



# Draft Annual Business Plan 2025-26

# Welcome

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

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

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

## Contents

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

## Acknowledgement of Country

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

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

# Overview

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

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

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

Some key projects and activities we will be undertaking include:

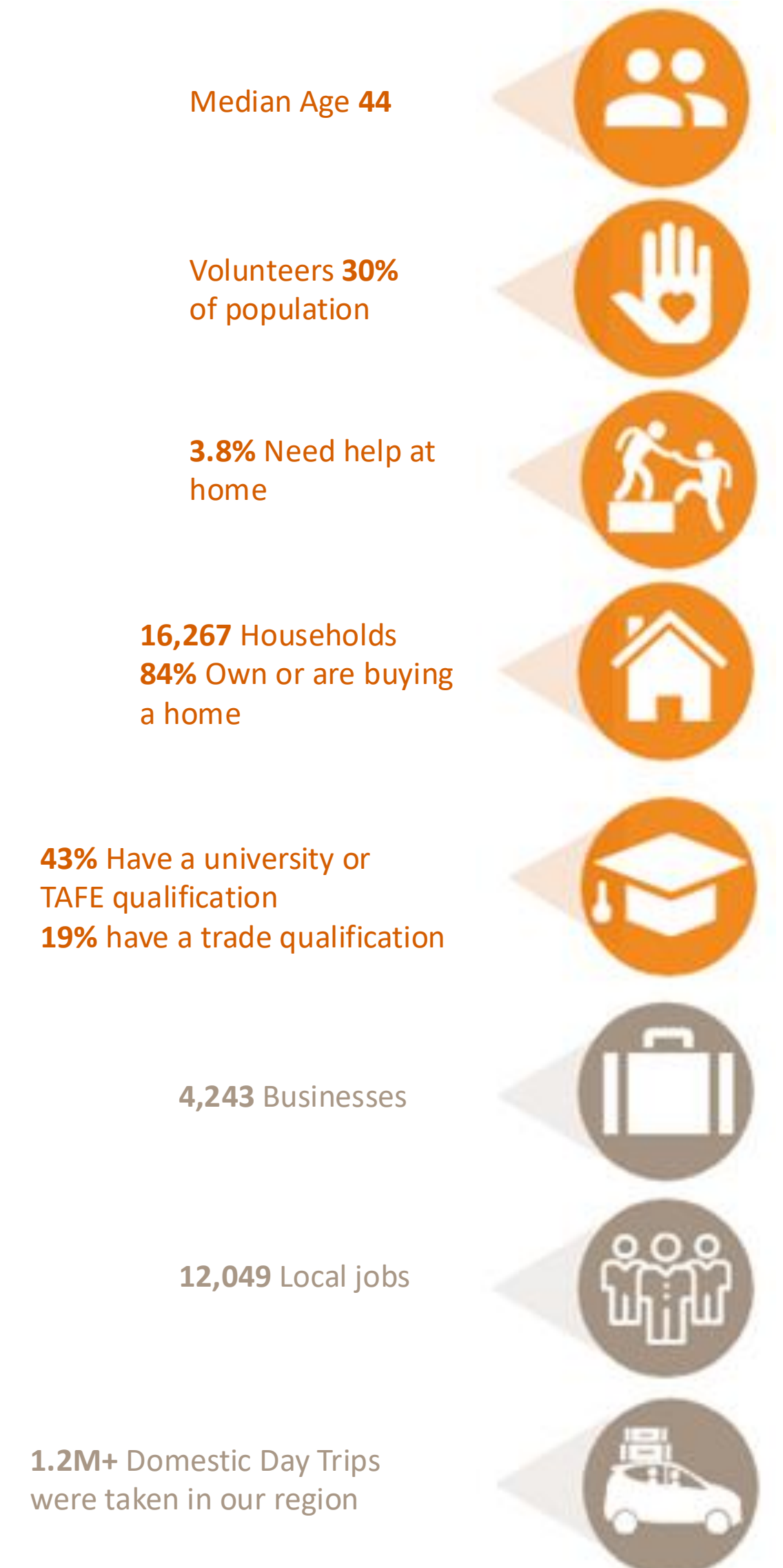
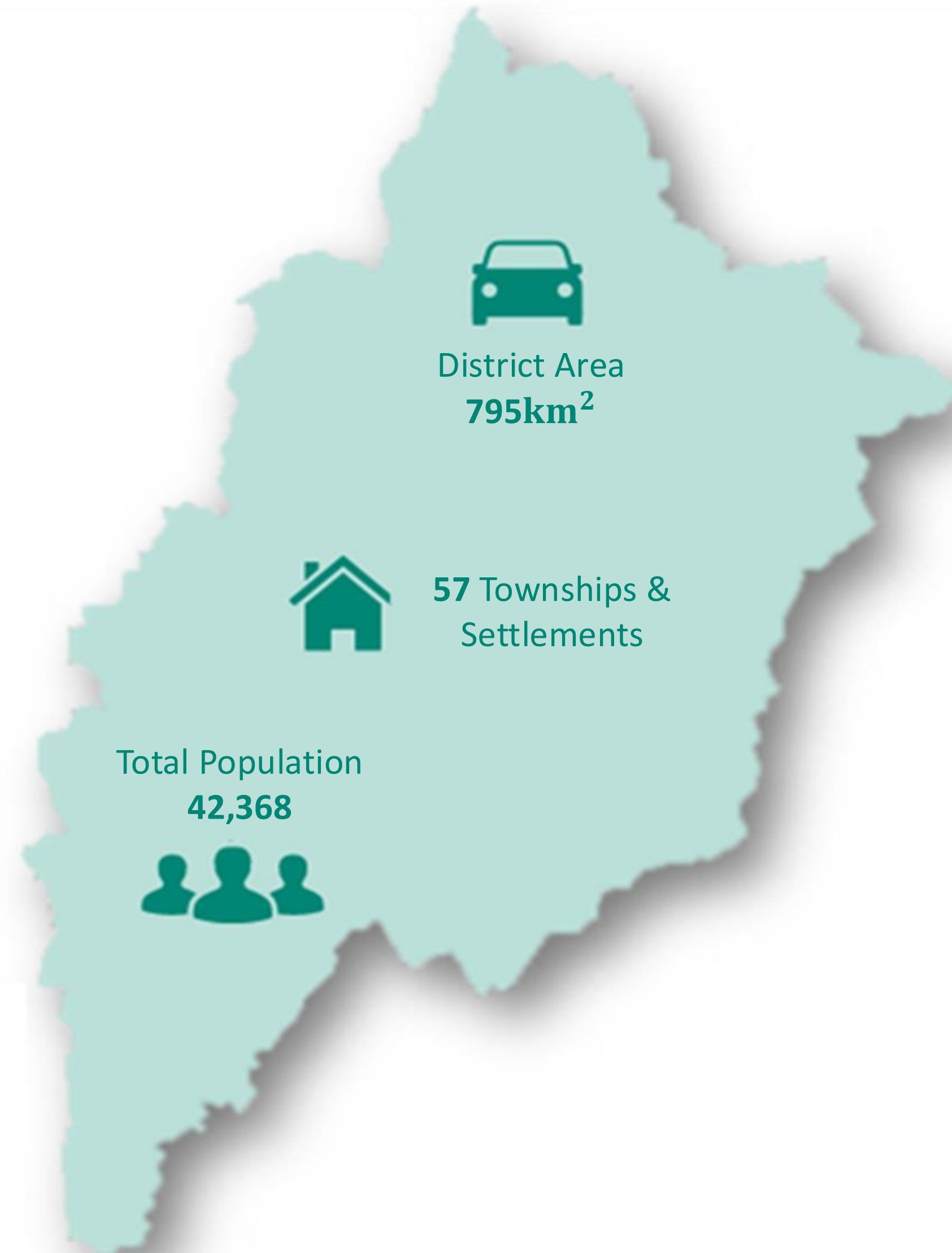
- Pursuing our adopted pathway to achieving net zero corporate carbon emissions
- Trialing alternative kerbside waste collection models to divert more waste from landfill
- Developing a housing strategy that meets the needs of the community
- Implementing technology upgrades to the Customer Relationship Management system (CRM) to enhance the customer experience in relation to online services

