**Adelaide Hills**  
COUNCIL

2020-21

# Long Term Financial Plan



# Long Term Financial Plan

## April 2020



### Why does Council prepare a Long Term Financial Plan?

The *Local Government Act 1999* requires Council to prepare a Long Term Financial Plan (LTFP) as part of its Strategic Management Plan. This means that members of the public are to be given a reasonable opportunity to be involved in the development and review of the Council's plan.

Council considers that its Long Term Financial Plan (LTFP) is a fundamental instrument of accountability and provides projections for Council's planned activities over a ten year timeframe.

The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving Council's corporate objectives as specified in its Strategic Plan, Corporate Plans and Functional Strategies. At the same time the LTFP ensures that there is an understanding of the impact of decisions made today on future sustainability. This means ensuring the cost effective delivery of works and services, and the appropriate maintenance and renewal of our asset base in a financially sustainable manner.

The purpose of this plan is not to provide specific detail about individual works or services. The LTFP provides a decision making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost effective services to our community in the future in a financially sustainable manner.

A Council LTFP must contain estimated financials for a period of at least ten years. It should include estimates of the key ratios, operating surplus, net financial liabilities and asset renewal funding. This illustrates the expected long term financial performance of the Council, and hence whether financial sustainability is being achieved.

The model is a fluid document, continually reviewed, modified and refined as new information is discovered, usually at each Budget Review and during the construction and adoption of the annual budget.

### How does Council prepare the plan?

The 10 year LTFP is prepared using a number of assumptions, with regard to projected rate income, projected fees, charges and grants and also includes assumptions about future operational and capital expenditure. Given that long term financial plans are derived from an estimate of future performance, it should be appreciated that actual results are likely to vary from the information contained in the LTFP.

The LTFP is based on a model which projects Council's future financial performance based on a very large range of variables applied to its performance in recent years. Because there are a large number of variables the model is quite complex. In order to use it to guide each year's budget setting process, the key variables have been divided into two groups:

- » Controllable variables – items that Council can control such as service levels, capital expenditure, rate increases and wage increases
- » Non-controllable variables – items outside Council's control, such as interest rates, inflation and economic growth (eg. residential development, new businesses, etc).



For controllable variables, Council is able to model different levels of activity to see what effect they have on financial performance. The long term effects of each decision can then be assessed.

For non-controllable variables, the plan uses reasonable long term estimates which do not change (except to update them at the beginning of each budget cycle). In this way the impact of different choices about the controllable variables can be assessed. For instance, inflation measured by CPI has fluctuated substantially in recent years. Because inflation works differently on different elements of Council's income and expense it can quickly and materially distort the LTFP, especially in its later years.

## What key conclusions may be drawn from the plan?

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

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

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

- 1. Operating Surplus Ratio, target range 0% to 10%**
- 2. Net Financial Liabilities Ratio, target range 0% to 100%**
- 3. Asset Renewal Funding Ratio, (formerly titled Asset Sustainability Ratio) target range 90% to 110%**

In achieving these targets, which are explained in more detail below, there is a level of certainty provided to the community that financial sustainability will be maintained.

## Ratios

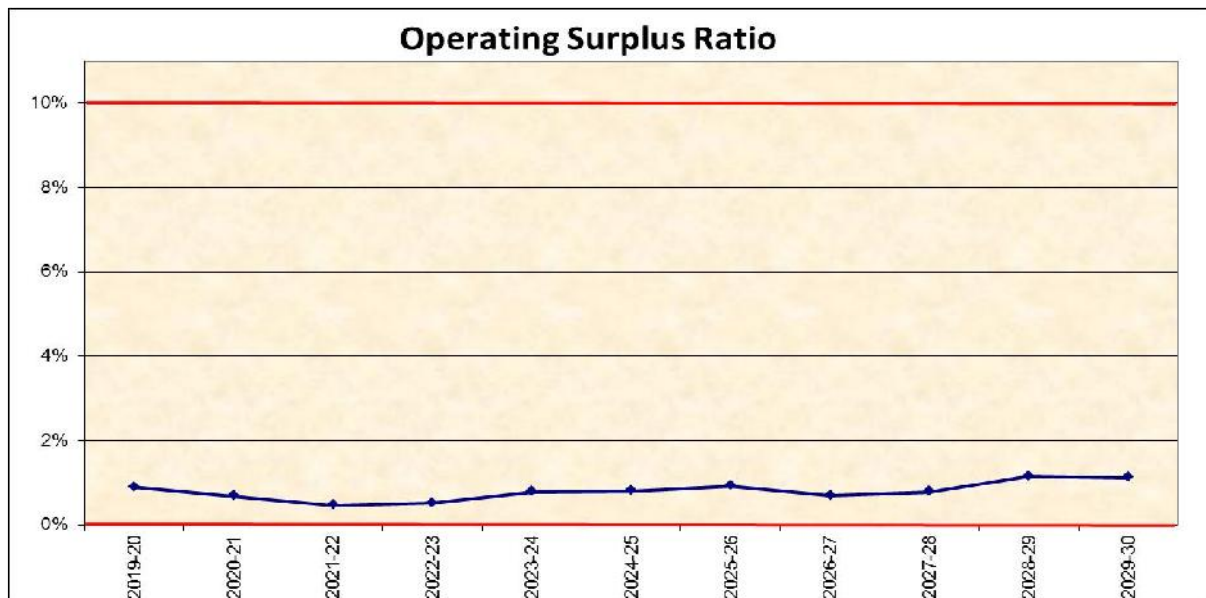
### Operating Surplus Ratio

The operating surplus ratio indicates the extent to which operating revenue is sufficient to meet all operating expenses and whether current ratepayers are paying for their consumption of resources.

The Operating Surplus ratio expresses the operating surplus as a percentage of total operating income. A negative ratio indicates the percentage increase in total operating income required to achieve a break-even operating result. A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense without increasing council's level of net financial liabilities.

**Target:** 0 - 10%  
**10 Year Result Range:** 0.5% - 1.1%

The ratio indicates the cost of services provided to ratepayers is being met from operating revenues with surplus's being used to fund infrastructure works in line with our LTFP projections.



### Net Financial Liabilities Ratio

Net Financial Liabilities is an indicator of the Council's total indebtedness and includes all Council's obligations including provisions for employee entitlements and creditors.

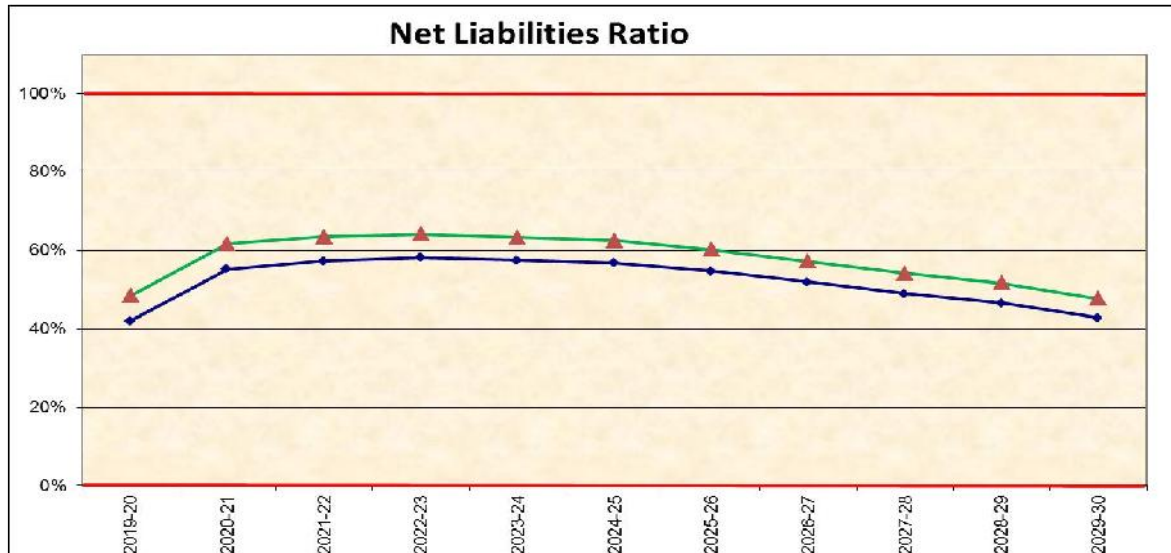
This ratio indicates the extent to which the net financial liabilities of the Council can be met by the Council's total operating revenue. Where the ratio is falling, it indicates that the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing, it indicates that a greater amount of Council's operating revenues is required to service its financial obligations.

Council has considered the financial impact of significant events such as disasters including bushfire or storm as these type of events have occurred more regularly in recent years. As a result, in developing the LTFP, Council also assesses its Net Financial Liability ratio with an additional \$3m of borrowings (representing the likely Council net contribution to a very significant disaster in the order of \$10m taking into account financial assistance from State and Federal Governments). The resultant ratio shows that even with the additional \$3m, Council still maintains this ratio well within target. Consideration of this additional ratio is premised on the assumption that Council has a strong preference to borrow if such a major event did occur rather than requiring an increase in rates to fund any financial impact.



**Target:** 0 - 100%  
**10 Year Result Range:** 42% - 58%

This ratio demonstrates that council's total indebtedness (including borrowings) can be met by operating revenue.



**Note:** The additional liabilities ratio included above in 'green' projects the financial impact should a significant event (i.e. fire or storm) in the order of \$10m impact on the region.

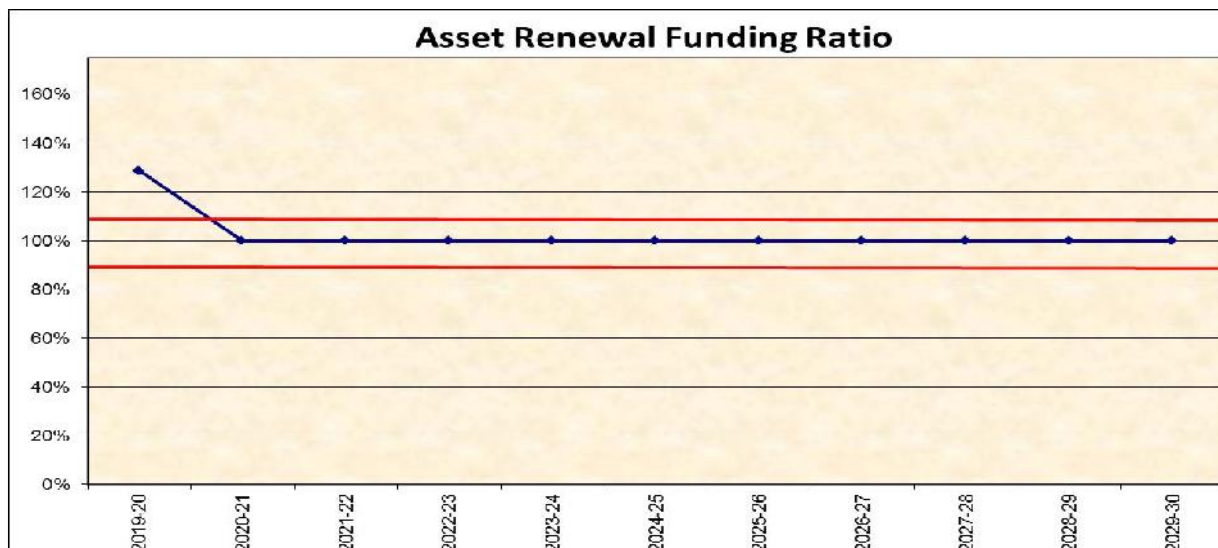
## Asset Renewal Funding Ratio

This ratio indicates whether a Council is renewing or replacing existing infrastructure assets at the same rate that its asset management plan requires.

The target for this ratio is to be between 90% and 110% in any given year, with 100% on average over five years. This would mean that Council is replacing 100% (or all) of the assets that require renewal.

**Target:** 90 - 110%  
**10 Year Result Range:** 100%

The result achieved for this measure is the same throughout the 10 year horizon of the LTFP as the amount of future renewal expenditure is based on the required asset management expenditure.



## Key sections explained.....

### Uniform Presentation of Finances

In accordance with the *Local Government (Financial Management) Regulations 2011* this section of the LTFP presents the financial position for the next 10 years in a manner consistent with the note in the *Model Financial Statements* entitled “Uniform Presentation of Finances”.

This section of the LTFP is broken into three key elements as follows:

- » A summary of all operating income and expenditure to highlight the Net Operating Surplus
- » Net Outlays on Existing Assets after providing for depreciation and proceeds from any replacement asset sales
- » Net outlays on new and upgraded assets after providing for grants received and proceeds from any surplus asset sales

The result of these three elements for each forecast year represents the impact on Council’s net financial liabilities whereby a net lending result reduces net financial liabilities, and a net borrowing result increasing net financial liabilities.

### Statement of Comprehensive Income

This Statement provides a 10 year projection of operating income and expenditure using the 2018-19 adjusted Budget as the base year. The projections result from the application of the indices mentioned in a subsequent section of this Plan.

Key points of note include:

- » Rates revenue is shown to increase by CPI +1.75% from 2020-21 through 2022-23. The 1.75% in initial years is attributable to:
  - growth from new development of 0.75%, and
  - a 1% increase to support increased levels of renewal of capital works as forecast within current Asset Management Plans.From 2023-24 the increase applied is CPI + 0.5% (growth).
- » Employee costs increase by 2.45% to 2021-22 in line with predicted Enterprise Development Agreements and then 2.70% in subsequent years in line with forecasts for average weekly earnings. Both percentages include a provision for revaluation of current provisions and grade step increases.
- » An allowance has been made for the proposed increase in Superannuation Guarantee levy from 2021-22.
- » Materials, Contractors and Other costs increased by CPI as well as being driven by projected movements in the cost of Power, Water and Waste.

## Statement of Financial Position

This Statement provides a 10 year projection of Council's assets and liabilities using the projected 30 June 2020 Budget as the base year. The projections result from proposed capital expenditure emanating from the Asset Management Plans and adopted strategies, together with borrowings necessary to meet those capital requirements, and net funding generated by operations.

Key points of note include:

- » The Written Down Value (WDV) of Infrastructure and Fixed Assets increases from \$424m to \$504m over the ten year term.
- » Borrowings (both short term including draw down and long term) peak at \$25m in 2024-25.

## Capital Investment by Asset Category

The Asset Management Plans are currently being reviewed given the previous adopted Plans were completed seven years ago in 2012 (refer to Council's website for details).

This review has highlighted the need for additional renewal expenditure in some of the infrastructure categories which has been provided for within the current LTFP.

Key points of note include:

- » Total capital expenditure projected over the 10 year period totals \$126m of which \$110m has been allocated to the renewal of current assets.
- » \$16m allocated to new, capacity/upgraded assets is derived from Council's current adopted Strategic Plan and endorsed Functional Strategies. However given that many of the initiatives are ongoing it was considered appropriate to realign the strategic initiative expenditure (both operating and capital) in accordance with the draft new Strategic Plan currently out for consultation. A separate summary of this amount broken down into the draft new Strategic Plan Objectives and Priorities is provided in a subsequent section of the LTFP.

## Summary of New Strategic Initiatives Expenditure

This section provides a detailed breakdown of all new expenditure that has been included within the LTFP to ensure that the Strategic Plan and related Strategies can be delivered. Information is broken down into each goal area and strategic objective within the draft new Strategic Plan. For a number of objectives, there is no additional funding required over and above existing operational requirements for delivering the strategy and as such the summary of total strategic initiatives expenditure shows \$Nil across projected years.

At the end of this section the amounts that have been brought into each year of the LTFP for both operating and capital expenditure are provided and show that the 10 year forecast requires \$15.9m in capital and \$16.8m in operating.

The overall total includes an amount of \$350k as an allowance for Strategic Operating Initiatives identified as part of the 2020-21 Annual Business Plan and Budget Build. This will be refined as part of Budget Workshops to be conducted later in the 2019-20 financial year.

The allowance for Strategic Operating Initiatives has been increased from \$350k in 2020-21 to \$450k in 2021-22 and \$550k in 2022-23. In subsequent years an amount of \$600k has been allowed for Strategic Operating Initiatives.

## Economic Indicators

A key element of the LTFP relates to the economic indicators and indices used to project future year's income and expenditure. All the indices are changeable, and the effects of any amendment will flow through to the financial projections and associated graphs.

A summary of these indices is as follows:

- » Consumer Price Index (CPI) is used as a primary driver for income and expenditure in the model. 2.25% has been used for period 2020-21 to 2022-23 and 2.4% in subsequent years.
- » 'Rates' indices are adjustable for growth (new development) or rate increase over CPI. As previously indicated rates revenue is shown to increase by CPI +1.75% from 2020-21 through to 2022-23. The 1.75% in initial years is attributable to growth from new development of 0.75% in addition to a 1% increase to support increased levels of renewal of capital works as forecast within current Asset Management Plans. After 2022-23 the increase applied is CPI + 0.5% (growth).
- » Employee costs increase by 2.45% to 2021-22 in line with predicted Enterprise Development Agreements and then 2.70% in subsequent years in line with forecasts for average weekly earnings. Both percentages include a provision for revaluation of current provisions and grade step increases.
- » For materials, contracts and other expenditure, unique indices have been applied where it is expected costs will vary significantly from CPI. In the current model separate indices have been included for waste collection, power and water.
- » Estimated future interest rates relating to loans (borrowings) and Cash Advance Debenture (CAD) interest have been included.

## Risks Associated with the Long Term Financial Plan

The LTFP has been developed based on the best information and assumptions available at the time. However, users of this information should be aware that there are risks associated with using estimated increases to Consumer Price Index (CPI), Local Government Price Index (LGPI), Average Weekly Earnings (AWE) and predictions in finance costs and interest rates.

In addition, the LTFP may be impacted by events such as new legislation or disasters that could materially affect the projected outcomes and results of the LTFP. Council is fully aware of the substantial impact that the 2019-20 Cudlee Creek bushfire and the COVID-19 pandemic are having on our community. As such, the organisational response by Council needs to be financially sustainable over the long term and therefore will be a matter for future LTFP consideration.

Council is aware that Campbelltown City Council (CCC) has received approval from the Boundaries Commission to lodge a Stage 2 proposal for the boundary between CCC and Adelaide Hills Council to be realigned to the eastern and southern side of Woodforde and Rostrevor suburbs, effectively moving those suburbs into CCC's area. Given that boundary change process involves a number of assessments (and these are still to occur) prior to the Commission determining whether to recommend a change, no adjustment has been made to Council's LTFP for any possible impact on rates revenue, servicing costs and capital expenditure.

In order to reduce risk the plan is reviewed and updated annually to incorporate the best available information for a given point in time. In addition, the LTFP and its assumptions are reviewed by Council's Audit Committee.

Adelaide Hills Council												
10 Year Financial Plan for the Years ending 30 June 2030												
UNIFORM PRESENTATION OF FINANCES												
2020-21 Long Term Financial Plan	Actuals	Current Year	Projected Years									
	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000

<b>Operating Activities</b>												
Income	45,560	46,239	46,707	48,562	50,328	51,859	53,301	54,784	56,309	57,876	59,488	61,146
less Expenses	(44,009)	(45,828)	(46,385)	(48,325)	(50,091)	(51,472)	(52,853)	(54,294)	(55,932)	(57,437)	(58,825)	(60,488)
<b>Operating Surplus / (Deficit)</b>	<b>951</b>	<b>411</b>	<b>321</b>	<b>237</b>	<b>236</b>	<b>387</b>	<b>448</b>	<b>490</b>	<b>377</b>	<b>439</b>	<b>664</b>	<b>658</b>
<b>Capital Activities</b>												
<b>less (Net Outlays) on Existing Assets</b>												
Capital Expenditure on Renewal and Replacement of Existing Assets	(10,090)	(11,616)	(10,860)	(10,238)	(10,884)	(11,083)	(11,123)	(11,026)	(10,702)	(11,041)	(11,952)	(11,287)
add back Depreciation, Amortisation and Impairment	8,826	8,945	9,237	9,771	10,066	10,451	10,731	11,022	11,312	11,613	11,919	12,232
add back Proceeds from Sale of Replaced Assets	497	648	646	523	651	574	657	500	698	662	748	587
<b>(Net Outlays) on Existing Assets</b>	<b>(767)</b>	<b>(2,023)</b>	<b>(977)</b>	<b>56</b>	<b>(167)</b>	<b>(58)</b>	<b>265</b>	<b>496</b>	<b>1,308</b>	<b>1,234</b>	<b>715</b>	<b>1,532</b>
<b>less (Net Outlays) on New and Upgraded Assets</b>												
Capital Expenditure on New and Upgraded Assets												
(including Investment Property & Real Estate Developments)	(3,877)	(6,651)	(5,908)	(3,422)	(1,518)	(783)	(1,015)	(565)	(845)	(655)	(655)	(545)
add back Amounts Received Specifically for New and Upgraded Assets	425	1,311	232	100	100	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets												
(including Investment Property & and Real Estate Developments)	9,146	3,014	-	1,000	-	-	-	-	-	-	-	-
<b>(Net Outlays) on New and Upgraded Assets</b>	<b>5,694</b>	<b>(2,326)</b>	<b>(5,676)</b>	<b>(2,322)</b>	<b>(1,418)</b>	<b>(783)</b>	<b>(1,015)</b>	<b>(565)</b>	<b>(845)</b>	<b>(655)</b>	<b>(655)</b>	<b>(545)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>5,878</b>	<b>(3,938)</b>	<b>(6,332)</b>	<b>(2,029)</b>	<b>(1,349)</b>	<b>(454)</b>	<b>(302)</b>	<b>421</b>	<b>840</b>	<b>1,019</b>	<b>724</b>	<b>1,645</b>

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

<b>Financing Transactions</b>												
New Borrowings	-	3,000	12,200	3,300	3,100	2,400	7,600	2,600	2,500	2,700	3,300	2,800
Principal Repayments on Borrowings	(77)	(62)	(5,261)	(1,327)	(1,652)	(1,963)	(7,223)	(2,904)	(3,217)	(3,537)	(3,887)	(4,301)
(Increase)/Decrease in Cash & Drawdown	6,434	-	-	-	-	-	-	-	-	-	-	-
(Increase)/Decrease in Working Capital	(1,092)	2,086	274	192	36	154	63	22	17	(42)	5	(1)
Community Loans repaid to us	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Remediation Provision	745	(204)	(780)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)
Repayment of Aged Care Facility Deposits	-	(782)	-	-	-	-	-	-	-	-	-	-
Non Cash Equity Movement	(132)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
<b>How the Net Borrowing/(Lending ) is accommodated/(applied)</b>	<b>5,878</b>	<b>3,938</b>	<b>6,332</b>	<b>2,029</b>	<b>1,349</b>	<b>454</b>	<b>302</b>	<b>(421)</b>	<b>(840)</b>	<b>(1,019)</b>	<b>(724)</b>	<b>(1,645)</b>

**Adelaide Hills Council**  
**10 Year Financial Plan for the Years ending 30 June 2030**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**2020-21 Long Term Financial Plan**

	Actuals 2018-19 \$'000	Current Year 2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	Projected Years					
							2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
<b>Income</b>												
Rates	36,915	38,741	40,228	41,795	43,425	44,780	46,055	47,367	48,717	50,106	51,534	53,004
Statutory Charges	1,172	1,141	1,159	1,186	1,212	1,241	1,271	1,302	1,333	1,365	1,398	1,431
User Charges	1,007	621	720	697	920	972	996	1,020	1,044	1,069	1,095	1,121
Grants, Subsidies and Contributions	5,123	4,890	3,831	3,901	3,973	4,052	4,149	4,248	4,350	4,455	4,562	4,671
Investment Income	41	26	26	26	26	26	26	26	26	26	26	26
Reimbursements	516	212	214	219	224	229	235	240	246	252	258	264
Other Income	648	509	429	438	448	459	470	481	493	505	517	529
Net gain - equity accounted Council businesses	138	100	100	100	100	100	100	100	100	100	100	100
<b>Total Income</b>	<b>45,560</b>	<b>46,239</b>	<b>46,707</b>	<b>48,562</b>	<b>50,328</b>	<b>51,859</b>	<b>53,301</b>	<b>54,784</b>	<b>56,309</b>	<b>57,876</b>	<b>59,488</b>	<b>61,146</b>
<b>Expenses</b>												
Employee Costs	15,923	17,262	17,684	18,150	18,683	19,246	19,847	20,467	21,105	21,667	22,244	22,837
Materials, Contracts & Other Expenses	19,231	19,018	18,719	19,704	20,577	20,947	21,373	21,877	22,566	23,207	23,715	24,466
Depreciation, Amortisation & Impairment	8,826	8,945	9,237	9,771	10,066	10,451	10,731	11,022	11,312	11,613	11,919	12,232
Finance Costs	623	604	746	700	764	828	903	929	949	949	946	953
Net loss - Equity Accounted Council Businesses	6	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>44,609</b>	<b>45,828</b>	<b>46,385</b>	<b>48,325</b>	<b>50,091</b>	<b>51,472</b>	<b>52,853</b>	<b>54,294</b>	<b>55,932</b>	<b>57,437</b>	<b>58,825</b>	<b>60,488</b>
<b>Operating Surplus / (Deficit)</b>	<b>951</b>	<b>411</b>	<b>321</b>	<b>237</b>	<b>236</b>	<b>387</b>	<b>448</b>	<b>490</b>	<b>377</b>	<b>439</b>	<b>664</b>	<b>658</b>
Asset Disposal & Fair Value Adjustments	(95)	-	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	425	1,311	232	100	100	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	1,982	-	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit)</b>	<b>3,263</b>	<b>1,722</b>	<b>553</b>	<b>337</b>	<b>336</b>	<b>387</b>	<b>448</b>	<b>490</b>	<b>377</b>	<b>439</b>	<b>664</b>	<b>658</b>
<b>Other Comprehensive Income</b>												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	59,526	5,000	5,123	5,248	5,377	5,516	5,660	5,807	5,958	6,113	6,272	6,435
Share of Other Comprehensive Income - Equity Accounted Council Businesses	240	-	-	-	-	-	-	-	-	-	-	-
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	(184)	-	-	-	-	-	-	-	-	-	-	-
Other	139	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>59,721</b>	<b>5,000</b>	<b>5,123</b>	<b>5,248</b>	<b>5,377</b>	<b>5,516</b>	<b>5,660</b>	<b>5,807</b>	<b>5,958</b>	<b>6,113</b>	<b>6,272</b>	<b>6,435</b>
<b>Total Comprehensive Income</b>	<b>62,984</b>	<b>6,722</b>	<b>5,676</b>	<b>5,585</b>	<b>5,713</b>	<b>5,903</b>	<b>6,108</b>	<b>6,296</b>	<b>6,335</b>	<b>6,552</b>	<b>6,936</b>	<b>7,093</b>

**Adelaide Hills Council**  
**10 Year Financial Plan for the Years ending 30 June 2030**  
**STATEMENT OF FINANCIAL POSITION**  
**2020-21 Long Term Financial Plan**