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

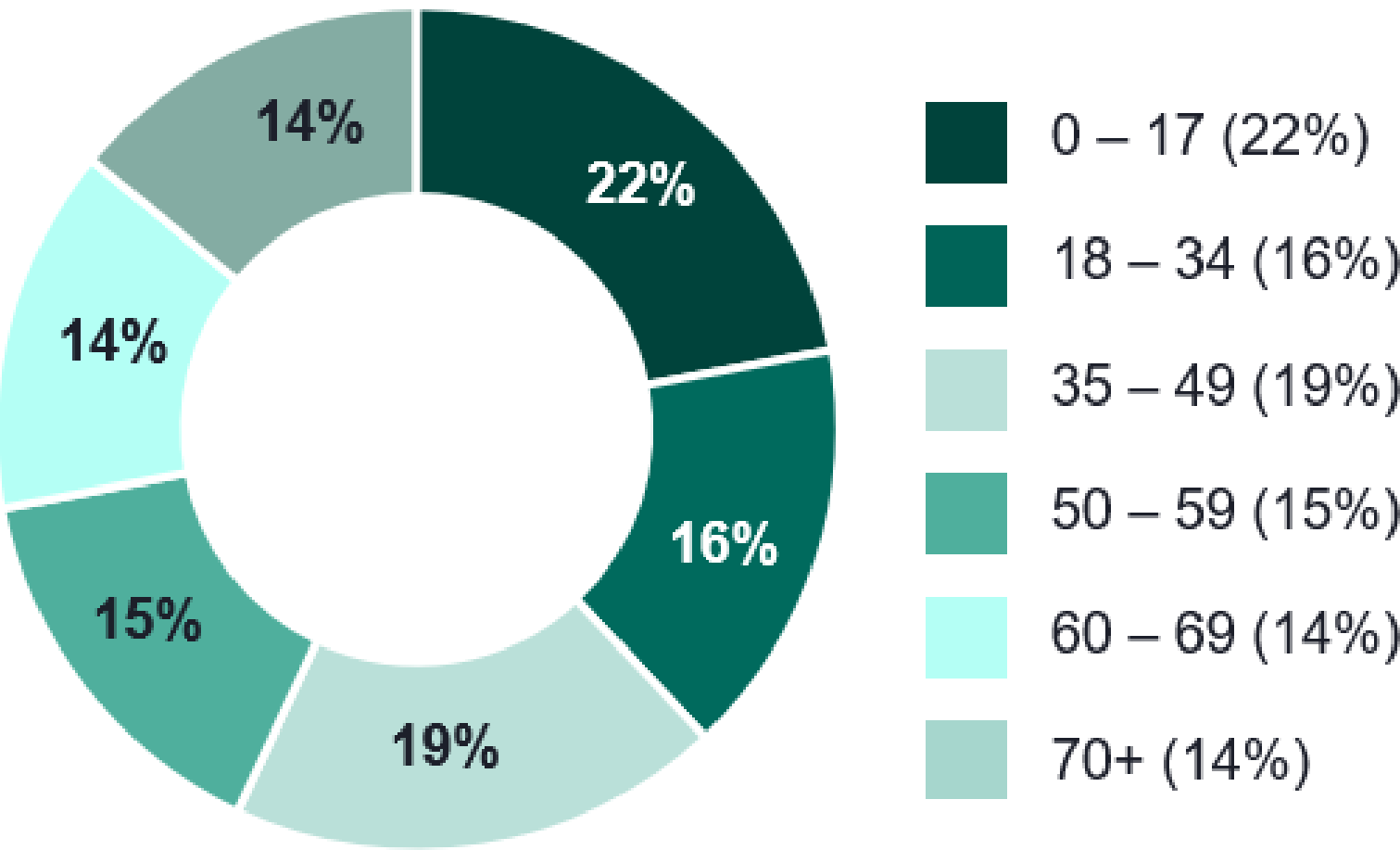
|                          |                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Planned Activities       | <ul style="list-style-type: none"><li>• In addition to our regular service delivery, our strategic initiatives contribute towards achieving our long-term goals. These include:<ul style="list-style-type: none"><li>• <b>16</b> capital initiatives (\$1.548M)</li><li>• <b>15</b> operating initiatives (\$1.429M)</li></ul></li></ul>                                  |
| Capital Budget           | <ul style="list-style-type: none"><li>• <b>\$3.448M</b> for capital expenditure on new or upgraded assets</li><li>• <b>\$13.850M</b> for capital expenditure on renewal of existing assets</li></ul>                                                                                                                                                                      |
| Operating Budget         | <ul style="list-style-type: none"><li>• Proposed deficit of <b>\$2.4M</b></li></ul>                                                                                                                                                                                                                                                                                       |
| Borrowing                | <ul style="list-style-type: none"><li>• Net borrowings of <b>\$5.873M</b>, resulting in forecast total borrowings at 30 June 2026 of <b>\$39.940M</b></li></ul>                                                                                                                                                                                                           |
| Rates                    | <ul style="list-style-type: none"><li>• Average increase in general residential rates of <b>6.2%</b> which will allow for which will allow for continued financial sustainability, maintain our much-needed services and fund new initiatives</li></ul> <p>For an average value residential property this equates to an annual increase of approximately <b>\$161</b></p> |
| Financial Sustainability | <ul style="list-style-type: none"><li>• Operating deficit ratio of <b>3.6%</b> which is below Council’s target of 0% to 10% surplus on average over 10 years.</li><li>• Net financial liabilities ratio <b>62%</b> in line with Council’s target of 0% to 100%</li><li>• Asset sustainability ratio <b>117%</b> which is above Council’s target of 90% to 110%</li></ul>  |

# We Are Unique

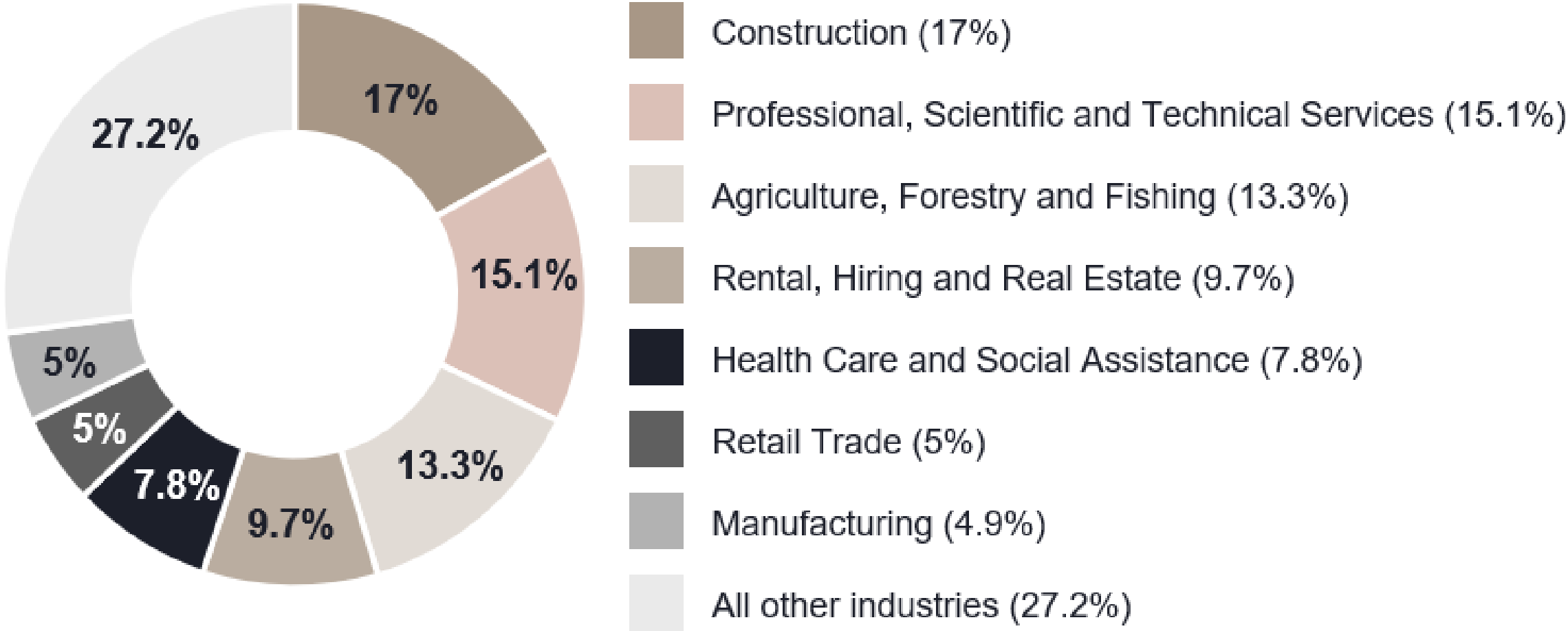
The size of a Regional Council with the expenses and population of a City Council



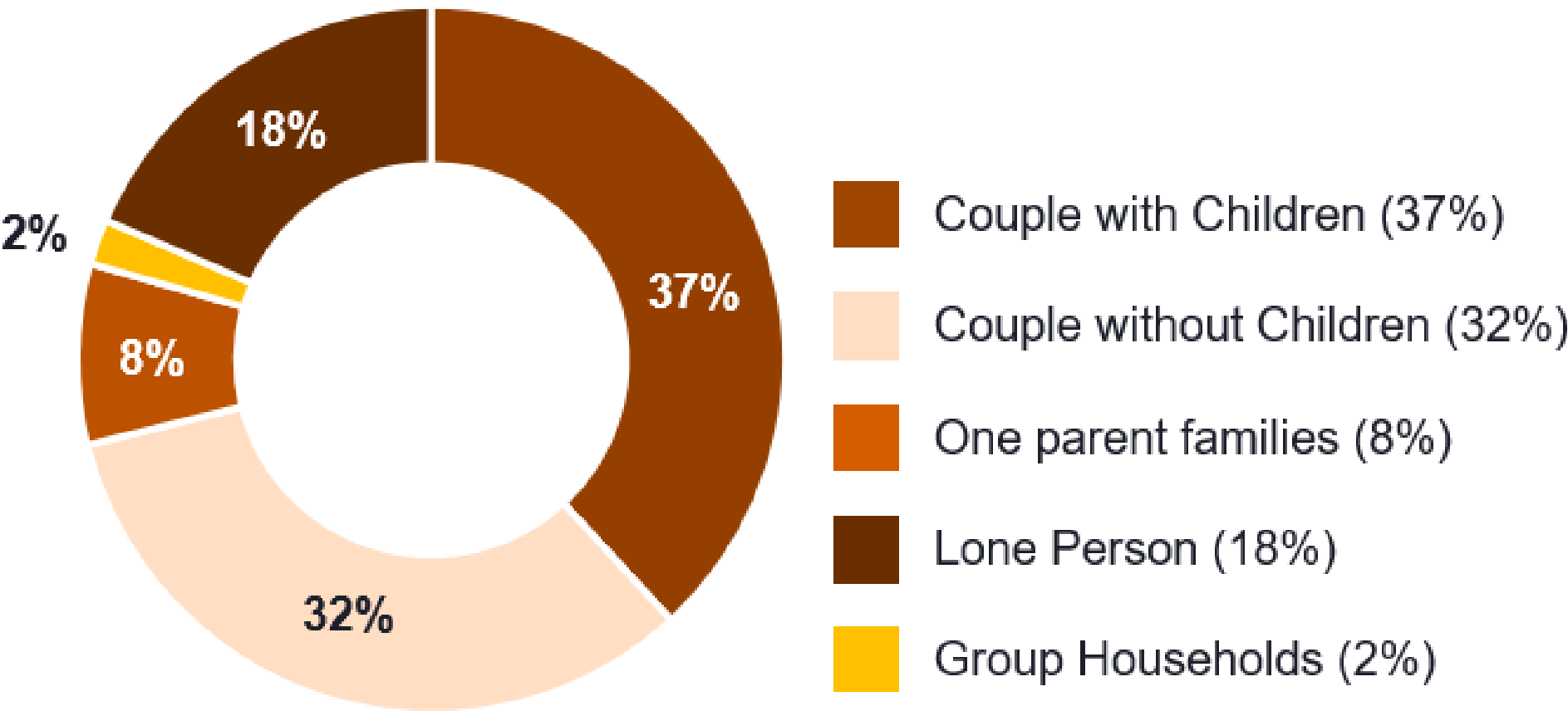
Age Profile of the Adelaide Hills



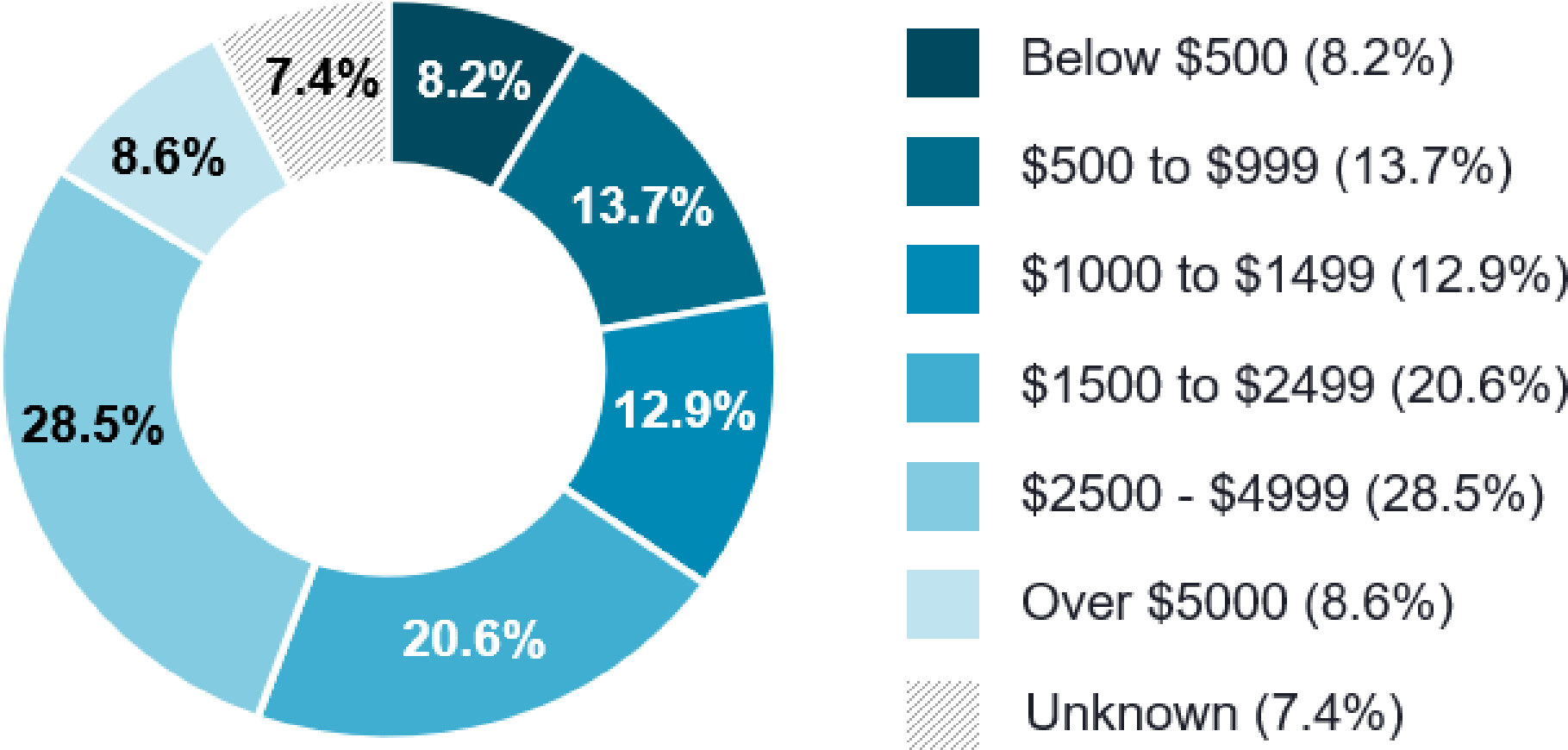
Number of registered businesses by industry



Household Types



Weekly Household Income



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

# About us

## Our Elected Council



Mayor  
Jan-Claire Wisdom



Deputy Mayor  
Cr Nathan Daniell  
Ranges Ward



Cr Kirrilee Boyd  
Ranges Ward



Cr Adrian Cheater  
Ranges Ward



Cr Pauline Gill  
Valleys Ward



Cr Chris Grant  
Valleys Ward



Cr Malcolm Herrmann  
Valleys Ward



Cr Lucy Huxter  
Valleys Ward



Cr Leith Mudge  
Ranges Ward



Cr Mark Osterstock  
Ranges Ward



Cr Kirsty Parkin  
Ranges Ward



Cr Louise Pascale  
Ranges Ward



Cr Melanie Selwood  
Valleys Ward

### Council and Committees

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

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

# Council Administration

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

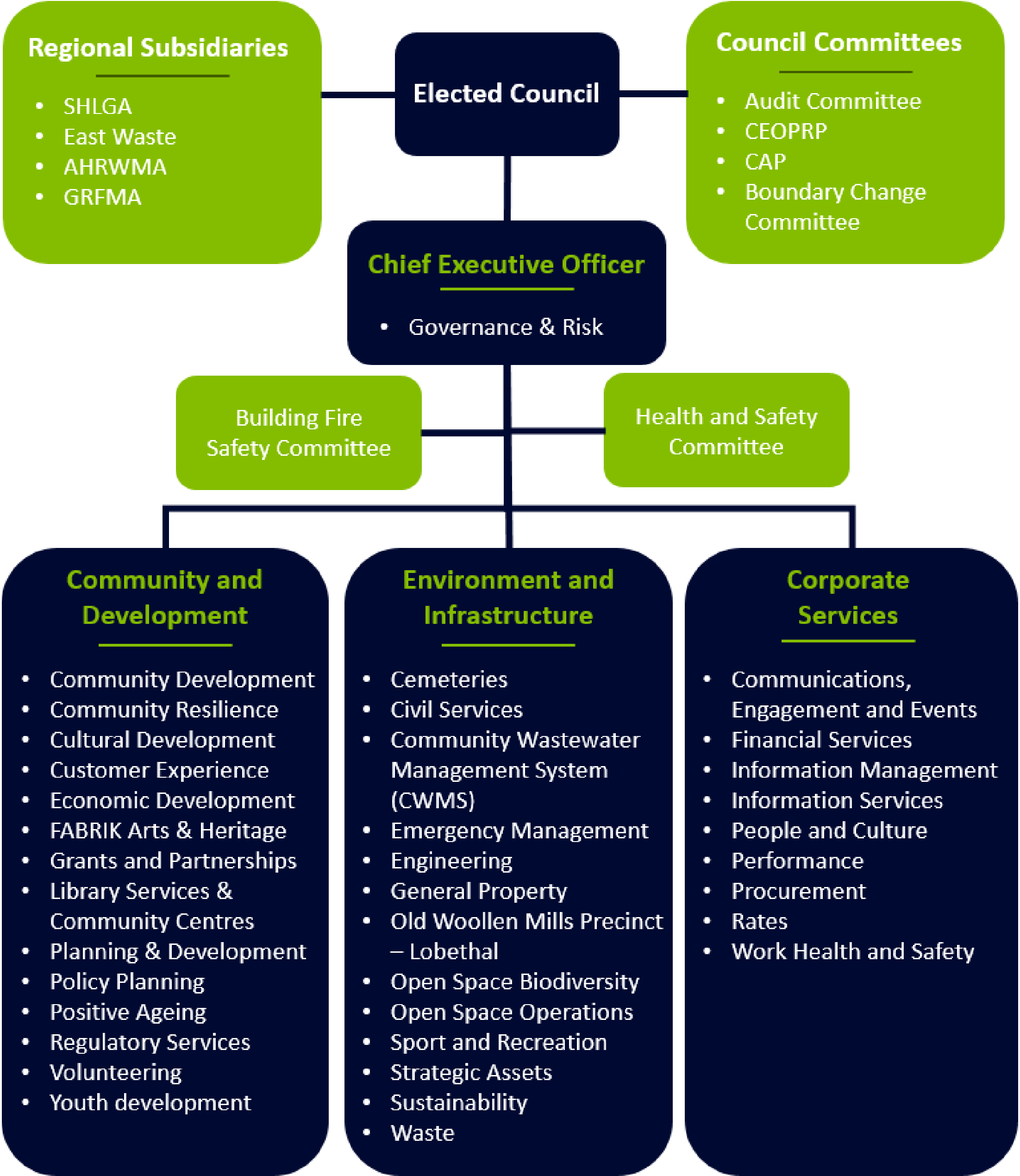
The Chief Executive Officer appoints staff and engages other resources to carry out the functions and duties delegated to them and to implement Council decisions.