	Actuals 2018-19 \$'000	Current Year 2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	Projected Years					
							2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	2,025	469	483	500	500	500	500	500	500	500	500	500
Trade & Other Receivables	2,541	2,644	2,600	2,720	2,812	2,891	2,967	3,046	3,129	3,214	3,299	3,389
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	19	19	19	19	19	19	19	19	19	19	19	19
Non-current assets classified as "Held for Sale"	1,530	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>6,115</b>	<b>3,132</b>	<b>3,103</b>	<b>3,239</b>	<b>3,331</b>	<b>3,410</b>	<b>3,487</b>	<b>3,565</b>	<b>3,648</b>	<b>3,733</b>	<b>3,818</b>	<b>3,908</b>
<b>Non-Current Assets</b>												
Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Equity Accounted Investments in Council Businesses	1,350	1,450	1,550	1,650	1,750	1,850	1,950	2,050	2,150	2,250	2,350	2,450
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	424,101	436,291	448,299	455,913	462,974	469,332	475,742	481,618	487,113	492,647	498,859	504,306
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>425,451</b>	<b>437,741</b>	<b>449,849</b>	<b>457,563</b>	<b>464,724</b>	<b>471,182</b>	<b>477,692</b>	<b>483,668</b>	<b>489,263</b>	<b>494,897</b>	<b>501,209</b>	<b>506,756</b>
<b>TOTAL ASSETS</b>	<b>431,566</b>	<b>440,874</b>	<b>452,951</b>	<b>460,802</b>	<b>468,055</b>	<b>474,593</b>	<b>481,179</b>	<b>487,234</b>	<b>492,912</b>	<b>498,630</b>	<b>505,027</b>	<b>510,664</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Cash Advance Debenture	-	794	1,040	1,166	1,105	1,231	1,252	1,221	1,159	1,051	1,008	925
Trade & Other Payables	5,446	4,504	4,502	4,705	4,893	5,002	5,120	5,252	5,415	5,566	5,698	5,870
Borrowings	62	5,261	1,327	1,652	1,963	7,223	2,904	3,217	3,537	3,887	4,301	4,343
Provisions	3,048	2,935	2,852	2,844	2,837	2,830	2,824	2,819	2,815	2,811	2,808	2,808
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>8,556</b>	<b>13,495</b>	<b>9,722</b>	<b>10,367</b>	<b>10,798</b>	<b>16,286</b>	<b>12,101</b>	<b>12,510</b>	<b>12,925</b>	<b>13,315</b>	<b>13,816</b>	<b>13,946</b>
<b>Non-Current Liabilities</b>												
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	10,000	7,739	18,611	20,260	21,396	16,573	21,269	20,651	19,615	18,428	17,427	15,884
Provisions	1,398	1,307	609	582	554	523	492	458	423	386	347	305
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>11,398</b>	<b>9,045</b>	<b>19,221</b>	<b>20,842</b>	<b>21,950</b>	<b>17,097</b>	<b>21,760</b>	<b>21,110</b>	<b>20,037</b>	<b>18,813</b>	<b>17,774</b>	<b>16,189</b>
<b>TOTAL LIABILITIES</b>	<b>19,954</b>	<b>22,540</b>	<b>28,942</b>	<b>31,208</b>	<b>32,748</b>	<b>33,382</b>	<b>33,861</b>	<b>33,619</b>	<b>32,963</b>	<b>32,128</b>	<b>31,590</b>	<b>30,134</b>
<b>Net Assets</b>	<b>411,612</b>	<b>418,334</b>	<b>424,009</b>	<b>429,594</b>	<b>435,307</b>	<b>441,210</b>	<b>447,318</b>	<b>453,614</b>	<b>459,949</b>	<b>466,501</b>	<b>473,437</b>	<b>480,530</b>
<b>EQUITY</b>												
Accumulated Surplus	141,348	143,070	143,623	143,960	144,296	144,683	145,131	145,620	145,997	146,436	147,100	147,759
Asset Revaluation Reserves	269,691	274,691	279,814	285,062	290,438	295,954	301,614	307,421	313,379	319,492	325,764	332,199
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	573	573	573	573	573	573	573	573	573	573	573	573
<b>Total Equity</b>	<b>411,612</b>	<b>418,334</b>	<b>424,009</b>	<b>429,594</b>	<b>435,307</b>	<b>441,210</b>	<b>447,318</b>	<b>453,614</b>	<b>459,949</b>	<b>466,501</b>	<b>473,437</b>	<b>480,530</b>
Total Borrowings	10,062	13,794	20,979	23,077	24,465	25,027	25,425	25,090	24,310	23,365	22,736	21,152

Adelaide Hills Council STATEMENT OF COMPREHENSIVE INCOME CAPITAL INVESTMENT BY ASSET CATEGORY 2020-21 Long Term Financial Plan		Projected Years									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>RENEWAL CAPITAL WORKS</b>											
Bridges	235	218	224	246	164	164	82	80	100	118	109
Buildings	735	951	799	502	399	685	638	762	582	613	656
CWMS	171	50	50	55	582	0	391	83	200	251	185
Footpaths	567	400	400	400	400	400	400	400	400	400	400
Kerb & Water	280	300	300	300	300	300	300	300	300	300	300
Other (Guardrail/RetWalls/Cemeteries/SFurniture/Traffic Controls)	180	320	150	150	150	150	150	150	150	150	150
Road Pavement	1,126	957	1,054	875	1,122	921	1,149	398	613	841	784
Road Seal	1,158	1,200	1,540	1,580	1,620	2,099	2,154	2,210	2,267	2,326	2,211
Shoulders	400	400	400	400	400	400	400	400	400	400	400
Sport and Recreation	1,088	500	600	625	408	157	150	210	207	226	190
Playgrounds	0	600	120	600	600	400	400	400	400	440	408
Stormwater	382	40	40	370	610	430	300	300	300	388	344
Unsealed Roads	1,441	1,500	1,400	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Heavy Plant	1,593	1,039	747	960	436	1,092	471	890	967	1,216	501
Light Fleet	630	649	632	689	709	690	753	775	754	822	847
Information, Communication & Technology	274	318	326	334	342	351	360	370	379	389	370
Minor Plant & Equipment	30	70	70	70	70	70	70	70	70	70	70
Library	42	25	25	25	25	25	25	25	25	25	25
Project Management Costs	1,284	1,323	1,362	1,403	1,445	1,489	1,533	1,579	1,627	1,675	1,726
<b>TOTAL RENEWAL CAPITAL WORKS:</b>	<b>11,616</b>	<b>10,860</b>	<b>10,238</b>	<b>10,884</b>	<b>11,083</b>	<b>11,123</b>	<b>11,026</b>	<b>10,702</b>	<b>11,041</b>	<b>11,952</b>	<b>10,976</b>
<b>NEW, CAPACITY / UPGRADE CAPITAL WORKS</b>											
Bridges	0	0	0	0	0	0	0	0	0	0	0
Buildings	2,667	1,325	1,800	168	168	150	100	100	100	100	100
CWMS	410	480	710	550	0	400	0	290	100	100	0
Footpaths	592	1,222	269	275	275	275	275	275	275	275	275
Kerb & Water	0	180	0	0	0	0	0	0	0	0	0
Other	752	786	313	280	170	170	170	170	170	170	170
Road Pavement	782	250	0	0	0	0	0	0	0	0	0
Road Seal	70	0	0	0	0	0	0	0	0	0	0
Shoulders	0	0	0	0	0	0	0	0	0	0	0
Sport & Rec	622	200	225	225	150	0	0	0	0	0	0
Playgrounds	0	0	0	0	0	0	0	0	0	0	0
Stormwater	657	490	50	0	0	0	0	0	0	0	0
Street Lighting	905	590	0	0	0	0	0	0	0	0	0
Unsealed Roads	0	0	0	0	0	0	0	0	0	0	0
Plant and Fleet	0	20	20	20	20	20	10	10	10	10	0
ICT	55	330	0	0	0	0	0	0	0	0	0
Minor Plant	0	35	35	0	0	0	0	0	0	0	0
Minor Equipment including Library	0	0	0	0	0	0	0	0	0	0	0
Project Management Costs	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL NEW CAPACITY / UPGRADE CAPITAL WORKS:</b>	<b>7,512</b>	<b>5,908</b>	<b>3,422</b>	<b>1,518</b>	<b>783</b>	<b>1,015</b>	<b>565</b>	<b>845</b>	<b>655</b>	<b>655</b>	<b>545</b>
<b>TOTAL CAPITAL WORKS:</b>	<b>19,127</b>	<b>16,768</b>	<b>13,660</b>	<b>12,402</b>	<b>11,866</b>	<b>12,138</b>	<b>11,591</b>	<b>11,547</b>	<b>11,696</b>	<b>12,607</b>	<b>11,521</b>
<b>PROCEEDS FROM SALE OF REPLACED ASSETS</b>											
Proceeds - Heavy Plant	314	302	189	286	198	292	102	288	263	313	139
Proceeds - Light Fleet	334	344	334	365	376	365	398	410	399	435	448
<b>PROCEEDS FROM SALE OF REPLACED ASSETS:</b>	<b>648</b>	<b>646</b>	<b>523</b>	<b>651</b>	<b>574</b>	<b>657</b>	<b>500</b>	<b>698</b>	<b>662</b>	<b>748</b>	<b>587</b>
<b>AMOUNTS RECEIVED SPECIFICALLY FOR NEW/UPGRADED ASSETS</b>											
Grants for New/Upgrade Assets	1,311	232	100	100	0	0	0	0	0	0	0
<b>TOTAL AMOUNTS RECEIVED FOR NEW/UPGRADED ASSETS:</b>	<b>1,311</b>	<b>232</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROCEEDS FROM SALE OF SURPLUS ASSETS</b>											
Proceeds - Retirement Village Divestment	1,422	0	0	0	0	0	0	0	0	0	0
Proceeds - AHBTC Divestment	1,530	0	1,000	0	0	0	0	0	0	0	0
Proceeds - Other	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROCEEDS FROM SALE OF SURPLUS ASSETS</b>	<b>2,952</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Adelaide Hills Council		Current Year	Projected Years										
STATEMENT OF COMPREHENSIVE INCOME			2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
SUMMARY OF TOTAL STRATEGIC INITIATIVES EXPENDITURE			2019-20	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020-21 Long Term Financial Plan	Priority		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
BUILT ENVIRONMENT													
B1 - Easily Accessible													
High Priority Trails and routes for cyclists and pedestrians	B1.1	150	75	75	75	75	75	75	75	75	75	75	
Built environment design and delivery to improve outcomes for the aged	B1.2	0	0	0	0	0	0	0	0	0	0	0	
Progress state-wide and inter-regional cyclist route connectivity	B1.3	236	990	0	0	0	0	0	0	0	0	0	
Accessibility for heavy vehicles through industry and government engagement	B1.4	0	0	0	0	0	0	0	0	0	0	0	
Users roads, footpath and trail network maintained in line with service levels	B1.5	441	717	234	260	200	200	200	200	200	200	200	
		827	1,782	309	335	275	275	275	275	275	275	275	
B2 - Preserve and enhance the unique Hills character													
Embrace and support community led place-making	B2.1	1,168	1,314	50	50	50	0	0	0	0	0	0	
Incorporate and advocate WSUD principles within all regional development	B2.2	52	20	0	0	0	0	0	0	0	0	0	
Ensure built form enhances existing and preserves character and amenity	B2.3	0	0	0	0	0	0	0	0	0	0	0	
Ensure planning framework supports privately owned heritage	B2.4	20	20	20	0	0	0	0	0	0	0	0	
Pursue World Heritage Bid	B2.5	0	0	0	0	0	0	0	0	0	0	0	
		1,240	1,354	70	50	50	0	0	0	0	0	0	
B3 - Long term asset management and adaptation planning													
Improve water security	B3.1	170	120	395	375	100	0	0	0	0	0	0	
Strive towards carbon neutrality and aim to achieve 100% renewable energy	B3.2	712	140	170	50	50	50	0	0	0	0	0	
Promote circular economy and source recyclable materials for projects	B3.3	0	0	0	0	0	0	0	0	0	0	0	
Adapt built environment to minimise natural hazards impact	B3.4	0	0	0	0	0	0	0	0	0	0	0	
		882	260	565	425	150	50	0	0	0	0	0	
B4 - Sustainable management of our built assets													
Ensure long term sustainable management of built form & public spaces	B4.1	282	130	0	0	0	0	0	0	0	0	0	
Embrace technology to enhance provision of efficient services to Community	B4.2	0	0	0	0	0	0	0	0	0	0	0	
Functional & adaptive Council & community owned assets that are equitably funded	B4.3	646	617	648	450	100	500	100	390	200	200	100	
Improve road safety	B4.4	822	200	200	200	150	150	150	150	150	150	150	
Explore and provide infrastructure to support emerging transport technology	B4.5	0	55	55	20	20	20	20	10	10	10	0	
		1,750	1,002	903	670	270	670	270	550	360	360	250	
NET EXPENDITURE FOR BUILT ENVIRONMENT		4,698	4,398	1,847	1,480	745	995	545	825	635	635	525	

Adelaide Hills Council STATEMENT OF COMPREHENSIVE INCOME SUMMARY OF TOTAL STRATEGIC INITIATIVES EXPENDITURE 2020-21 Long Term Financial Plan			Priority	Current Year 2019-20 \$'000	Projected Years									
					2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
COMMUNITY WELLBEING														
C1 - An inclusive, welcoming and accessible community														
Provide welcoming spaces and places for the community	C1.1	0		0	0	0	0	0	0	0	0	0	0	0
Support & promote opportunities for social inclusion & celebrate cultural diversity	C1.2	0		0	0	0	0	20	20	20	20	20	20	20
Make the district more accessible and welcoming for all	C1.3	45		46	47	48	49	51	52	53	54	56	57	57
Provide opportunities to improve transport options for those who need it most	C1.4	0		0	0	0	0	0	0	0	0	0	0	0
		45		46	47	48	49	71	72	73	74	76	77	77
C2 - A connected, engaged and supported community Lead														
Provide community a range of programs and opportunities to connect and engage	C2.1	0		0	0	0	0	0	0	0	0	0	0	0
Support our ageing community to access services and participate	C2.2	0		0	0	20	0	0	0	0	0	0	0	0
Engage with our youth	C2.3	11		11	11	11	11	11	11	11	11	11	11	11
Increase participation from Community to shape policies, places and decisions	C2.4	0		0	0	0	0	0	0	0	0	0	0	0
		11		11	11	31	11	11	11	11	11	11	11	11
C3 - A community that grows together														
Provide & support personal growth, lifelong learning & professional development	C3.1	39		40	41	43	44	45	47	48	49	51	52	52
Support volunteering	C3.2	0		0	0	0	0	0	0	0	0	0	0	0
Empower our community groups and leaders	C3.3	0		0	0	0	0	0	0	0	0	0	0	0
Build partnerships with community and other stakeholders	C3.4	0		0	0	0	0	0	0	0	0	0	0	0
		39		40	41	43	44	45	47	48	49	51	52	52
C4 - An active, healthy, thriving and resilient community														
Support community wellbeing	C4.1	20		41	42	43	44	46	47	48	50	51	53	53
Support the provision of sport, recreation and playspaces for the community	C4.2	502		82	85	87	90	92	94	97	100	102	105	105
Support both commuter and recreational trail opportunities	C4.3	0		0	0	0	0	0	0	0	0	0	0	0
Support clubs & groups to continue to provide S&R activities to the community	C4.4	0		0	0	0	0	0	0	0	0	0	0	0
Take an all hazards approach during and after disaster events	C4.5	0		0	50	60	60	0	0	0	0	0	0	0
		522		123	177	190	194	138	141	145	150	154	158	158
C5 - Respect for Aboriginal Culture and values														
Partner with ATSI community with Reconciliation activities	C5.1	0		0	5	5	5	5	5	5	5	5	5	5
Celebrate and recognise Aboriginal culture and heritage with community	C5.2	0		10	10	10	10	10	10	10	10	10	10	10
		0		10	15	15	15	15	15	15	15	15	15	15
C6 - Celebrate our community's unique culture														
Develop Fabrik as a vibrant cultural hub	C6.1	(574)		1,383	740	317	311	302	310	319	328	337	348	348
Develop, support and bring events to our district to derive benefit	C6.2	18		15	15	35	35	35	35	35	35	35	35	35
Recognise, encourage and support the Arts	C6.3	0		0	0	0	0	0	0	0	0	0	0	0
Foster the development of Public Art to public spaces and community	C6.4	3		3	15	15	15	15	15	15	15	15	15	15
		(553)		1,401	770	367	361	352	360	369	378	387	398	398
NET EXPENDITURE FOR COMMUNITY WELLBEING				64	1,631	1,061	694	675	631	646	662	677	694	712

Adelaide Hills Council STATEMENT OF COMPREHENSIVE INCOME SUMMARY OF TOTAL STRATEGIC INITIATIVES EXPENDITURE 2020-21 Long Term Financial Plan		Current Year 2019-20 \$'000	Projected Years									
	Priority		2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
<b>ECONOMY</b>												
<b>E1 - Support and grow our region's existing and emerging industries</b>												
Support and encourage local and international tourists	E1.1	0	0	0	0	0	0	0	0	0	0	0
Ensure the full potential of region's primary production and value adding activities	E1.2	0	0	0	0	0	0	0	0	0	0	0
Support and encourage region's creative industry micro businesses	E1.3	0	0	0	0	0	0	0	0	0	0	0
Facilitate a creative, innovative and productive economic environment	E1.4	0	100	103	106	108	111	114	117	121	124	127
Engage & assist business & industry groups to be resilient, proactive & successful	E1.5	0	0	0	0	0	0	0	0	0	0	0
Encourage and facilitate local supplier participation	E1.6	0	0	0	0	0	0	0	0	0	0	0
		<b>0</b>	<b>100</b>	<b>103</b>	<b>106</b>	<b>108</b>	<b>111</b>	<b>114</b>	<b>117</b>	<b>121</b>	<b>124</b>	<b>127</b>
<b>E2 - Provide local infrastructure to drive growth and productivity</b>												
Work with all Govts to ensure infrastructure needs are understood & prioritised	E2.1	0	0	0	0	0	0	0	0	0	0	0
Explore and advocate new technology opportunities	E2.2	0	0	0	0	0	0	0	0	0	0	0
Support changes to planning to achieve sustainable economic development	E2.3	0	0	0	0	0	0	0	0	0	0	0
Encourage more housing opportunities where provided in Development Plan	E2.4	0	0	0	0	0	0	0	0	0	0	0
Maintain/manage Council assets to maximise utilisation/benefit to community	E2.5	15	25	15	15	15	15	15	15	15	15	15
		<b>15</b>	<b>25</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>E3 - Encourage, attract and retain regional workforce</b>												
Attract & encourage professional & business development & networking activities	E3.1	0	0	0	0	0	0	0	0	0	0	0
Understand skills our region's businesses will require to prosper into the future	E3.2	0	0	0	0	0	0	0	0	0	0	0
Enable start-ups & /home based business	E3.3	0	0	0	0	0	0	0	0	0	0	0
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E4 - Cultivation of regional identity</b>												
Develop a collective vision to connect the region and its industries	E4.1	0	0	0	0	0	0	0	0	0	0	0
Encourage projects that enhance and support the regional identity	E4.2	0	0	0	0	0	0	0	0	0	0	0
Support and encourage events that derive benefits & supports the region's identity	E4.3	0	0	0	0	0	0	0	0	0	0	0
Support World Heritage nomination for region	E4.4	0	0	0	0	0	0	0	0	0	0	0
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E5 - Encourage &amp; Support Positive regional Population Growth</b>												
Create active, attractive and vibrant places through local communities & business	E5.1	0	0	0	0	0	0	0	0	0	0	0
<b>NET EXPENDITURE FOR ECONOMY</b>		<b>15</b>	<b>125</b>	<b>118</b>	<b>121</b>	<b>123</b>	<b>126</b>	<b>129</b>	<b>132</b>	<b>136</b>	<b>139</b>	<b>142</b>

Adelaide Hills Council STATEMENT OF COMPREHENSIVE INCOME SUMMARY OF TOTAL STRATEGIC INITIATIVES EXPENDITURE 2020-21 Long Term Financial Plan		Current Year 2019-20 \$'000	Projected Years									
	Priority		2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
<b>NATURAL ENVIRONMENT</b>												
<b>N1 - Conserve and enhance landscape character and amenity</b>												
Enhance/manage horticultural amenity, including street trees succession planning	N1.1	0	0	0	0	0	0	0	0	0	0	0
Manage reserves & open space, whilst balancing biodiversity conservation, resource use	N1.2	20	0	0	0	0	0	0	0	0	0	0
		<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>N2 - improve environmental resilience</b>												
Monitor/manage high biodiversity/habitat value areas on Council reserves/NVMS sites	N2.1	150	153	156	166	169	172	175	179	182	185	189
Explore/take appropriate actions re threats to biodiversity	N2.2	0	30	30	0	0	0	0	0	0	0	0
Mitigate bushfire risks by undertaking fuel reduction activities	N2.3	0	0	0	40	28	20	18	0	0	0	0
		<b>150</b>	<b>183</b>	<b>186</b>	<b>206</b>	<b>197</b>	<b>192</b>	<b>193</b>	<b>179</b>	<b>182</b>	<b>185</b>	<b>189</b>
<b>N3 - Partnerships and collaborations to manage natural environment</b>												
Increase knowledge & environmental awareness through engagement & education	N3.1	16	3	3	3	3	3	3	3	3	3	3
Collaborate and engage with organisations to improve biodiversity outcomes	N3.2	0	0	0	0	0	0	0	0	0	0	0
Continue to partner with Resilient Hills & Coasts to address climate change impacts	N3.3	60	60	80	40	40	10	10	10	10	10	10
		<b>76</b>	<b>63</b>	<b>83</b>	<b>43</b>	<b>43</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>N4 - Reduce the impact of waste to landfill</b>												
Consider incentives to produce less property kerbside waste and recycle more	N4.1	7	0	0	0	0	0	0	0	0	0	0
Achieve improved Green Organics environmental outcomes	N4.2	15	0	0	0	0	0	0	0	0	0	0
Increase community level of food scrap recycling through education	N4.3	0	0	0	0	0	0	0	0	0	0	0
Implement new/improved waste service opportunities	N4.4	40	0	0	0	0	0	0	0	0	0	0
		<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>N5 - Assist our community to reduce the impact of waste to landfill</b>												
Advocate Waste Management Hierarchy principles to avoid, reduce & reuse waste	N5.1	0	0	0	0	0	0	0	0	0	0	0
Prevent valuable resources going to landfill and reduce kerbside contamination	N5.2	10	10	0	0	0	0	0	0	0	0	0
		<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE FOR NATURAL ENVIRONMENT</b>		<b>318</b>	<b>256</b>	<b>269</b>	<b>249</b>	<b>240</b>	<b>205</b>	<b>206</b>	<b>192</b>	<b>195</b>	<b>198</b>	<b>202</b>
<b>ORGANISATION</b>												
<b>O1 - People</b>		58	59	49	10	10	30	10	10	30	10	10
O2 - Easy to interact with Council and improved customer experience	O2	10	310	10	10	10	10	10	10	10	10	10
O3 - Financially sustainable for both current and future generations	O3	135	77	89	27	10	0	20	0	10	0	0
O4 - We actively represent our community	O4	0	0	0	193	0	0	0	212	0	0	0
O5 - Accountable, informed decision making	O5	29	64	9	10	15	10	10	15	10	10	10
O6 - Utilisation of Technology and innovation	O6	35	0	65	60	60	60	60	60	60	60	60
<b>NET EXPENDITURE FOR ORGANISATION</b>		<b>267</b>	<b>509</b>	<b>222</b>	<b>310</b>	<b>105</b>	<b>110</b>	<b>110</b>	<b>307</b>	<b>120</b>	<b>90</b>	<b>90</b>
<b>OPERATING INITIATIVES UNALLOCATED</b>		<b>0</b>	<b>350</b>	<b>450</b>	<b>550</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>
<b>STRATEGIC PLAN TOTAL</b>		<b>5,362</b>	<b>7,270</b>	<b>3,967</b>	<b>3,404</b>	<b>2,488</b>	<b>2,668</b>	<b>2,237</b>	<b>2,718</b>	<b>2,363</b>	<b>2,356</b>	<b>2,271</b>
<b>ALLOCATION TO LTFP</b>		<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>
<b>TOTAL NET NEW, CAPACITY/UPGRADE CAPITAL INITIATIVES</b>		<b>4,452</b>	<b>5,908</b>	<b>2,422</b>	<b>1,518</b>	<b>783</b>	<b>1,015</b>	<b>565</b>	<b>845</b>	<b>655</b>	<b>655</b>	<b>545</b>
<b>TOTAL OPERATING INITIATIVES</b>		<b>910</b>	<b>1,362</b>	<b>1,545</b>	<b>1,886</b>	<b>1,705</b>	<b>1,653</b>	<b>1,672</b>	<b>1,873</b>	<b>1,708</b>	<b>1,701</b>	<b>1,726</b>
<b>GRAND TOTAL STRATEGIC INITIATIVES</b>		<b>5,362</b>	<b>7,270</b>	<b>3,967</b>	<b>3,404</b>	<b>2,488</b>	<b>2,668</b>	<b>2,237</b>	<b>2,718</b>	<b>2,363</b>	<b>2,356</b>	<b>2,271</b>

**IMPORTANT:** The funding allocated within this table represents ADDITIONAL funding to support specific initiatives relating to the above Strategies and Plans. Where no additional funding is provided above, the existing allocations within the recurrent operating budget of Council is considered sufficient to ensure the above Strategies and Plans can be progressed.

Adelaide Hills Council											
10 Year Financial Plan for the Years ending 30 June 2029											
ECONOMIC & KEY FINANCIAL INDICATORS											
2020-21 Long Term Financial Plan											
	Projected Years										
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GENERAL INDEXATION:</b>											
CPI - Adelaide	2.25%	2.25%	2.25%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
LGPI - Operating	2.45%	2.45%	2.45%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
CPI - LGPI diff	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
LGPI - Capital	2.45%	2.45%	2.45%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Index Applied to General Revenue	2.25%	2.25%	2.25%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Index Applied to General Expenditure	2.25%	2.25%	2.25%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Index Applied to Depreciation & Capital	2.45%	2.45%	2.45%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
<b>EMPLOYMENT COSTS:</b>											
AWE - Australia			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Enterprise Agreement	2.25%	2.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Leave Revaluation	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Grade Step Increases	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Index Applied to LTFP	2.45%	2.45%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Superannuation	9.50%	9.50%	10.00%	10.50%	11.00%	11.50%	12.00%	12.00%	12.00%	12.00%	12.00%
Superannuation Increase in % Terms			5.26%	5.00%	4.76%	4.55%	4.35%	0.00%	0.00%	0.00%	0.00%
<b>RATES INCOME</b>											
Renewal Catch Up	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth	0.75%	0.75%	0.75%	0.75%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Index Applied to CWMS Revenue	2.25%	2.25%	2.25%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
<b>ELECTRICITY COSTS</b>											
Anticipated price variation to CPI	0.00%	(5.50%)	(0.75%)	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Anticipated change in consumption	0.00%	0.00%	0.00%	(1.00%)	0.00%	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)
Index Applied to LTFP (excl CPI) Electricity	0.00%	(5.50%)	(0.75%)	0.00%	0.00%	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)
Index Applied to LTFP (excl CPI) Streetlighting	0.00%	(5.50%)	(0.75%)	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>WATER COSTS</b>											
Anticipated price variation to CPI	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Anticipated change in consumption	1.00%	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)
Index Applied to LTFP (excl CPI)	1.00%	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)	(0.50%)
<b>WASTE COSTS</b>											
Anticipated price variation to CPI	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Anticipated change in consumption	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)
Index Applied to LTFP (excl CPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>TREASURY COSTS</b>											
Estimated Investment rate	1.00%	1.25%	1.75%	2.25%	2.75%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Estimated Loan rate	3.10%	3.35%	3.85%	4.35%	4.85%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Estimated Cash Advance Rate	3.00%	3.25%	3.75%	4.25%	4.75%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%
Average Diff	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
<b>KEY FINANCIAL INDICATORS</b>											
Operating Surplus Ratio	0.7%	0.5%	0.5%	0.7%	0.8%	0.9%	0.7%	0.8%	1.1%	1.1%	1.1%
Net Financial Liabilities Ratio	55.4%	57.6%	58.5%	57.8%	57.0%	54.9%	52.1%	49.1%	46.7%	42.9%	42.9%
Net Financial Liabilities Ratio + \$3m	61.8%	63.8%	64.5%	63.6%	62.7%	60.4%	57.4%	54.3%	51.8%	47.8%	47.8%
Asset Renewal Funding Ratio	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 20 April 2020  
AGENDA BUSINESS ITEM**

**Item:** 6.3

**Responsible Officer:** Kira-marie Laverty  
Corporate Planning & Performance Coordinator  
Office of the Chief Executive

**Subject:** 2020-24 Strategic Plan – Revised Draft

**For:** Decision

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**SUMMARY**

Council's draft *2020-24 Strategic Plan* (the Plan) has been developed in alignment with the two other strategic management plans required under s122 of the *Local Government Act 1999* (the Act) being the Long Term Financial Plan (LTFP) and the Asset Management Plans. The Plan sets out the Council's key areas of focus over the next four years and has been developed in consideration of the LTFP and the Asset Management Plans.