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

# Regional Subsidiaries

Council is a member of four regional subsidiaries which assist in the strategic planning and service delivery activities.

The subsidiaries are the Southern and Hills Local Government Association, the Eastern Waste Management Authority (East Waste), the Adelaide Hills Region Waste Management Authority, and the Gawler River Floodplain Management Authority.



# Our Goals

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

| <div>atural Environment</div>                         | <div>Community Wellbeing</div> | <div>Built Form and Economy</div>                | <div>Organisation</div>                  |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>NE 1</b> Pursue our adopted pathway to achieve net zero carbon emissions.                                                           | <b>CW 1</b> Promote and support reconciliation.                                                                  | <b>BFE 1</b> Guide development that fosters vibrant and resilient communities, promotes appropriate design and enhances livability. | <b>O1</b> Embrace technology solutions and digital transformation to enhance our organisation and the community experience. |
| <b>NE 2</b> Support the community and businesses to decarbonise and transition to sustainable lifestyle practices (green communities). | <b>CW 2</b> Enrich, empower and support connected communities.                                                   | <b>BFE 2</b> Nurture a distinctive sense of place, support activation activities and recognise and celebrate our rich heritage.     | <b>O2</b> Operate with integrity using best practice governance processes.                                                  |
| <b>NE 3</b> Protect, improve, expand and connect habitat.                                                                              | <b>CW 3</b> Embrace diversity in our community and build on community strengths.                                 | <b>BFE 3</b> Develop and maintain infrastructure to support livability and sustainable economic activity.                           | <b>O3</b> Support and develop a skilled organisation that is aligned to Council’s priorities.                               |
| <b>NE 4</b> Build resilience in the natural environment to adapt to climate and other environmental changes.                           | <b>CW 4</b> Build community resilience for the future.                                                           | <b>BFE 4</b> Improve the utilisation of Council and community facilities.                                                           | <b>O4</b> Engage and advocate for our communities.                                                                          |
| <b>NE 5</b> Improve landscape character and amenity value on Council managed land.                                                     | <b>CW 5</b> Foster cultural identity and connection to place.                                                    | <b>BFE 5</b> Promote sustainable prosperity by supporting tourism, creative industries, primary production and vibrant townships.   | <b>O5</b> Evolve Council’s functions and services to meet the current and future needs and aspirations of our community.    |
|                                                                                                                                        | <b>CW 6</b> Promote physical, mental and social wellbeing.                                                       |                                                                                                                                     |                                                                                                                             |

# Our Services

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

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

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

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

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

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

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

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

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

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

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

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

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

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



# Our Services

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

**Fire Prevention** – Legislative function of ensuring identified properties are prepared for the bushfire season. Assessing the extent of bushfire hazards within the Council area and providing advice to landowners in respect of bushfire prevention and management.

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

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

**Information, Communication and Technology** – Providing support for over 1300 devices, 250 system users and 100 public access devices for libraries and community centres. Manages system security, asset maintenance and renewal.

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

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

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

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

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

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



# Our Services

**Planning & Development** – Assessment of development applications and activities within the region. Inspection of approved buildings and swimming pools and taking compliance action where required. Reviewing safety of publicly accessible buildings.

**Policy Planning** – undertaking policy and project work such as amendments to the new Planning and Design Code, and preparation of urban design guidelines.

**Positive Ageing** – Providing home and social support, particularly under the Commonwealth funded Commonwealth Home Support Program. Developing and implementing targeted strategies and programs in our region.

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

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

**Sport & Recreation Planning** – Management and utilisation of Council's sport, recreation and open

space assets; and support of clubs and the community's recreational activities in the region.

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

**Sustainability** – Including climate change considerations into Council decision making, providing strategies for carbon neutrality, water management and renewable energy in response to climate change impacts.

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

**Waste** - Providing waste collections and recycling services to 16,500 properties, green waste organics kerbside collections in townships, 'at call' hard waste collection, and operates the Heathfield Resource Recovery Centre for community use.

**Wastewater Systems Compliance** – Working with landowners to ensure their on-site wastewater systems are compliant and operating correctly to minimise impact on the water catchment.

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



# Our focus for 2025-26

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

Some of the highlights include:

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

## How we measure success

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

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

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

# Strategic Initiatives

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

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

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

# Strategic Initiatives

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

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

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

# Changes to ‘Business-as-Usual’ budgets

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

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

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

# Strategic Initiatives

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

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

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

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

# Strategic Initiatives

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

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

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

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

# Financial Overview

Key financial information for 2025-26 is summarised below:

| Budget Summary                                     | \$'000        |
|----------------------------------------------------|---------------|
| Rates income                                       | 54,953        |
| All Other Operating income (including initiatives) | 9,505         |
| <b>Total Operating Income</b>                      | <b>64,458</b> |
| Core operating Expenses (excluding Initiatives)    | 65,381        |
| Operating initiatives                              | 1,429         |
| <b>Total operating Expenditure</b>                 | <b>66,810</b> |
| <b>Operating deficit</b>                           | <b>2,352</b>  |
| Gross Capital Renewal Program expenditure          | 13,850        |
| Gross Capital expenditure on new / upgraded assets | 3,448         |
| <b>Total Gross Capital Expenditure</b>             | <b>17,298</b> |
| Estimated new borrowings                           | 5,873         |



# Key financial targets and financial sustainability

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

| Indicator                       | Adopted Target                  | 2025-26 Budget |
|---------------------------------|---------------------------------|----------------|
| Operating Deficit Ratio         | 0 - 10% (on avg. over 10 years) | <b>3.6%</b>    |
| Net Financial Liabilities Ratio | 0 – 100%                        | <b>62%</b>     |
| Asset Renewal Funding Ratio     | 90 – 110%                       | <b>117%</b>    |

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

Council’s targeted Operating Surplus on average over a ten-year timeframe acknowledges that there are likely to be one off occurrences in particular years which require Council to respond differently. This improves Council’s ability to absorb the expenditure impacts from unexpected events such as bushfires, floods, or pandemics. It also provides capacity to reduce our liabilities (borrowings) by funding a proportion of new capital / upgrade expenditure.

## Impact on ratepayers

The overall amount existing ratepayers will pay in general rates will increase on average by 6.2%. For a residential property of average value, this equates to an increase of approximately \$161 for the 2025-26 year. Rate increases may vary from the average where there has been new development, capital improvements or other significant change to the value of the property.

To reduce the impact of significant valuation changes for 2025-26 Council proposes:

- Applying a rate rebate to limit the maximum general rate increase to 15% across residential and primary production land use categories
- Make the rebate automatic (similar to the 2024-25 financial year) but also retaining an application process
- Retaining the exclusion of the cap for valuation increases due to improvements, changes in land use and rateability
- Adjusting the exclusion of change of ownership properties to those properties sold after 30 June 2024.

# Elements of the Budget: Income and Expenses

## Income

Rate revenue accounts for approximately 85% of Council's operating income, while grants, fees and charges make up the majority of the other operating income. We continue to pursue grant income and partnerships with external funders where possible to minimise the requirement for revenue via rates.

## Fees and Charges

Section 188 of the *Local Government Act 1999* sets out how fees and charges are managed in Council. Council reviews its fees and charges each year, in conjunction with the development of the annual budget to ensure that the fees proposed:

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

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

## Expenses

39% of the Council's operating expenditure is attributable to the payment of salaries and wages and around 38% is applied to materials, contracts and other expenses.

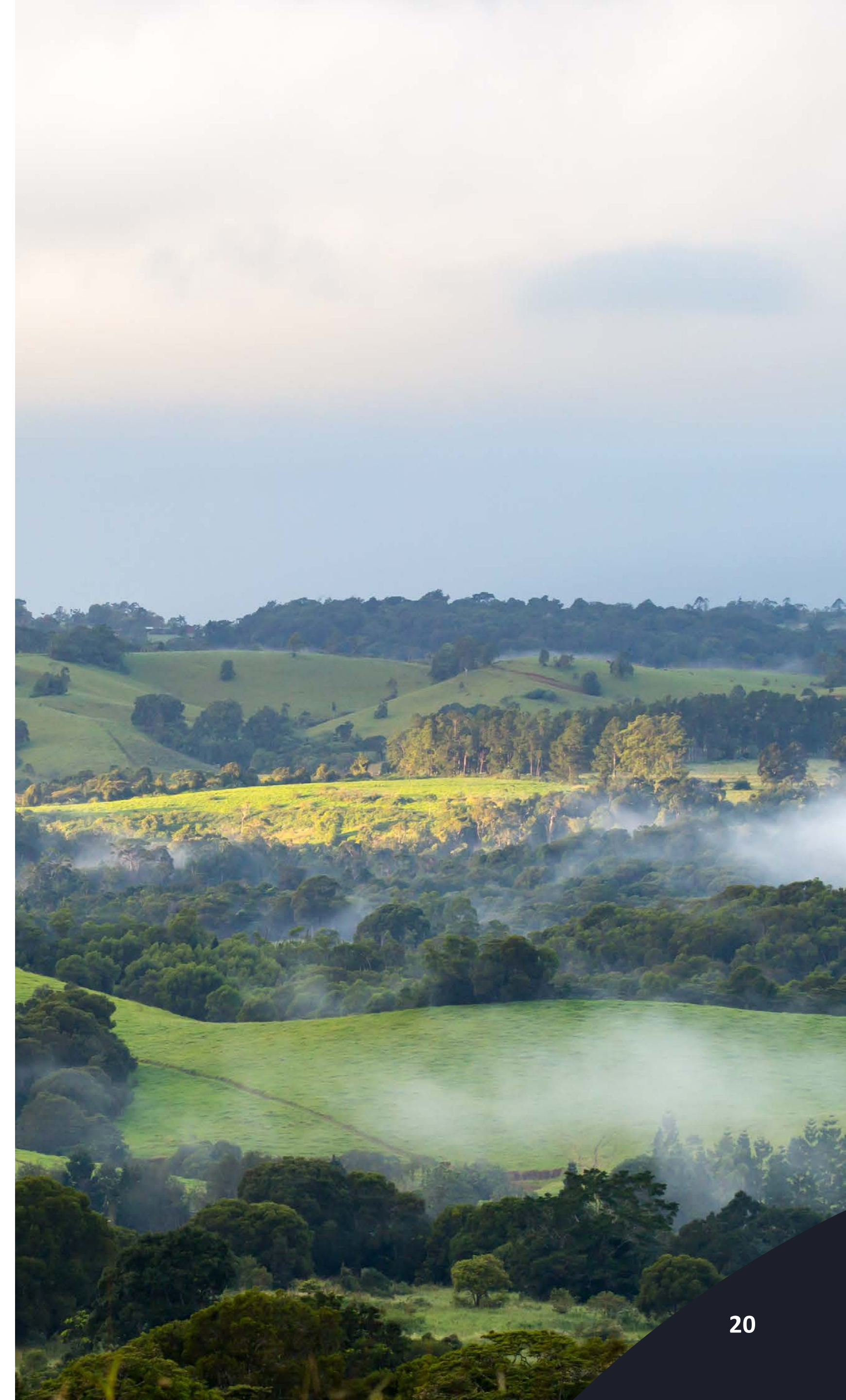
# Significant influences for the 2025-26 budget

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

These include:

- Major projects being undertaken by Council (*as listed on pages 13-17*).
- Inflationary pressures continue to push up costs. Whilst there may be some slowing of these pressures, they will remain influential on Council's expense base in the immediate future.
- Increasing construction costs over recent years have led to higher replacement cost valuations of Council's existing asset base which in turn increases the depreciation cost. Accurately capturing these is important to ensure Council's sustainability.
- Provision for Enterprise Development Agreements for staff which determines conditions of employment and provide for annual salary and wages increases, largely based on CPI and a separate increase of 0.5% in the Superannuation Guarantee Levy.
- Maintaining asset management (renewal) expenditure at a sufficient level to ensure long term maintenance of Council infrastructure, property and IT assets.
- Increased maintenance requirements due to an increase in capital works and construction of new assets over recent years.
- A hardening insurance market resulting in premiums increasing significantly more than CPI.

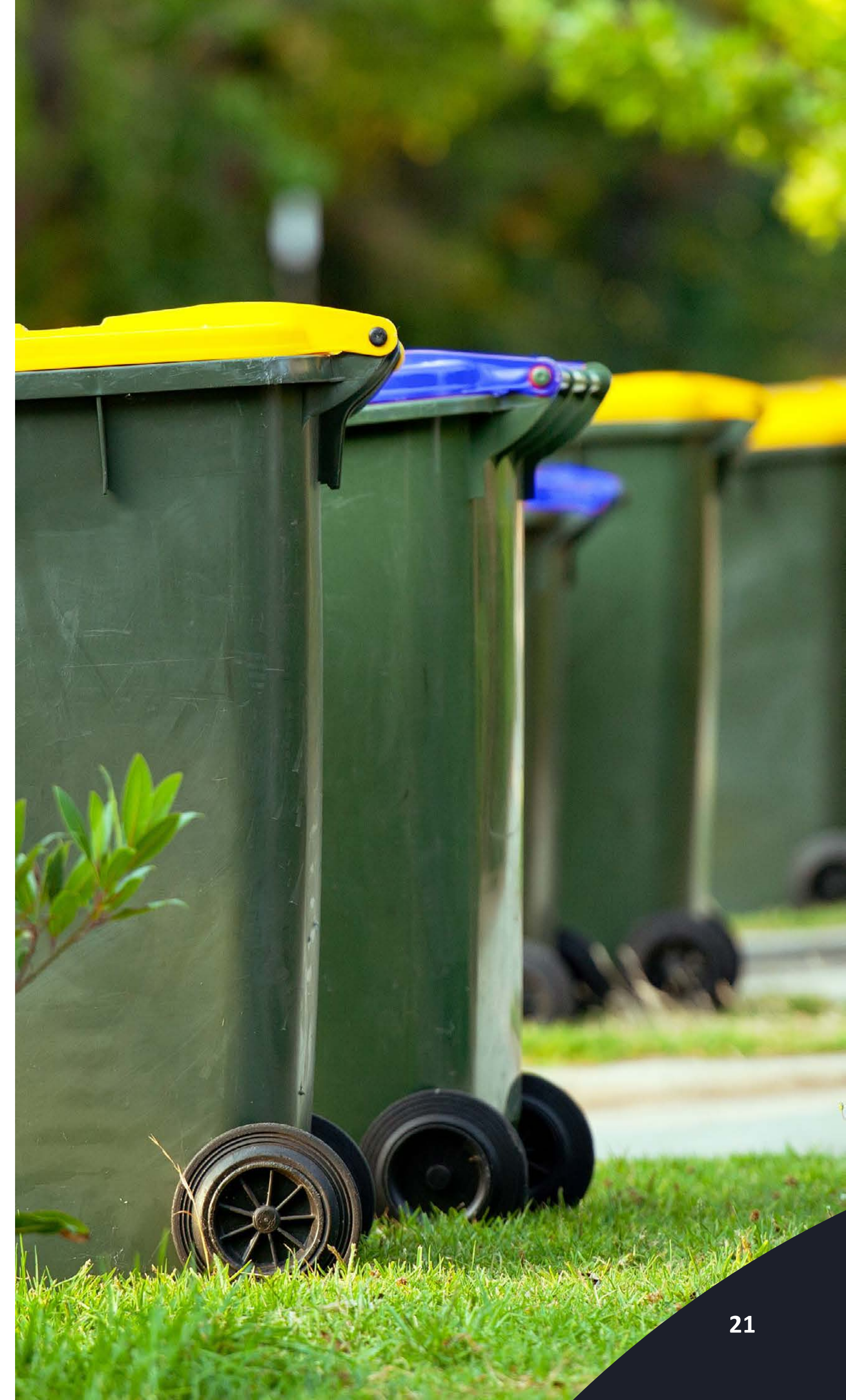
The Boundary Commission's Inquiry into Campbelltown City Council's Woodforde/Rostrevor boundary reform proposal is currently underway. If this reform proposal is successful, it has the potential to materially impact Council's financial sustainability. No financial or resource implications have been built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



## Additional costs included in the 2025-26 budget

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

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



# Borrowings

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

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

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

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

| Borrowing                                            | \$'000 |
|------------------------------------------------------|--------|
| Forecast Opening Balance of Borrowings July 2025     | 28,825 |
| Estimated New Borrowing for 2025-26                  | 5,873  |
| Repayment of principal for 2025-26                   | -      |
| Forecast Closing Balance of Borrowings June 2026     | 34,698 |
| Split as follows:                                    |        |
| Cash Advance Debenture (Short Term Borrowings)       | 22,198 |
| Fixed Term Borrowings                                | 12,500 |
| Forecast Closing Balance of all Borrowings June 2026 | 34,698 |