The review of Council's current *Your Adelaide Hills Strategic Plan* (2016-20) is a legislative requirement under s122 of the *Local Government Act 1999* (the Act). It is also a key element of Adelaide Hills Council's *Corporate Planning and Performance Framework*.

The review of the current *Strategic Plan* commenced in April 2019. The review entailed three phases being Discover, Discuss and Decide each with a component of community consultation. The final phase (Decide) of community consultation has been completed and the Plan revised on the basis of the feedback received and prevailing conditions.

The purpose of this report is to enable the Audit Committee to fulfil its role under its Terms of Reference in relation to the Council's strategic management plans and to seek a recommendation to Council for the revised Plan's (**Appendix 1**) adoption

**RECOMMENDATION**

**The Audit Committee resolves:**

1. That the report be received and noted
  2. To advise Council that the Committee has reviewed the draft *2020-24 Strategic Plan* (the Plan), as contained in Appendix 1, in terms of the assumptions underpinning the Plan, its consistency with the Long term Financial Plan and Asset Management Plans and the adequacy of the plans in the context of maintaining financial sustainability.
  3. That, on the basis of the Committee's review, to recommend the Plan's adoption to Council.
-

## 1. GOVERNANCE

### ➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Goal	Organisational Sustainability
Strategy	Governance
Strategy	Risk and Responsibility
Strategy	Financial Sustainability

The *2020-24 Strategic Plan* (the Plan) outlines Council's goals, objectives and priorities for, at minimum, the next four years. It assists Council to govern in a responsible, prudent and collaborative manner.

The Plan has been developed based on the financial projections of the *Long Term Financial Plan* and in alignment with the *Asset Management Plans*.

### ➤ Legal Implications

**Appendix 2** is a copy of Section 122 – Chapter 8, Part 1 of the *Local Government Act 1999* (the Act) which requires all councils to have strategic management plans. Council's Plan is part of this suite of strategic management plans. It is mandatory that the strategic management plans are reviewed within 2 years after each general election of Council.

The Act sets out the particulars of what must be contained in the strategic management plans, specifically Section 122 (1) to (5). Section 122 (6) of the Act specifies that the draft must undergo public consultation - '*a council must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans*'.

Section 126 of the Act sets out the role of the Audit Committee with subsection (4)(ab) being of specific relevance in that the Committee functions shall include 'proposing, and providing information relevant to, a review of the council's strategic management plans'. Council has further elaborated on this function in the Committee's Terms of reference as the Committee shall:

*Provide comment on the assumptions underpinning Council's Strategic Management Plans (Strategic Plan, Annual Business Plan and Budget and Long Term Financial Plan), the consistency between plans and the adequacy of Council's plans in the context of maintaining financial sustainability*

### ➤ Risk Management Implications

The review of the Strategic Plan will assist in mitigating the corporate risk of:

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

Inherent Risk	Residual Risk	Target Risk
High	Medium	Medium

➤ **Financial and Resource Implications**

The *2020-24 Strategic Plan* sets out the key areas of focus for the application of the Council's resources over the next four years. The plan has been developed to be consistent with the LTFP and Asset Management Plans.

The finalisation of the Plan document will be primarily produced internally using mainly existing staff resources. External costs will be associated with activities such as the design and printing of the final copy and any promotional costs related to the public consultation.

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

The *2020-24 Strategic Plan* provides transparency for the community regarding Council's plans for the next four years. It highlights key goals and objectives and the strategies to achieve these objectives.

➤ **Sustainability Implications**

The Council's sustainability (financial, social and environmental) is a key consideration in the development of the Plan.

➤ **Engagement/Consultation conducted in the development of the report**

*Council Committees:* Not applicable.

*Council Workshops:* Council Member workshops were held on 14 and 21 May 2019 regarding the findings of the environmental scan research and for goal and theme development. Further workshops were held on 17 September 2019 and then on 12 November 2019 to consider the draft strategic goal areas (Community, Economic, Environment and Organisational), related objectives and priorities. Phase 2 Consultation results were presented at the Council workshop on 11 February 2020.

*Advisory Groups:* Sessions have been held with the Property Advisory Group, Cemeteries Advisory Group, Sustainability Advisory Group and Biodiversity Advisory Group as part of the Phase 1 (Discover) consultation.

*Administration:* Senior leadership have been involved in the development of the goals, objectives and priorities since May 2019. Council's Executive Leadership Team was consulted on 6 & 13 February and 15 April 2020 to refine the recommendations regarding goals, objectives and priorities

*Community:* Phase 1 (Discover) consultation included a survey on the top 3 priorities of the district. It also included 14 public events, forums and workshops to gather the top priorities for various demographics in the community.



Phase 2 (Discuss) consultation occurred over the period 16 December 2019 to 26 January 2020 via an online survey on Council's Engage HQ platform. Minimal promotion of this consultation was conducted due to the timing of the Cudlee Creek Bushfire.

Phase 3 (Decide) consultation occurred over the period 2 March 2020 to 29 March 2020 via an online survey on Council's Engage HQ platform.

The Phase 3 consultation was advertised in local media and draft copies were available at Council's Service Centres.

## 2. BACKGROUND

The review of the suite of strategic management plans is a legislative requirement under the Act. A strategic plan (one of that suite) is a key element of *Council's Corporate Planning and Performance Framework* (the Framework) outlined below which was adopted by Council in June 2018 – see below.



A strategic plan is required to undergo community consultation prior to its adoption. Once adopted it is required to be made available at Council's principal office.

On completion of the consultation process undertaken during Phase 1, a report was presented to Council on 4 June 2019 that outlined the draft strategic goal areas, related outcomes and key result areas where it was resolved as follows:

**8.5 Strategic Plan Review – Key Themes Adoption**

Moved Cr Chris Grant  
S/- Cr Linda Green

136/19

Council resolves:

1. That the report be received and noted.
2. That the Summary of Key Challenges, Opportunities and Implications (*Appendix 1*) identified as part of the environmental scan research be noted.
3. That the draft strategic goal areas (Community, Economic, Environment and Organisational Capacity), related outcomes and key result areas included in *Appendix 2* of this report be endorsed for community consultation in Phase 2.
4. 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 outcomes and key result areas to reflect matters raised in the Council's debate on the matter prior to its release for community consultation.

Carried Unanimously
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Following the Council meeting of 4 June 2019 changes to the available resources to support development of the Plan necessitated a review of the next stages of community consultation. These changes were outlined at a workshop of Council on 17 September 2019 and involved the development of proposed priorities prior to commencement of the next stage. It also involved the splitting of the Environment goal into two separate goal areas, being 'built' and 'natural'.

The priority development process was undertaken in consideration of the (then) current LTFP and Asset Management Plans with a view to promoting consistency and financial sustainability.

After considerable effort was applied to refining each goal area, a further workshop of Council was held on 12 November 2019 at which time the five Goal Areas were reviewed in detail and feedback from Council Members captured into the final Goal Area statements. This was endorsed for Phase 2 (Discuss) community consultation at the 26 November 2019 Council meeting.

**MOTION AS AMENDED**

289/19

Council resolves:

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 with the deletion of priority E5.2 "Explore opportunities to expand township district boundaries and rezone land to medium to low-density residential".
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.

Carried
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Phase 2 (Discuss) consultation was conducted over the period 16 December 2019 to 26 January 2020 via an online survey. In this same period, the Cudlee Creek Bushfire occurred and therefore, planned promotion of the survey was reduced to a website banner and email invitation to community groups and businesses. The results from Phase 2 Consultation were presented at the Council workshop on 11 February 2020.

After some minor word changes, a draft of the Plan was presented to Council at the 25 February meeting for approval of the final Phase 3 (Decide) community consultation. As with the previous phase, the goals, objectives and priorities were considered in the context of the LTFP and Asset Management Plans. The consultation was approved to occur over the period 2 - 29 March 2020 via an online survey on Council's Engage HQ platform.

#### **12.5 Strategic Plan for Consultation**

*Administrative Action: Director I & O to provide progress report on Milan Terrace works*

**Moved Cr Pauline Gill**  
**S/- Cr Linda Green**

**33/20**

##### **Council resolves:**

- 1. That the report be received and noted**
- 2. To endorse the draft *2020-24 Strategic Plan*, as contained in Appendix 1 for community consultation in accordance with Section 122 of the *Local Government Act 1999***
- 3. That the CEO be authorised to:**
  - a. Make any formatting, nomenclature or other minor changes to the Plan prior to being released for public consultation and**
  - b. Determine the consultation timings, media and processes while ensuring consistency and compliance with the provisions of applicable legislation and Council's *Public Consultation Policy*.**

<b>Carried Unanimously</b>
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A final review of the draft Plan was conducted by subject matter experts and Executive in April. The purpose of this was to incorporate any relevant feedback from the Phase 3 consultation and also to consider any word changes required to reflect recent bushfire and pandemic events.

### **3. ANALYSIS**

Section 122 – part 1 covers various aspects of what is required for the strategic management plans, which include not just the Strategic Plan, but also the LTFP and the Asset Management plans.

The following is a list of the sections of the *2020 -24 Strategic Plan* and the specific legislative requirement it meets.

Strategic Plan Section	Legislative reference
Introduction	
What is the strategic plan?	S122(1)(h); S122(5); S122(8) Figure 1 – shows the link between the strategic management plans and other strategies. This shows some alignment to S122 (1a); (1b)& (2);
Trends and considerations	S122(1)(ab)(iv)
Goals 1 to 5	Objectives & Priorities = S122(1)(b) Measures = S122(1)(d) & (e)
Our Role	S122(3)(a)
Our Role – Governance Arrangements	S122(1)(a) & (g)

S122(6) is covered through the extensive community consultation as detailed in Governance section of this report.

Once adopted, the *2020-24 Strategic Plan* will be published to Council's website and printed copies will be made available at Council's Service Centres. This will cover the requirement of S122 (7).

#### 4. OPTIONS

The Committee has the following options:

- I. To advise Council that the Committee has reviewed the draft *2020-24 Strategic Plan* (the Plan) in terms of the assumptions underpinning the Plan, its consistency with the LTFP and Asset Management Plans and the adequacy of the plans in the context of maintaining financial sustainability and recommend its adoption (Recommended)
- II. To amend any/all of the draft *2020-24 Strategic Plan* prior submission to the Council for final adoption
- III. To not endorse the draft *2020-24 Strategic Plan* for submission to the Council for final adoption (Not recommended)

#### 5. APPENDICES

- (1) Draft 2020-24 Strategic Plan
- (2) Section 122 – Chapter 8, part 1 of the *Local Government Act 1999*

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# **Appendix 1**

*Draft 2020-24 Strategic Plan*

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**Strategic Plan 2024**

*Looking towards  
a bright future*



## ***Mayor's Intro***

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# Adelaide Hills - a place for everyone

We deliver services to our residents, visitors and businesses that support the distinctive culture, creativity and accessibility of our community and region. Our aspiration for 2024 is to make it easy for our community to prosper while maintaining and enhancing the unique environment, character and liveability of our area.

To accomplish this we will focus on achieving the strategic objectives under our five goals:

## Our goals



### A functional **BUILT ENVIRONMENT**

- B1** Our district is easily accessible for community, our businesses and visitors
- B2** Preserve and enhance the unique character of the Hills for current & future generations
- B3** Consider external influences in our long term asset management and adaption planning
- B4** Sustainable management of our built assets ensures a safe, functional and well serviced community



### **COMMUNITY wellbeing**

- C1** A community for everyone – that is inclusive, welcoming and accessible
- C2** A connected, engaged and supported community
- C3** A community that grows together
- C4** An active, healthy and resilient community
- C5** Respect for Aboriginal culture and values
- C6** Celebrate our community's unique culture through arts, heritage and events



### A prosperous **ECONOMY**

- E1** Support and grow our region's existing and emerging industries
- E2** Provide local infrastructure to drive growth and productivity
- E3** Encourage, attract and retain creative, talented and skilled workforce in our region
- E4** Cultivate a clear, unique and consistent regional identity that can be leveraged to attract national and international attention



### A valued **NATURAL ENVIRONMENT**

- N1** Conserve and enhance the regional natural landscape character and amenity values of our region
- N2** Recognise the benefits of ecosystem services and improve environmental resilience by reducing environmental impacts
- N3** Nurture valuable partnerships and collaborations and engage the local community in the management of our natural environment
- N4** Reduce the impact of waste to landfill by maintaining a robust waste and resource management framework
- N5** Assist our community to reduce the impact of waste to landfill on the environment



### A progressive **ORGANISATION**

- O1** We have the right people with the right knowledge and skills in the right jobs and they are supported and developed
- O2** Our customers find it easier to interact and do business with Council and have an improved customer experience
- O3** Our organisation is financially sustainable for both current and future generations
- O4** We actively represent our community
- O5** We are accountable, informed, and make decisions in the best interests of the whole community
- O6** Technology and innovation is utilised to better meet our community's expectations and deliver value for money



## What is the strategic plan?

The Strategic Plan sets out the Council's key areas of focus for the next four years. It doesn't include everything we do, but it highlights the main areas under attention and where we will be directing our resources over the period.

To make sure the plan reflects the needs of our local community we've held meetings and online consultations with our residents, visitors and businesses to capture what are the most important elements to include.

## Our strategic planning framework

The strategic plan is influenced and supported by a range of strategies and plans as shown in Figure 1. When designing the strategic plan, we consider the environment we operate in, that is the strategic risks and the community profile and trends, as well as the organisational capability we would need to deliver our goals.

Section 122 of the *Local Government Act 1999* requires all councils to have strategic management plans. The *Strategic Plan* is reviewed at minimum every four years, but may be reviewed earlier to address changes in Council strategy. It is part of a suite of strategic management plans along with the *Long Term Financial Plan* and the *Asset Management Plans*.

Each year the Council uses these strategies and plans to determine the priorities and allocate resources through the Annual Business Plan and Budget process. During this process, a suite of corporate performance indicators are incorporated which are then used in regular Council reporting and Annual Report to show how our performance against the strategic plan are monitored and assessed.

Figure 1



Infographic - placeholder

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## Trends and considerations

Our district is well known for its natural environment and rural/village character, wineries, eateries and range of attractions and events.

Our community have exhibited a strong desire, through numerous engagement opportunities, to preserve the hills character as paramount to the way of life within the hills. This combined with our large geographic region, contributes to the challenges we face with limited public transport, an ageing population, a changing agricultural and economic base and some difficulties in accessing services.

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

The Strategic plan has been developed recognising the many challenges and opportunities faced by our district and its community.

### Population

The resident population of the Adelaide Hills has remained stable over the past decade with an estimated net increase of 569 residents over 2006 to 2018 (an average of 0.1% increase per year).

The 30 year plan for greater Adelaide anticipates overall population growth of 545,000 across the region, which equates to a yearly average of 1.3%. Much of the district is within the Adelaide Watershed and as such, development is largely restricted and our population growth will remain much lower.

The impacts of this low growth rate is less development pressure on our natural and agrarian landscapes, but the Council's rate income base which makes up the majority of revenue, will continue to grow slower than other regions and therefore may limit our ability to keep up with increasing community expectations.

Another consequence of less development is that there is a limited housing supply which results in raising house values in the region.

### Cultural diversity

17% of our population was born overseas with the largest groups being from the United Kingdom, Germany and New Zealand. At home, 5.6% of our residents speak a language that is not English. We also recognise that in addition to those born overseas there are significant numbers of people who identify with ancestry of another country or culture.

### Aboriginal culture

220 people identify as being Aboriginal or Torres Strait Islander which is up 16 since 2011. The region's first people are the Peramangk and Kaurna people and we recognise that there are many traditional custodians with a strong connection to country who live outside the region. We also know that the recognition of Aboriginal culture and heritage is important to many people in our region.

### Ageing

Greater Adelaide has more people aged over 65 than the national average and the growth of this age group is faster than average. In the Adelaide Hills region, we have seen a 3.9% increase in our population aged over 60 since 2011. These trends indicate that the demand for smaller accommodation, aged care and flexible 'age in place' options will continue to grow, along with the need for an increased level of associated support services and infrastructure requirements related to ageing.

### Young people

We have a high proportion of school aged children but a lower than average proportion of young people in the post-high school ages. This suggests that it is a good area to raise children but people growing up in the district may leave after secondary education. This may be influenced by low levels of affordable housing, limited public transport options, limited access to support services, and a narrow range of local employment opportunities and/or options for local tertiary education.

### Workforce

The majority of our population drive to work with 66% of them working outside the area. We have a comparatively high rate of people working from home, many who depend on online resources to do their job. Our unemployment rate is low and there is a high level of volunteers in our community.

### Business & Tourism

We have a small business dominated economy with the majority employing less than 20 people. Our top three industries are construction; professionals, scientific, and technical services; and agriculture.

An estimated 718,000 people chose to visit the Adelaide Hills in the 2018-19 financial year. The most popular reasons for visiting were to visit friends and family, eat at restaurants and cafes, shop, and go sightseeing.

### Digital connectivity

NBN connectivity, speed and reliability is an essential requirement for both home and business users. The hills geography presents challenges to connectivity resulting in a higher than average percentage of satellite users.

### Climate change

In March 2019, we declared a climate emergency and made a commitment to provide leadership to our community in addressing climate change. With an increase in average temperature, reduction in annual rainfall and increasing extreme weather events, changes to services and infrastructure will need to be considered for new and renewal projects.

### Bushfires

Bushfires are the largest risk to our region and are likely to increase in regularity and severity. The importance of ensuring the safety of our community through bushfire mitigation while conserving the biodiversity of our region continues to be a critical balance. Restoration following significant bushfire events, such as the Cuddlee Creek bushfires, will have significant impact on the strategic plan over the next four years.

### **Biodiversity**

Adelaide Hills has a diverse natural ecosystem with numerous threatened species and communities. Our region is sensitive to possible biodiversity threats in the future and requires ongoing conservation management to preserve and regenerate our habitats.

### **Legislation changes**

Changes are expected to impact us following legislative changes as part of local government reform, planning and development reform and boundary realignment changes.

### **Waste and recycling**

The cost of managing waste has dramatically increased due to State Government imposed charges and the cost of processing recycled materials which, until the change in The China National Sword Policy, had provided us with a rebate. This will require Council to adapt to this changing environment to minimise the impact on rates / residents.

### **Covid-19 Pandemic**

Our community and economy has been challenged like never before by the pandemic and this will have a significant effect on the strategic plan over the next four years as we work to understand the full impact and provide support through the recovery.



# *Built Environment*





## Goal 1 – A functional BUILT ENVIRONMENT

### *Our Aspiration*

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

Good functional facilities and infrastructure provide places for people to meet, connect and participate. These range from grounds for organised sport to community spaces for meeting friends and Council buildings where people can participate in group or individual activities.

Built spaces like libraries, community halls and centres provide hubs for people to come together, learn and interact. These spaces should have the capacity to be adaptive and evolve to meet new and changing needs in a sustainable manner. A unique 'sense of place' can be created with input from the people who interact or do business in our Council area. These communities know what a place needs, who will use it and how it can be enhanced.

### *How we will measure our success*

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

### *Our objectives*

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

##### **Priorities:**

- B1.1 - Increase accessibility to our district through the development and delivery of high priority trails and routes for all cyclists (on-road, off road, commuters, recreational) and pedestrians
- B1.2 - Improve outcomes for the elderly by incorporating Council's Age Friendly Strategic Plan into built environment design and delivery
- B1.3 - Progress state-wide and inter-regional connectivity of cyclist routes by partnering with neighbouring councils.
- B1.4 - Ensure that the key road network is accessible for heavy vehicles used by the primary production, tourism and construction sectors through engagement with industry and Government.
- B1.5 - Provide accessibility for the full range of users by ensuring Council's road, footpath and trails network is adequately maintained and service levels for all users are developed and considered.

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

##### **Priorities:**

- B2.1 - Continue to embrace and support community led public place revitalisation across our district.
- B2.2 - Incorporate Water Sensitive Urban Design principles within Council developments and projects and advocate for other developments within the region to do the same
- B2.3 - Proactively work with developers to ensure that built form complements or enhances existing local character whilst preserving the character and amenity of our towns, historic buildings and scenic environment
- B2.4 - Ensure our planning framework, council policies and guidelines support privately owned local heritage places.

- B2.5 - Continue to collaborate with other councils and stakeholders in pursuing our World Heritage Bid to protect the landscapes, sites and facilities that represent the State's aboriginal and early colonial history
- B2.6 - Support communities recovering from natural disasters with expedited development assessment services

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

#### **Priorities:**

- B3.1 - Improve water security by maximising water reuse opportunities, reducing reliance on ground water and improving water efficiencies for open space irrigation and building facilities
- B3.2 - Aim to achieve 100% renewable energy use for our corporate operations and strive towards carbon neutrality
- B3.3 - Investigate and source recyclable materials for asset renewal projects wherever practical and in doing so promote the circular economy
- B3.4 - Proactively adapt our built environment to changes in social and environmental factors to minimise the impact from natural hazards such as fire and flood.

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

#### **Priorities:**

- B4.1 - Ensure the long term management of the built form and public spaces occurs in consideration of the relevant financial, social and environmental management matters.
- B4.2 - Embrace innovative and new technology solutions to proactively maintain our built assets that further enhance the provision of efficient services to the community
- B4.3 - Ensure Council owned or managed assets, including staff accommodation, are functional and adaptive to meet service requirements. Also, where appropriate and endorsed by Council, equitably assist community owned site (halls and recreation sites) to ensure their facilities are functional and meet service standards.
- B4.4 - Improve road safety through a safe system approach to road design, construction and maintenance including on-going applications to the State and Federal Road Blackspot program
- B4.5 - Explore and provide the infrastructure to support Electric Vehicles (EV) and investigate infrastructure requirements for emerging technological transport such as Connected and Automated Vehicles (CAV)





# *Community Wellbeing*



## Goal 2 – COMMUNITY Wellbeing

### *Our aspiration*

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

The Adelaide Hills offers a unique environment and lifestyle for residents, business owners and visitors who value quality of life and wellbeing.

High levels of community wellbeing are essential to enable communities to flourish and fulfil their potential. This has never been more important in the wake of the 2019-20 bushfire and the COVID-19 pandemic. Wellbeing is determined by a broad range of factors including social and health determinants which lead to safe, engaged, healthy, inclusive, culturally rich, vibrant, creative and supported communities

We seek to empower local communities to identify their needs, shape and create change and influence the decisions which impact their lives. Working alongside our residents helps us build relationships and provide opportunities for them to connect, learn, participate, grow and develop resilience against unexpected challenges. We do this through the arts, heritage, Reconciliation, volunteering, grants, libraries, sporting and recreation facilities, youth programs, events, positive ageing services, health planning and community centre activities.

### *How we will measure our success*

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

### *Our Objectives*

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

##### **Priorities:**

- C1.1 - Provide welcoming spaces and places for the community through our libraries, community centres, and Council and community facilities
- C1.2 - Support and promote opportunities for social inclusion and celebration of our cultural diversity
- C1.3 - Make the district more accessible and welcoming for all with a focus on youth participation, positive ageing, disability inclusion and multiculturalism
- C1.4 – Advocate and Seek opportunities to improve transport options for those who need it most
- C1.5 - Encourage more housing opportunities where provided for in the Development Plan

#### **C2 - A connected, engaged and supported community**

##### **Priorities:**

- C2.1 - Work with community to provide a range of programs and opportunities to connect and engage around shared interests
- C2.2 - Support our ageing community to access services and continue to participate and contribute to community life

- C2.3 - Facilitate opportunities for our youth to develop skills, build resilience and be actively involved in and connected to their community.
- C2.4 - Increase participation from the broadest range of our community and engage with them to shape policies, places and decisions that affect them
- C2.5 - Continue to work with government agencies and non-governmental organisations to support the community recovery from natural disasters and the COVID-19 pandemic.

### **C3 - A community that grows together**

#### **Priorities:**

- C3.1 - Provide and support programs and services that encourage and enhance personal growth, lifelong learning and professional development
- C3.2 - Support volunteering both organisationally and in the community as an essential element in delivering community outcomes and building wellbeing
- C3.3 - Empower our community groups and leaders to shape and determine change in their community through the provision of training opportunities, grants that meet strategic priorities, building relationships and supporting communities to be cohesive in progressing local projects.
- C3.4 - Build partnerships with community and other stakeholders to enhance our capacity to provide and support opportunities for them to thrive

### **C4 - An active, healthy, thriving and resilient community**

#### **Priorities:**

- C4.1 - Support community wellbeing through our contribution to public health planning, disaster recovery activities and the implementation of strategies that aim to measure and enhance wellbeing.
- C4.2 - Support the provision of formal and informal sport, recreation and play spaces for the community to enjoy
- C4.3 - Recognise that trails are a destination in their own right and support both commuter and recreational trail opportunities
- C4.4 - Support clubs and groups to continue to provide sport and recreation activities to the community
- C4.5 - Take an all hazards approach to emergency management so we can support the emergency services and the community before, during and after disaster events.

### **C5 - Respect for Aboriginal Culture and values**

#### **Priorities:**

- C5.1 - Partner with the Aboriginal and Torres Strait Islander community to develop our second Reconciliation Action Plan (Innovate) and actively participate in Reconciliation Week
- C5.2 - Celebrate and recognise Aboriginal culture and heritage through participation in and the delivery of programs and activities that engage our community in cultural experience and learning

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

#### **Priorities:**

- C6.1 - Develop Fabrik as a vibrant cultural hub for the Adelaide Hills, fostering community connections and creativity and presenting the significant history of the Woollen Mill site
- C6.2 - Develop, support or bring events to our district that have social, cultural, environmental or economic benefits

- C6.3 - Recognise, encourage and support artists, emerging artists, writers and performers through promotion of the Arts and supporting opportunities to exhibit and perform
- C6.4 - Foster the development of Public Art that adds value to public spaces and supports place making in our community

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# *Economy*



## Goal 3 – A prosperous ECONOMY

### *Our Aspiration*

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

Business (including primary production activities) is an important part of the Adelaide Hill's community, with over 4,000 registered businesses operating in the region. Supporting sustainable long-term economic growth through the retention of existing business and the attraction of new business and investment encourages greater economic diversity, local job opportunities and is a key element to enhancing our community's quality of life.

The local economy has been challenged like never before, with the 2019-20 bushfire and the COVID-19 pandemic hitting hard. It is vital that we work with businesses to understand the full impact of these extraordinary events and support them through recovery.

Economic prosperity is also necessary for the region to be competitive in both a national and international context. As our economy evolves from predominantly production-based to one based on creativity and innovation, it is important that we change in a way that strengthens our industries, creates good jobs and encourages investment in the region. Economic development is not pursued for its own sake but rather for what it contributes to community wellbeing in all its dimensions.

The role for Council in economic development is essentially one of improving the flow of information and bringing relevant parties together (including business, industry representative groups, all levels of government) to use this information for greater economic benefit. Our role is therefore largely one of facilitator, information provider, advocate and in some cases, leader.