## Operating Budget by Directorate and Function

| Function / Directorate                               | Revenue                                |                                         |                                          | Expenditure                         |                                         |                                             | Net Cost /<br>(Revenue)<br>Budget<br>\$'000 | 2025-26<br>Staff FTE<br>Budget |
|------------------------------------------------------|----------------------------------------|-----------------------------------------|------------------------------------------|-------------------------------------|-----------------------------------------|---------------------------------------------|---------------------------------------------|--------------------------------|
|                                                      | 2024-25<br>Revised<br>Budget<br>\$'000 | 2025-26<br>Proposed<br>Budget<br>\$'000 | Fav/(unfav)<br>Budget Variance<br>\$'000 | 2024-25 Revised<br>Budget<br>\$'000 | 2025-26<br>Proposed<br>Budget<br>\$'000 | Fav/(unfav)<br>Budget<br>Variance<br>\$'000 |                                             |                                |
| CEO Office                                           | -                                      | -                                       | -                                        | 664                                 | 579                                     | 85                                          | 579                                         | 2.00                           |
| Governance Civic                                     | -                                      | -                                       | -                                        | 2                                   | 3                                       | (1)                                         | 3                                           | 0.00                           |
| Governance EM                                        | -                                      | -                                       | -                                        | 532                                 | 560                                     | (28)                                        | 560                                         | 0.00                           |
| Governance & Performance                             | 37                                     | 37                                      |                                          | 2,029                               | 1,922                                   | 108                                         | 1,885                                       | 3.40                           |
| <b>CEO Directorate Total</b>                         | <b>37</b>                              | <b>37</b>                               |                                          | <b>3,227</b>                        | <b>3,063</b>                            | <b>164</b>                                  | <b>3,027</b>                                | <b>5.40</b>                    |
| C&D Director's Office                                | -                                      | -                                       | -                                        | 369                                 | 409                                     | (40)                                        | 409                                         | 2.00                           |
| Region & Place                                       | 110                                    | 110                                     | -                                        | 812                                 | 1,029                                   | (217)                                       | 919                                         | 4.00                           |
| Environmental Health                                 | 196                                    | 181                                     | (15)                                     | 613                                 | 613                                     | 1                                           | 431                                         | 3.84                           |
| Fire Prevention                                      | 32                                     | 57                                      | 25                                       | 239                                 | 167                                     | 72                                          | 111                                         | 1.18                           |
| Animal Management                                    | 577                                    | 627                                     | 50                                       | 491                                 | 551                                     | (60)                                        | (76)                                        | 3.10                           |
| Parking and By-Laws                                  | 115                                    | 165                                     | 50                                       | 165                                 | 322                                     | (156)                                       | 156                                         | 2.00                           |
| Development Services                                 | 649                                    | 695                                     | 46                                       | 2,691                               | 2,716                                   | (25)                                        | 2,021                                       | 17.03                          |
| Community Management                                 | 23                                     | -                                       | (23)                                     | 438                                 | 606                                     | (168)                                       | 606                                         | 3.10                           |
| Community Grants                                     | -                                      | -                                       | -                                        | 209                                 | 210                                     | 0                                           | 210                                         | 0.00                           |
| Community Centres - TSCC                             | 16                                     | 16                                      | 0                                        | 220                                 | 235                                     | (16)                                        | 219                                         | 1.58                           |
| Community Centres - TVCC                             | 24                                     | 20                                      | (5)                                      | 220                                 | 113                                     | 107                                         | 94                                          | 0.79                           |
| Community Programs                                   | 117                                    | 74                                      | (43)                                     | 126                                 | 77                                      | 49                                          | 3                                           | 0.60                           |
| Community Resilience                                 | 300                                    | -                                       | (300)                                    | 510                                 | 134                                     | 376                                         | 134                                         | 0.80                           |
| Cultural Development                                 | -                                      | -                                       | -                                        | 202                                 | 148                                     | 53                                          | 148                                         | 0.60                           |
| Positive Ageing (Collaborative)                      | 93                                     | 94                                      | 1                                        | 94                                  | 94                                      |                                             | 0                                           | 0.60                           |
| Positive Ageing (Home Support)                       | 1,196                                  | 1,317                                   | 121                                      | 1,246                               | 1,374                                   | (128)                                       | 57                                          | 6.22                           |
| Volunteering                                         | -                                      | -                                       | -                                        | 100                                 | 89                                      | 11                                          | 89                                          | 0.60                           |
| Youth Development                                    | 3                                      | 3                                       |                                          | 111                                 | 130                                     | (20)                                        | 128                                         | 0.60                           |
| Customer Experience                                  | -                                      | -                                       | -                                        | 738                                 | 159                                     | 580                                         | 159                                         | 1.00                           |
| Customer Service                                     | -                                      | -                                       | -                                        | 999                                 | 1,021                                   | (22)                                        | 1,021                                       | 8.84                           |
| Libraries                                            | 346                                    | 340                                     | (5)                                      | 2,086                               | 2,188                                   | (101)                                       | 1,847                                       | 15.06                          |
| FABRIK                                               | 380                                    | 363                                     | (17)                                     | 848                                 | 1,060                                   | (212)                                       | 697                                         | 4.60                           |
| <b>Community &amp; Development Directorate Total</b> | <b>4,177</b>                           | <b>4,063</b>                            | <b>(114)</b>                             | <b>13,530</b>                       | <b>13,445</b>                           | <b>85</b>                                   | <b>9,382</b>                                | <b>78.15</b>                   |

## Operating Budget by Directorate and Function

| Function / Directorate                        | Revenue                                |                                         |                                             | Expenditure                         |                                         |                                             | Net Cost /<br>(Revenue)<br>Budget<br>\$'000 | 2025-26<br>Staff FTE<br>Budget |
|-----------------------------------------------|----------------------------------------|-----------------------------------------|---------------------------------------------|-------------------------------------|-----------------------------------------|---------------------------------------------|---------------------------------------------|--------------------------------|
|                                               | 2024-25<br>Revised<br>Budget<br>\$'000 | 2025-26<br>Proposed<br>Budget<br>\$'000 | Fav/(unfav)<br>Budget<br>Variance<br>\$'000 | 2024-25 Revised<br>Budget<br>\$'000 | 2025-26<br>Proposed<br>Budget<br>\$'000 | Fav/(unfav)<br>Budget<br>Variance<br>\$'000 |                                             |                                |
| CS Director's Office                          | 6                                      | 6                                       | 0                                           | 572                                 | 538                                     | 34                                          | 533                                         | 2.89                           |
| Communications, Engagement & Events           | -                                      | -                                       | -                                           | 834                                 | 758                                     | 76                                          | 758                                         | 3.60                           |
| Corporate                                     | 1,144                                  | 1,145                                   | 1                                           | 1,403                               | 1,490                                   | (87)                                        | 344                                         | 0.00                           |
| Finance Operations                            | -                                      | -                                       | -                                           | 1,230                               | 1,455                                   | (224)                                       | 1,455                                       | 9.80                           |
| Rates                                         | 49,724                                 | 53,298                                  | 3,574                                       | 1,994                               | 2,034                                   | (39)                                        | (51,265)                                    | 0.00                           |
| ICT                                           | -                                      | -                                       | -                                           | 1,199                               | 1,258                                   | (60)                                        | 1,258                                       | 4.33                           |
| Information Management                        | -                                      | -                                       | -                                           | 574                                 | 618                                     | (44)                                        | 618                                         | 4.34                           |
| Information Systems                           | -                                      | -                                       | -                                           | 2,019                               | 2,551                                   | (532)                                       | 2,551                                       | 4.33                           |
| People and Culture & WHS                      | -                                      | -                                       | -                                           | 846                                 | 929                                     | (83)                                        | 929                                         | 5.00                           |
| <b>Corporate Services Directorate Total</b>   | <b>50,874</b>                          | <b>54,449</b>                           | <b>3,575</b>                                | <b>10,671</b>                       | <b>11,631</b>                           | <b>(959)</b>                                | <b>(42,818)</b>                             | <b>34.29</b>                   |
| E&I Director's Office                         | -                                      | -                                       | -                                           | 894                                 | 457                                     | 437                                         | 457                                         | 2.00                           |
| Civil Services - Management                   | 2                                      | 2                                       | -                                           | 575                                 | 597                                     | (22)                                        | 595                                         | 3.60                           |
| Civil Services - Maintenance                  | 3,009                                  | 2,401                                   | (608)                                       | 5,468                               | 5,529                                   | (60)                                        | 3,127                                       | 34.00                          |
| Civil Services - Private Works                | 6                                      | 7                                       | -                                           | 4                                   | 5                                       | 0                                           | (2)                                         | 0.00                           |
| Property Management                           | 75                                     | 75                                      | -                                           | 2,346                               | 2,486                                   | (140)                                       | 2,411                                       | 5.90                           |
| Sport & Recreation                            | 11                                     | 12                                      | -                                           | 1,049                               | 1,128                                   | (79)                                        | 1,117                                       | 3.80                           |
| AHBTC                                         | 408                                    | 408                                     | -                                           | 359                                 | 363                                     | (4)                                         | (46)                                        | 0.00                           |
| Cemeteries                                    | 385                                    | 394                                     | 10                                          | 205                                 | 178                                     | 28                                          | (217)                                       | 1.00                           |
| Open Space - Management                       | 23                                     | -                                       | (23)                                        | 988                                 | 1,265                                   | (277)                                       | 1,265                                       | 8.00                           |
| Open Space - Maintenance                      | 6                                      | -                                       | (6)                                         | 3,718                               | 3,749                                   | (31)                                        | 3,749                                       | 17.00                          |
| Open Space - Stores                           | -                                      | -                                       | -                                           | (937)                               | (846)                                   | (91)                                        | (846)                                       | 1.00                           |
| Open Space - Biodiversity                     | 545                                    | 534                                     | (11)                                        | 1,365                               | 1,500                                   | (135)                                       | 966                                         | 5.30                           |
| CWMS                                          | 1,735                                  | 1,675                                   | (60)                                        | 1,040                               | 1,041                                   | (1)                                         | (634)                                       | 1.00                           |
| Strategic Assets                              | -                                      | -                                       | -                                           | 479                                 | 580                                     | (102)                                       | 580                                         | 2.90                           |
| Emergency Management                          | -                                      | -                                       | -                                           | 105                                 | 87                                      | 19                                          | 87                                          | 0.20                           |
| Sustainability                                | -                                      | -                                       | -                                           | 346                                 | 466                                     | (120)                                       | 466                                         | 1.40                           |
| Waste                                         | 192                                    | 401                                     | 210                                         | 5,992                               | 6,688                                   | (696)                                       | 6,287                                       | 1.80                           |
| Depreciation                                  | -                                      | -                                       | -                                           | 13,071                              | 13,398                                  | (327)                                       | 13,398                                      | 0.00                           |
| <b>Environment &amp; Infrastructure Total</b> | <b>6,398</b>                           | <b>5,910</b>                            | <b>(488)</b>                                | <b>37,071</b>                       | <b>38,671</b>                           | <b>(1,600)</b>                              | <b>19,363</b>                               | <b>88.91</b>                   |
| <b>Total</b>                                  | <b>61,485</b>                          | <b>64,458</b>                           | <b>2,973</b>                                | <b>64,499</b>                       | <b>66,810</b>                           | <b>(2,311)</b>                              | <b>2,351</b>                                | <b>206.75</b>                  |