### *How we will measure our success*

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

### *Our Objectives*

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

##### **Priorities:**

- E1.1 - Support and encourage local and international tourists to visit the Adelaide Hills
- E1.2 - Take advantage of the full potential of our region's primary production and associated value adding activities
- E1.3 - Support and encourage the growth and development of our region's creative industry micro businesses
- E1.4 – Promote, support and encourage our existing and emerging businesses to respond to economic changes by being creative, innovative, productive and resilient to unexpected impacts.
- E1.5 - Engage and assist our region's key business and industry groups to be resilient, proactive and successful
- E1.6 - Encourage and facilitate local supplier participation in all level of Government tendering processes

## **E2 - Provide local infrastructure to drive growth and productivity**

### **Priorities:**

- E2.1 - Work with all levels of Government to ensure the region's infrastructure needs are understood and prioritised
- E2.2 - Explore and advocate for the opportunities that new technologies could bring to our region
- E2.3 - Support changes to planning and development that leverages and encourages sustainable economic development
- E2.4 - Manage and maintain Council assets to maximise their utilisation and benefit to the community

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

### **Priorities:**

- E3.1 - Attract and encourage professional and business development and networking activities
- E3.2 - Understand the nature of skills our region's businesses will require to prosper into the future
- E3.3 - Work with our local communities and businesses to create active, attractive and vibrant places
- E3.4 - Enable start-ups and home based business through services, information and networking opportunities

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

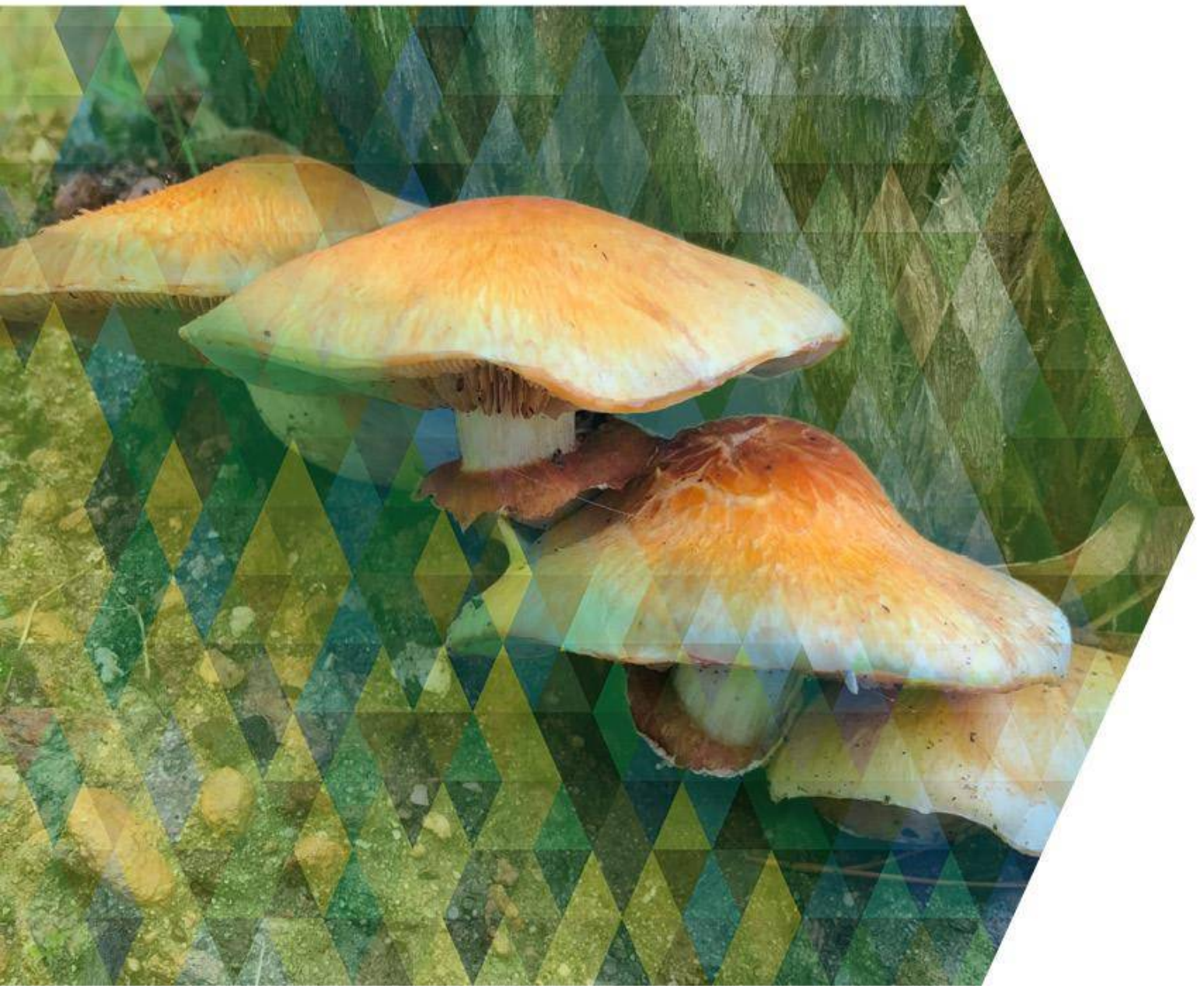
### **Priorities:**

- E4.1 - Work with key stakeholders to develop a realistic, yet inspiring, collective vision to connect the region and its industries
- E4.2 - Work with our communities and businesses to encourage co-ordinated and strategic regional projects that enhance and support the regional identity
- E4.3 - Support and encourage events that supports the region's identity and generates social, cultural and economic benefits
- E4.4 - Support the continued development and community engagement for the World Heritage nomination of the region





# *Natural Environment*





## Goal 4 – A valued NATURAL ENVIRONMENT

### *Our Aspiration*

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

We recognise the importance of healthy and resilient natural systems that deliver the key environmental benefits (ecosystem services) on which our quality of life depends. These include provision of clean air and water, natural elimination of waste and pollution, recycling of nutrients, carbon sequestration, pest regulation, pollination and sustained agricultural productivity.

To protect and maintain the region's distinctive native flora and fauna, unique vegetation communities, productive farming lands, urban and vibrant township communities, we are committed to managing biodiversity conservation, protecting the watershed, responding to the impacts of climate change and natural disasters, and managing waste and resources.

By engaging the community, fostering productive partnerships and through best-practice environmental stewardship, we aim to manage the known and emerging threats and opportunities to support the important natural values of the region and improve environmental outcomes.

In recognition of our international obligations we have declared a climate emergency and are firmly resolved to protect and improve the quality and resilience of our environment.

### *How we will measure our success*

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

### *Our Objectives*

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

#### **Priorities:**

- N1.1 - Enhance and manage horticultural amenity, including succession planning for street trees that contribute to and reinforce our distinctive streetscapes and villages
- N1.2 - Manage reserves and open space to support the community, whilst balancing biodiversity conservation, resource use and environmental impacts

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

#### **Priorities:**

- N2.1 - Monitor and manage areas of high biodiversity or habitat value on Council reserves and Native Vegetation Marker Scheme (NVMS) sites using best practice methodologies
- N2.2 - Explore opportunities and take appropriate actions to monitor current and emerging threats to biodiversity including feral cats and Phytophthora

- N2.3 - Mitigate bushfire risks across the landscape by undertaking fuel reduction activities including woody weed control, maintenance of asset protection zones and educate & enforcement to reduce fuels on private property
- N2.4 - Work with supporting organisations and agencies to foster the restoration of native flora and fauna habitat following the 2019-20 bushfire.

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

#### **Priorities:**

- N3.1 - Increase knowledge and environmental awareness within the community through engagement and education
- N3.2 - Collaborate and engage with public and private organisations, schools and community members (including the Aboriginal community as the first nation peoples), to improve biodiversity outcomes and land management practices.
- N3.3 - Continue to work in partnership with the Resilient Hills and Coasts region to build Council and community resilience to the impacts of climate change

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

#### **Priorities:**

- N4.1 - We will work with partners to analyse the benefits and feasibility of introducing a fee incentive to property owners to produce less waste and recycle more in relation to the kerbside bin service
- N4.2 - We will explore more Green Organics options to achieve improved environmental and financial outcomes.
- N4.3 - We will provide specific education to the community to increase their level of food scrap recycling
- N4.4 - Implement new or improved waste service opportunities whilst continuing to provide ongoing resource recovery and waste service to our community

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

#### **Priorities:**

- N5.1 - Encourage and educate the community to help minimise the generation of household waste by advocating the principles of the Waste Management Hierarchy to avoid, reduce and reuse
- N5.2 - Support and assist the community to prevent valuable resources going to landfill and reduce contamination in kerbside recycling bins



# *Organisation*



## Goal 5 – A Progressive ORGANISATION

### *Our Aspiration*

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

Council exists to provide services and facilities to its community in a representative, informed and responsible manner. Our organisation and our people need to be both agile and capable of delivering the Council's long term community objectives and annual priorities in a financially sustainable way. We are aware of the substantial impact that events such as the 2019-20 bushfire and the COVID-19 pandemic have on our community, and look to ensure that any organisational response is financially sustainable over the long term.

With a culture built on continuous improvement and a commitment to open and transparent decision making, we remain focused on consistently delivering an excellent customer experience.

### *How we will measure our success*

A well-designed and transparent experience makes it easier for the community to access the services they need and increases the confidence they have in us. As an organisation, our measures of success include service-driven performance measures, achievement of financial targets, evidence of our corporate governance, implementation of innovative processes and technology, and organisational development achievements.

### *Our Objectives*

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

#### **Priorities:**

- O1.1 - Progressively enhance our safe systems of work to maintain emotional and physical safety of our people
- O1.2 - Continue to develop a positive culture through supporting an equitable, diverse and continuously improving work environment
- O1.3 - Support our people leaders in further developing the skills necessary to lead an engaged and productive teams
- O1.4 - Continue to support all staff through training, mentoring, coaching and development to enable the achievement of organisational and community goals

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

#### **Priorities:**

- O2.1 - Develop our digital channels to better meet customers' current and future needs
- O2.2 - Modernise our services and enhance the customer experience by making service delivery faster, more convenient and more proactive
- O2.3 - Build the capabilities of our people through a focus on two-way communication, cooperation and placing customers at the centre of everything we do
- O2.4 - Continuously strive to measure and improve performance and service delivery across all functions

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

#### **Priorities:**

- O3.1 - Ensure the delivery of agreed strategic plan requirements whilst meeting endorsed long term targets for a sustainable operating surplus and level of debt
- O3.2 - Ensure that renewal of assets and the associated maintenance is based on current asset management plans which consider reviewed service levels and whole of life costing
- O3.3 - Actively pursue alternative funding opportunities to reduce reliance on rates income
- O3.4 - Assess the range and level of services undertaken to ensure they fulfil Council's legislative and strategic intent

### **O4 - We actively represent our community**

#### **Priorities:**

- O4.1 - Optimise opportunities for the community to access and provide input into the decision-making processes
- O4.2 - Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community
- O4.3 - Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region
- O4.4 - Explore council boundary reform options that best serve the community.

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

#### **Priorities:**

- O5.1 - Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations
- O5.2 - Make evidence-based decisions and prudently assess the risks and opportunities to our community before taking action.
- O5.3 - Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community

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

#### **Priorities:**

- O6.1 - Progressively strengthen Council's systems security to minimise the impact of cyber attack
- O6.2 - Utilise technology to enable more evidence based and efficient delivery of services to the community
- O6.3 - Provide more resilient business systems by utilising cloud technologies where appropriate
- O6.4 - Utilise our online engagement tools to reach a wider range of community members to obtain their views and input.
- O6.5 - Support the delivery of services to the community through improved utilisation and connectivity of existing business systems
- O6.6 - Ensure the way in which we provide our digital services delivers an enhanced experience for our community

## Our Role

We perform a broad range of functions and there are a number of roles we take on to achieve our community objectives including:

Council's Role	Council will...
Lead/Empower	Lead on behalf of community; support community initiatives
Provide /Respond	Fully or partially fund, or provide a service, or respond to a need
Promote/Educate	Develop resources to promote a common understanding; provide information; Distribute and display information produced by others; refer others to information, programs or organisation that might assist.
Facilitate/Connect	Bringing together stakeholders; initiate or join with other parties to collectively pursue a shared interest, service or resolve an issue
Partner/Collaborate	Formal partnerships bound by regulation, delegation or contract to deliver outcomes
Owner/Custodian	Manage community assets including building, facilities, public space, reserves on behalf of current and future generations
Regulate	Specific role in response to legislation & compliance – direct, specific or general in nature (such as duty of care)
Fund/Grant/Auspice	Collect and distribute funding from, and/or to, community (by law or policy on behalf of community)
Funding applicant/ Recipient	Apply for, receive and expend funding and/or revenues (by law or policy on behalf of community)
Advocate/Influencer	Make representations on behalf of community; engage in public policy development in the interests of community

## Governance Arrangements

### Collaboration on public policy setting

We foster positive relationships with other Councils, relevant State Government Ministers, and government departments and agencies. The extent to which we collaborate in public policy setting is determined by the relevance to our community and on our ability to allocate the necessary resources. This includes:

- Actively seeking face to face Minister-Council interaction on an annual basis
- Council, and the Executive Leadership Team, monitoring opportunities to comment on proposals of other levels of government via the Local Government Association's regular circulars and prioritise effort and input according to district relevance.
- The Chief Executive Officer and Mayor participating in the Metropolitan Local Government Group and the Southern and Hills Regional Local Government Association, which are regular forums for collaboration and regional decision making
- Regularly invite senior government staff to address Council and the Executive Leadership team on issues of district and sector relevance in an informal and interactive manner.

The state, national and regional objectives that were considered in the development of this plan, and the extent to which we plan to co-ordinate with State and Federal Governments on objectives, are specified in the our various functional strategies which expand on our Strategic Management plans.



### **Council and Committees**

Adelaide Hills Council was established on 1 July 1997 through the amalgamation of the District Councils of East Torrens, Gumeracha, Onkaparinga, and Stirling. Council has a Mayor and 12 Council Members elected to represent the community across two wards. The Ranges Ward has seven councillors and the Valleys Ward has five councillors. Elections for Local Government are held every four years, with the next election to occur in November 2022.

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

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

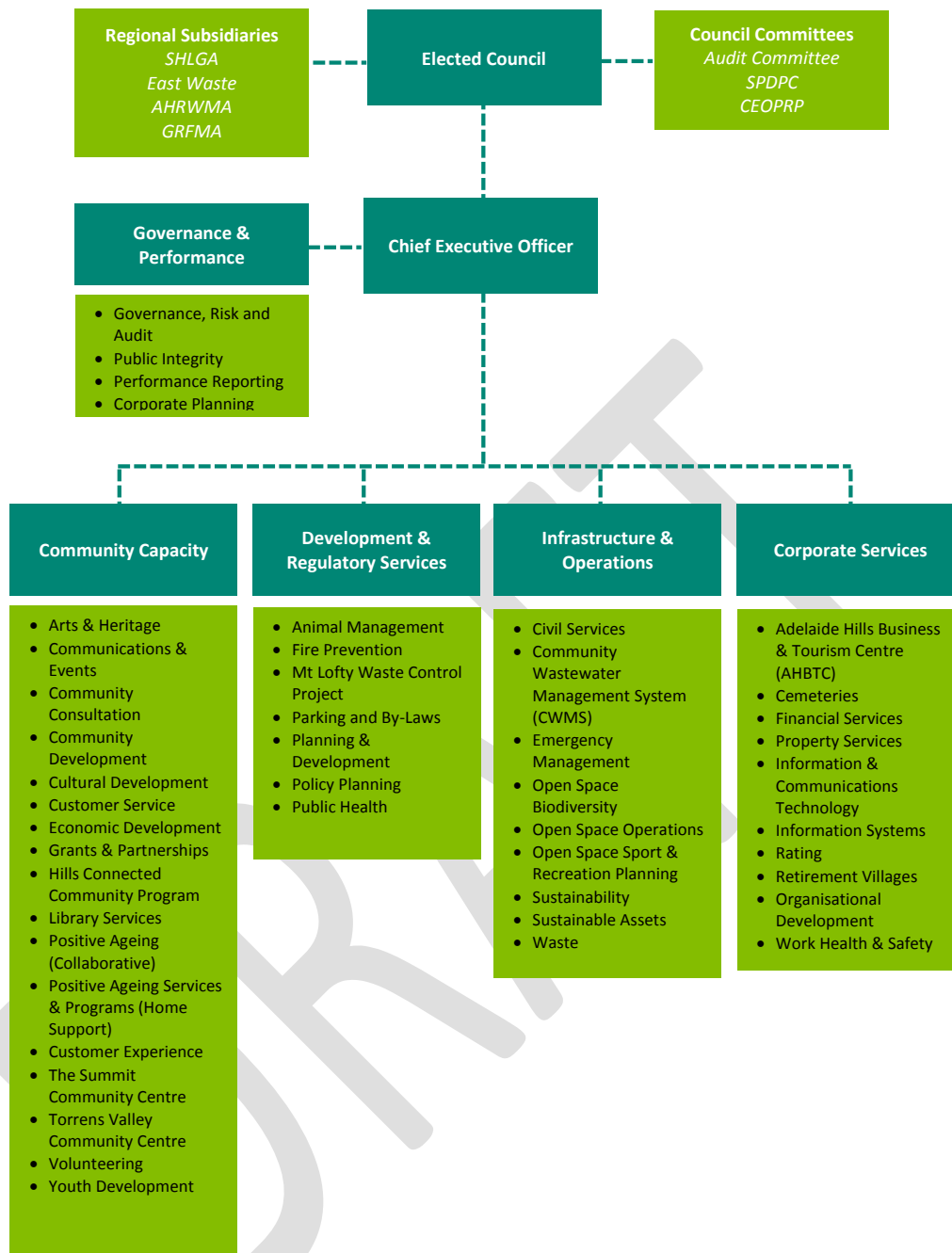
### **Regional Subsidiaries**

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

### **Administration**

The Council's Administration is led by a Chief Executive Officer appointed by the Council. The Chief Executive Officer appoints staff to carry out the functions and duties delegated to them and to implement Council decisions. The Administration is organised into directorates (see Figure 2), each with a specific area of focus and functional responsibilities. The arrangement of the directorates provides for the separation of the regulatory activities (into the Development & Regulatory Services Directorate) from the other activities of the Council.

Figure 2 – Organisational structure of the Adelaide Hills Council





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## **Appendix 2**

*Section 122 – Chapter 8, part 1 of the Local  
Government Act 1999*

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## Chapter 8—Administrative and financial accountability

### Part 1—Strategic management plans

#### 122—Strategic management plans

- (1) A council must develop and adopt plans (which may take various forms) for the management of its area, to be called collectively the *strategic management plans*, which—
  - (a) identify the council's objectives for the area over a period of at least 4 years (the *relevant period*), and provide a clear indication of—
    - (i) the extent to which the council has participated with other councils, and with State and national governments, in setting public policy objectives, and the extent to which the council's objectives are related to regional, State and national objectives; and
    - (ii) the extent to which the council has given consideration to regional, State and national objectives and strategies which are relevant to the economic, social, physical and environmental development and management of its area; and
    - (iii) the extent to which the council intends to co-ordinate with State and national governments and councils or other regional bodies in the planning and delivery of services in which there is a common interest; and
  - (ab) provide assessments that relate to the following matters (with particular reference to the relevant period):
    - (i) the sustainability of the council's financial performance and position; and
    - (ii) the extent or levels of services that will be required to be provided by the council to achieve its objectives; and
    - (iii) the extent to which any infrastructure will need to be maintained, replaced or developed by the council; and
    - (iv) anticipated changes in its area with respect to—
      - (A) real property development; and
      - (B) demographic characteristics of its community to the extent that is reasonable taking into account the availability of appropriate and accurate data; and
    - (v) the council's proposals with respect to debt levels; and
    - (vi) any anticipated or predicted changes in any factors that make a significant contribution to the costs of the council's activities or operations; and
  - (b) identify the principal activities that the council intends to undertake to achieve its objectives; and

- (d) state the measures (financial and non-financial) that are to be used to monitor and assess the performance of the council against its objectives over the relevant period; and
  - (e) identify the means by which its activities are to be carried out and its objectives achieved; and
  - (g) address issues associated with arranging its affairs so as to separate its regulatory activities from its other activities, so far as this is reasonable to do so; and
  - (h) make provision for the regular review of the charters, activities and plans of any subsidiary of the council.
- (1a) A council must, in conjunction with the plans required under subsection (1), develop and adopt—
  - (a) a long-term financial plan for a period of at least 10 years; and
  - (b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years,

(and these plans will also be taken to form part of the council's strategic management plans).
- (1b) The financial projections in a long-term financial plan adopted by a council must be consistent with those in the infrastructure and asset management plan adopted by the council.
- (2) Strategic management plans—
  - (a) should—
    - (i) address the strategic planning issues within the area of the council, with particular reference to (and in a manner consistent with) the Planning Strategy; and
    - (ii) set out the council's priorities for the implementation of planning policies,

(although these matters may be satisfied by referring to the council's most recent *Strategic Directions Report* under section 30 of the *Development Act 1993*); and
  - (b) should (as far as practicable) be consistent with the Development Plan or Plans for the council's area, other than where the council proposes to amend the Plan or Plans in accordance with the procedures set out in the *Development Act 1993* and the council obtains an agreement with the Minister to whom the administration of the *Development Act 1993* is committed relating to the implementation of a program to undertake any relevant amendment or amendments; and
  - (c) should (as far as practicable) be consistent with any relevant statutory policy or plan (not referred to above).

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- (3) In addition to the requirements of subsection (2), a council must, in formulating its strategic management plans, have regard to—
- (a) the council's roles and responsibilities under this or any other Act; and
  - (b) the council's objectives for its area.
- (4) A council may review its strategic management plans under this section at any time but must—
- (a) undertake a review of—
    - (i) its long-term financial plan; and
    - (ii) any other elements of its strategic management plans prescribed by the regulations for the purposes of this paragraph,as soon as practicable after adopting the council's annual business plan for a particular financial year; and
  - (b) in any event, undertake a comprehensive review of its strategic management plans within 2 years after each general election of the council.
- (4a) A council must, for the purposes of a review under subsection (4), take into account—
- (a) in relation to a review under subsection (4)(a)(i)—a report from the chief executive officer on the sustainability of the council's long-term financial performance and position taking into account the provisions of the council's annual business plan and strategic management plans; and
  - (b) insofar as may be relevant—any other material prescribed by the regulations.
- (5) A council may amend its strategic management plans or adopt new plans.
- (6) A council must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans (but nothing in this subsection is to be taken to limit subsection (5)).
- (7) A council must ensure that copies of its strategic management plans 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.
- (8) A council must, for the purposes of this section, specifically declare which plans will constitute the strategic management plans of the council.

## **Part 2—Annual business plans and budgets**

### **123—Annual business plans and budgets**

- (1) A council must have, for each financial year—
- (a) an annual business plan; and
  - (b) a budget.
- (2) Each annual business plan of a council must—
- (a) include a summary of the council's long-term objectives (as set out in its strategic management plans); and

**ADELAIDE HILLS COUNCIL  
AUDIT COMMITTEE MEETING  
Monday 20 April 2020  
AGENDA BUSINESS ITEM**

**Item:** 6.4

**Responsible Officer:** Kira-marie Lavery  
Corporate Planning & Performance Coordinator  
Office of the Chief Executive

**Subject:** Annual Business Plan Update

**For:** Information

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**SUMMARY**

The Audit Committee's Work Plan schedules a draft of the Annual Business Plan (ABP) to be considered by the Committee at its April meeting.

Due to the COVID-19 pandemic, Council's ABP development schedule has been impacted and a revised approach has needed to be put in place.

The purpose of this report is to provide an update on the development of *the 2020-21 Annual Business Plan*, including current status, impacts and future timelines.

**RECOMMENDATION**

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

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**1. GOVERNANCE**

➤ **Strategic Management Plan/Functional Strategy/Council Policy Alignment**

Goal	Organisational Sustainability
Strategy	Governance
Strategy	Risk and Responsibility
Strategy	Financial Sustainability

The ABP outlines Council's goals, objectives and priorities for the next financial year. It has been developed based on the financial projections of the *Long Term Financial Plan* and in alignment with the *2020-24 Strategic Plan* and *Asset Management Plans*.

➤ **Legal Implications**

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

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

Section 123(4)(a) of the Act requires that publication of a notice in a newspaper circulating in the area informing the public of the preparation of the draft annual business plan and inviting interested persons to attend:

- i. A public meeting which must be held at least 21 days after the publication of the notice; or
- ii. A meeting of the council at which members of the public may ask questions and make submissions for a period of at least one hour.

Section 123(7) of the Act requires that each budget of council must:

- a) Be considered in conjunction with the council's ABP ( and must be consistent with that plan); and
- b) Be adopted by the council after the council has adopted its ABP.

➤ **Risk Management Implications**

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

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

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

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

➤ **Financial and Resource Implications**

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

Council has developed a Long Term Financial Plan (LTFP) that sets income and expenditure targets for the 2020-21 Budget. Any variations against those targets will potentially have an impact on the long term financial position of the Council.

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

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

➤ **Sustainability Implications**

The ABP incorporates projects and supports ongoing actions to deliver Council's economic, social and environmental goals as set out in the Strategic Management Plans.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

*Council Committees:* Not Applicable

*Council Workshops:* Not Applicable – Planned Workshop for March 27 & 28 2020 was cancelled due to COVID-19 pandemic

*Advisory Groups:* Not Applicable

*Administration:* All directors and function owners across the organisation have provided input into the development of the Plan.

*External Agencies:* Not Applicable

*Community:* Not Applicable

## 2. **BACKGROUND**

The draft *2020-21 Annual Business Plan* is being developed to align to the draft *2020-21 Long Term Financial Plan* (LTFP), the *Asset Management Plan* (AMP) and the draft *2020-24 Strategic Plan*. Council resolutions, staff and community feedback and risk assessments have also informed projects and programs included in the ABP.

The draft ABP seeks to ensure a sustainable balance between service needs, financial responsibility (including infrastructure renewal and additions), and the capacity of the community to pay. The draft ABP also draws from all areas of Council's strategic management plans because they present the activities and resources of Council as a whole.

The production of the 2020-21 ABP (including the budget) was planned to incorporate the following stages (with current status indicated):

1. Development (current status)
  - Directors, function owners, and other internal stakeholders are engaged to determine the priorities and costs predicted for the 2020-21 financial year. **COMPLETE** - This occurred over January to March.
  - Council are consulted in a 2 day ABP workshop to look at the administrations recommendations for the proposed budget and Business plan. **INCOMPLETE** - This was planned for 27 & 28 March 2020 but had to be cancelled due to COVID-19 safety considerations

2. Draft - **PENDING**
  - The ABP is drafted using the information from the internal stakeholders and the results from the Council ABP workshop. The ABP is based on the strategic management plans and incorporates the elements required by Section 123 of the Act, and the Regulations.
  - Development of a brief summary of the plan to accompany the July Rates notices as per S123 (9)(a).
  - Draft ABP scheduled in the Work Plan to be considered by the Audit Committee at its 20 April 2020 meeting.
3. Consultation- **PENDING**
  - Section 123(3) of the Act requires the ABP to go to community consultation for a minimum of 21 days.
  - Section 123(4)(a) of the Act requires there to be a public meeting or Council meeting where the public can discuss and make submissions on the plan
  - Initial plan was to run consultation over May with the public meeting included in the 28 May Council meeting.
4. Final review- **PENDING**
  - Final review by the Administration and Council to consider the feedback from consultation was planned for early June.
5. Finalisation- **PENDING**
  - Final draft of plan is planned to be submitted to Council at the 23 June meeting for adoption.
  - Following adoption the plan will be published to Council's website and printed versions produced for distribution as per S123 (9)(b)

### 3. ANALYSIS

#### Impacts from Bushfires and COVID-19

Due to the impacts from recent events, the Administration has been forced to cancel some events and reconsider elements of the plan and budget.

A summary of changes include:

1. Review of Budget – given the financial impact to Council and our community, Council Members are being asked to consider if any of the budget assumptions (as contained in the LTFP for 2020-21) such as rate increases, or capital expenditure should be reviewed. This is being done via a video and presentation, with the feedback from Councillors being sought through a discussion board format. The feedback deadline is 17 April 2020.
2. Cancellation of Council workshop – rather than have a face to face meeting, the Administration distributed the documents for Council Members to consider and are exploring options for an online workshop and/or method of providing feedback following the initial budget review.



3. As group meetings are restricted due to the COVID-19 pandemic, the Minister for Local Government has gazetted the *Public Access and Public Consultation Notice (No 2) 2020* to remove the “public meeting” requirement from the Act. However, consultation still remains a requirement and allowance will still need to be made for the public to provide written, telephone or online feedback and submissions.

Despite these impacts, the Administration is still aiming to have the final draft of the plan ready for submission to Council by the 23 June meeting.

#### **4. OPTIONS**

As this is an information report, the Committee is limited to receiving and noting the report, but may choose to provide commentary or feedback for the Administration to consider.