# Capital Budget Overview

The 2025-26 Capital Budget continues to focus on the renewal of infrastructure. The Council has in excess of \$830M (Current Replacement Values) of infrastructure assets that it manages, to ensure that our current and future communities have access to the ongoing services these assets provide.

*Charts to be included here in final for adoption*

The total of \$17.3m for the capital works program is considered to be an appropriate level of sustainable investment to meet the Council strategic goal to have a proactive long term view regarding the renewal and maintenance of its infrastructure.

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

To see a detailed listing of our Capital projects, refer to the *Capital Works Program 2025-26* published on our website

## Capital Expenditure Renewal Summary

| Asset Category                                | 2025-26<br>Allocation<br>\$'000 |
|-----------------------------------------------|---------------------------------|
| Bridges                                       | 143                             |
| Buildings & Other Structures                  | 948                             |
| Cemetries Infrastructure                      | 40                              |
| CWMS                                          | 913                             |
| Footpaths                                     | 425                             |
| Guardrails                                    | 56                              |
| Kerb & Gutter                                 | 300                             |
| Other Infrastructure Assets*                  | 111                             |
| Retaining Walls                               | 54                              |
| Roads                                         | 5,150                           |
| Sport & Recreation (including<br>Playgrounds) | 60                              |
| Stormwater Drainage                           | 1,650                           |
| Street Furniture Infrastructure               | 65                              |
| Plant & Equipment                             | 2,950                           |
| Project Management                            | 986                             |
| <b>RENEWALS</b>                               | <b>13,850</b>                   |

# Rates Overview

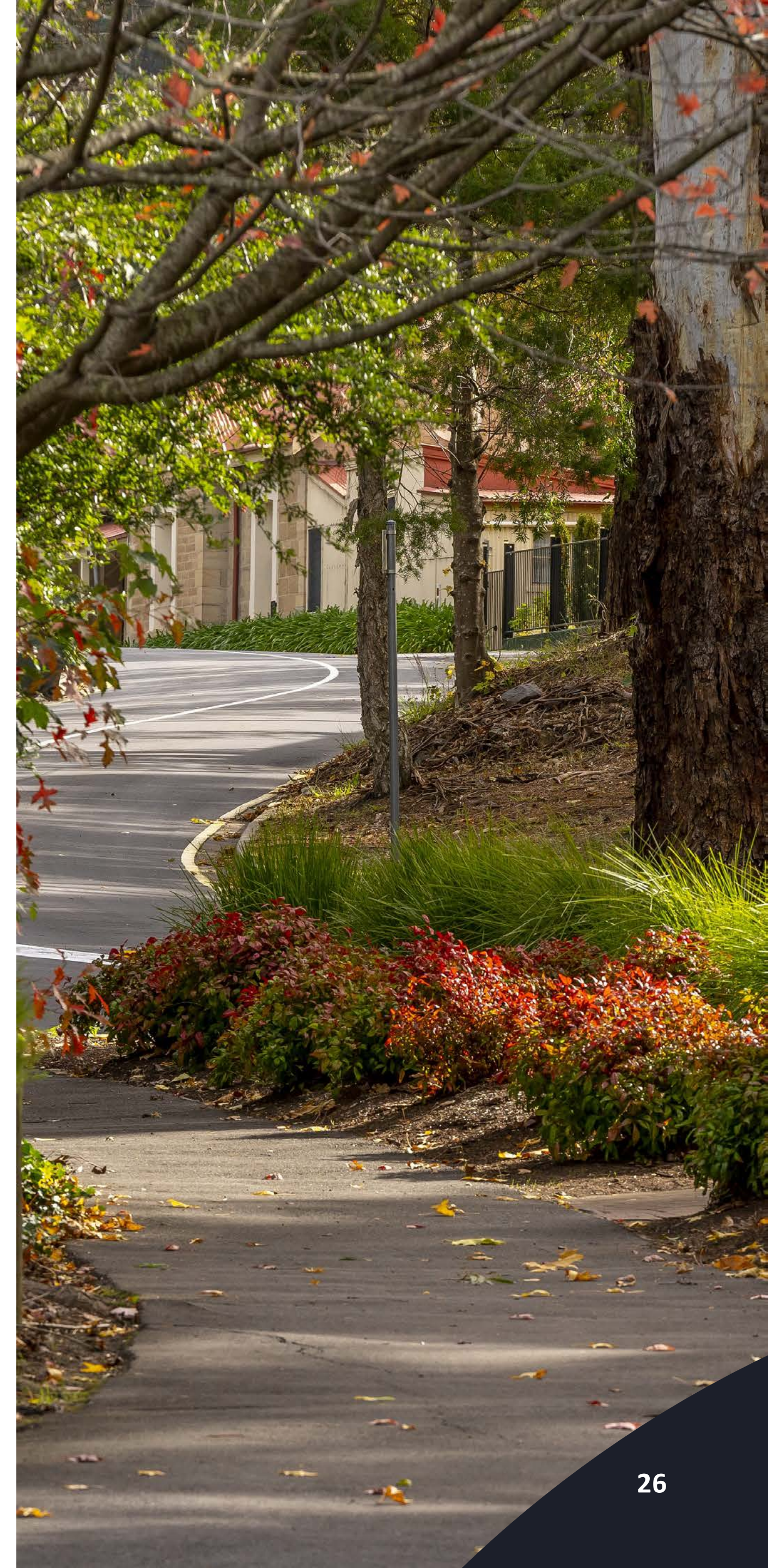
Rates are a form of property taxation, and property values determine how much each property contributes. This system of taxation means that the rates paid may not directly relate to the services used by each ratepayer.

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

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

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

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



# Summary Basis of Rating (Rating Policy)

Key elements of the Policy include:

## Rating Structure

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

## Stirling Separate Rate

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

## Regional Landscape Levy

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

## *Help when you need it*

An empathetic and individually tailored approach is provided to ratepayers who are experiencing financial difficulties through the provision of a number of alternative arrangements made available to ratepayers including:

- smaller, more regular payment options
- acceptance of reduced payments toward Council Rates arrangement
- deferment or postponement of payment of rates in whole or in part for an agreed period
- consideration of the waiving of fines and interest where appropriate

The Rating Policy also includes a number of options to address financial hardship specifically targeted to those ratepayers that have been significantly and permanently impacted by events such as the current financial climate, COVID and bushfires.

## Rates Modelling

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

Analysis indicates that:

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

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

## Allocation of Rates

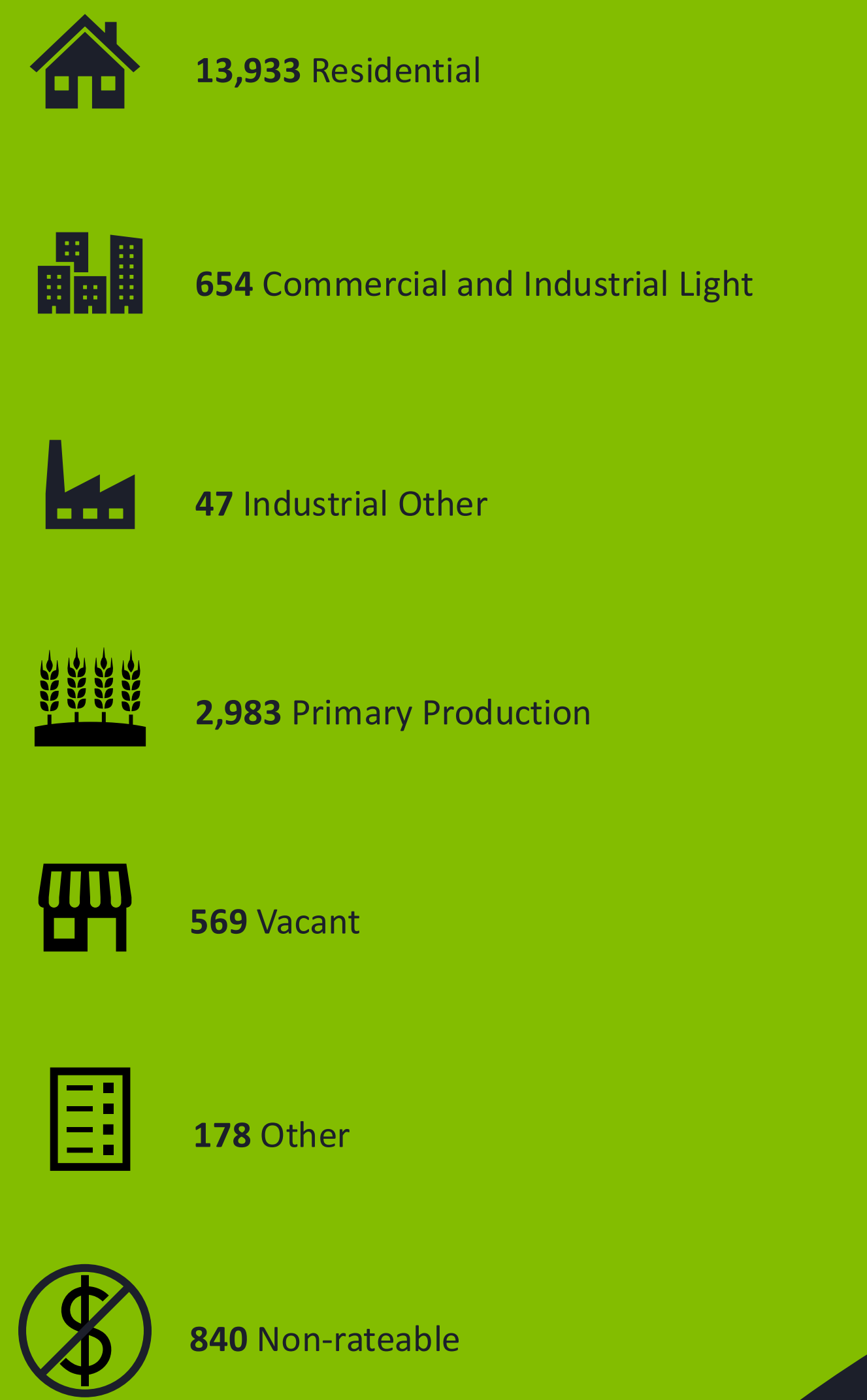
The Council uses the capital value method of valuing properties. This method values the land and all improvements on the land. It is the most widely-used method across South Australian councils.

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

Further, in determining how rates are applied, and the rate in the dollar, Council has also made specific policy choices in relation to the use of differential rating for each land use category and a fixed charge rather than a minimum rate to allocate the rates burden across the community.

## Rate Statistics

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



# Differential Rates

Section 153 of *Local Government Act 1999* (the “Act”) allows councils to ‘differentiate’ rates based on the use of the land, the locality of the land, the use and locality of the land or on some other basis determined by the council. The application of a Differential General Rate is generally intended to alter the amount payable by particular land uses.

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

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

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

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

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

more equitably to the administration of Council’s services and the development and maintenance of the community’s infrastructure. Council considers a fixed charge (applying equally to all rateable properties) to be the most fair and equitable means of achieving this.

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

## Community Wastewater Management System (CWMS)

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

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



# ***Annexure A: Budgeted Financial Statements***

**Adelaide Hills Council**  
**BUDGETED UNIFORM PRESENTATION OF FINANCES**  
**2025-26 Budget**

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

It should be noted that the figures in this appendix have been rounded and consequently individual sub-totals, whilst being correct, may differ slightly from the sum of the rounded amounts.



# ***Annexure B: Statement of Expected Rate Revenue***

***Included in final ABP document following consultation***



# *Annexure C: Corporate Performance Indicators*

| Corporate Performance Indicator                                                                                            | Target                                                | Strategic Objective | Reporting Frequency |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------|---------------------|
| <b>Natural Environment</b>   <i>Responsible custodians of our natural environment</i>                                      |                                                       |                     |                     |
| Percentage change of existing internal combustion powered light fleet to electric vehicle renewals                         | 15%                                                   | NE 1                | Annually            |
| Community decarbonisation and sustainable lifestyle awareness and education sessions                                       | 5                                                     | NE 2                | Annually            |
| Reduced community derived waste to landfill from Heathfield Resource Recovery Centre & kerbside collections                | Improved diversion rate from 2024-25 FY               | NE 2                | Annually            |
| Number of biodiversity sites monitored using the BushRAT methodology (actual versus planned)                               | 60 NVMS sites (14% of total) per annum and 5 reserves | NE 3                | Annually            |
| Number of fire tracks audited by Council                                                                                   | 15                                                    | NE 4                | Quarterly           |
| <b>Community Wellbeing</b>   <i>A thriving, safe and welcoming community</i>                                               |                                                       |                     |                     |
| Positive aging wellbeing score                                                                                             | 7 Average                                             | CW 2                | Quarterly           |
| Customer satisfaction with library services                                                                                | 85%                                                   | CW 2                | Annually            |
| Number of volunteer hours contributed to Adelaide Hills Council programs each year                                         | 3500                                                  | CW 2                | Quarterly           |
| Number of events and programs celebrating cultural diversity                                                               | 8                                                     | CW 3                | Annually            |
| Fabrik Arts + Heritage: Develop income streams to ensure budget is met via venue hire income and retail sales profits      | Target against business plan and budgets              | CW 5                | Quarterly           |
| Fabrik Arts + Heritage: Increase visitation and spend in the region: number of intra/interstate and international visitors | 30% of total visitation from outside the region       | CW 5                | Quarterly           |
| Fabrik Arts + Heritage: Increase participation in the arts: number of visitors                                             | 13,200 (Yr 1)                                         | CW 5                | Annually            |
| Fabrik Arts + Heritage: Number of participants in business development opportunities                                       | 30 (Yr 1)                                             | CW 5                | Annually            |
| Fabrik Arts + Heritage: Increased wellbeing through creative initiatives                                                   | 85% positive participant responses                    | CW 5                | Quarterly           |

| Corporate Performance Indicator                                                                                                         | Target                               | Strategic Objective | Reporting Frequency |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------|---------------------|
| <b>Built Form &amp; Economy</b>   <i>Building foundations for the future</i>                                                            |                                      |                     |                     |
| Number of dwellings built per year to 2031 per Greater Adelaide Regional Plan target                                                    | 165                                  | BFE 1               | Annually            |
| Improve resilience to existing Community Wastewater Management System (CWMS) by implementing SCADA Remote Management Monitoring Systems | 100%                                 | BFE 3               | Annually            |
| <b>Organisation</b>   <i>An accessible, accountable and representative organisation</i>                                                 |                                      |                     |                     |
| Increase in public use of CRM for all customer interactions                                                                             | 30% of all customers                 | O1                  | Quarterly           |
| Train 100% of staff in Digital Literacy by Q3 2025/26                                                                                   | 100%                                 | O1                  | Quarterly           |
| Deploy cloud-delivered IT services (SaaS), mobile devices, and wireless networks to 80% of staff by Q3 2025/26                          | 100%                                 | O1                  | Quarterly           |
| Decisions (Council resolutions) considered in open Ordinary and Special Council meetings during reporting period.                       | 90%                                  | O2                  | Quarterly           |
| Council member attendance at Ordinary and Special meetings                                                                              | 90%                                  | O2                  | Quarterly           |
| Freedom of Information (FOI) requests received, in progress, and completed within the legislated timeframe                              | 100%                                 | O2                  | Quarterly           |
| Number of lost time injuries                                                                                                            | 0                                    | O3                  | Quarterly           |
| Number of Community Forums at different locations across the Adelaide Hills Council district                                            | 4                                    | O4                  | Annually            |
| Percentage increase of Adelaide Hills Engagement Hub membership                                                                         | 5%                                   | O4                  | Annually            |
| Overall customer satisfaction                                                                                                           | 75%                                  | O5                  | Quarterly           |
| Operating Surplus Ratio                                                                                                                 | 0 to 10% average of a 10-year period | O5                  | Annually            |
| Net Financial Liabilities Ratio                                                                                                         | 0 to 100%                            | O5                  | Annually            |
| Asset Sustainability Ratio                                                                                                              | 90 to 110%                           | O5                  | Annually            |



# ***Annexure D: Rating Policy***

*Included in final ABP document following consultation*



# ***Annexure E: ESCOSA Report and Council Response***

*Included in final ABP document following consultation*



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



## **Natural Environment:** *Responsible custodians of our natural environment*

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



## Community Wellbeing: A thriving, safe and welcoming community

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



3

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

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



4

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

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