NOTICE OF COUNCIL MEETING

Pursuant to the provisions of section 84 (1) of the
Local Government Act 1999

The Special Meeting of the

Adelaide Plains Council

will be held in

Council Chamber
Redbanks Road
Mallala

on

Thursday 8 July 2021 at 6.00pm

James Miller
CHIEF EXECUTIVE OFFICER

In light of the ongoing COVID-19 public health emergency, and pursuant to section 302B of the Local Government Act 1999 and the Electronic Participation in Council Meetings Notice (No 1) 2020, **public access to all Council and Committee meetings will be facilitated via live stream on Council's YouTube channel**.
On the day of the meeting, a direct link to the live stream will be displayed on the homepage of Council's website www.apc.sa.gov.au

INDEX

1 ATTENDANCE RECORD

2 ADJOURNED BUSINESS

Nil

3 DECLARATION OF MEMBERS' INTEREST

4 REPORTS FOR DECISION

4.1 Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022 3

4.2 Consideration of Projects to be Carried Forward from 2020/2021 to 2021/2022 70

5 CONFIDENTIAL ITEM

5.1 Trans-Tasman Energy Group Claim 76

6 CLOSURE

Adelaide Plains Council	**4.1**	**Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022**
	Department:	**Finance and Business**
	Report Author:	**General Manager – Finance and Business**
Date: 8 July 2021	**Document Ref:**	**D21/29278**

EXECUTIVE SUMMARY

- The purpose of this report is to provide for Council's consideration draft 2021/2022 Annual Business Plan and Budget before its adoption and declare various rates and charges needed to fund Council's 2021/2022 annual budget.
- The draft 2021/2022 Budget estimates an Operating Deficit of $0.186m which consists of:-
  - Recurrent budget surplus of $0.537m;
  - CWMS Budget deficit of $0.144m; and
  - Net Operating Project budget of $0.579m (**Table 4**).
- The estimated Operating Deficit of $0.186m takes into account an average rate increase of 2.23% on existing properties (**Table 2**).
- Rates income from growth is estimated to be $0.256m in the next financial year.
- Average rate increase of 2.23% also incorporates an increase to fixed charge from $110 to $112.
- With the proposed average rate increase, 30% of the properties will have their rates being reduced next year **(Figure 1**).
- The proposed capital expenditure program (**Table 5**) for 2021/2022 is estimated to be $6.251m of which $2.917m (47%) would be spent on assets renewals in line with Council's Infrastructure and Assets Management Plans.
- The remaining capital expenditure of $3.334m (53%) is proposed to be spent on new and upgraded assets. Some of those expenditure are 50% funded by government grants.
- The estimated new loan borrowings (**Table 6**) are estimated to be $2.708m.
- Annual kerbside waste collection charge is proposed to increase by 4.40% to $167 mainly due to increase in recyclable disposal costs.
- CWMS charge for both Mallala and Middle Beach is proposed to increase by 3.00% to $659 and $443 respectively.

RECOMMENDATION 1

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021 receives and notes the report and in doing so, in accordance with the powers contained in Chapters 8, 9 and 10 of the Local Government Act 1999 and in respect to the Financial Year ending 30 June 2022 Council resolves the below-mentioned resolutions."

RECOMMENDATION 2

Adoption of Annual Business Plan

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021:-

1. **for the Financial Year ending 30 June 2022, pursuant to Section 123 of the *Local Government Act 1999* and Regulation 6 of the *Local Government (Financial Management) Regulations 2011*, having considered all submissions in accordance with Section 123(6) of the *Local Government Act 1999*, adopts the Annual Business Plan as presented in Attachment 1 (subject to minor editorial changes which the Chief Executive Officer is authorised to make), subject to the following amendments:**
   a. **…….**
2. **and further that the Chief Executive Officer be delegated authority to prepare an abridged or summary version of the Annual Business Plan for distribution to the ratepayers with the first quarterly rate notice."**

RECOMMENDATION 3

Adoption of Budget

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021:-

1. **in accordance with section 123(7) of the Local Government Act 1999 and Regulation 7 of the Local Government (Financial Management) Regulations 2011 having considered the budget in conjunction with, and determined it to be consistent with Council's adopted Annual Business Plan, the budget for the Financial Year ending 30 June 2022 comprising;**
   a) **Budgeted Income Statement;**
   b) **Budgeted Balance Sheet;**
   c) **Budgeted Cash Flow Statement;**
   d) **Budgeted Statement of Changes in Equity;**
   e) **Budgeted Uniform Presentation of Finances; and**
   f) **Statement of Financial Indicators**

involving –

(1) an estimated operating expenditure of $16,446,589 inclusive of an estimated depreciation expense of $2,861,531;

(2) an estimated operating income from sources other than rates of $5,087,575; and;

(3) a total amount required to be raised from rates of $11,185,817 comprising –

General rate:	**$10,092,780**
Annual Services Charges:	
• **Kerbside Waste Collection**	**$ 650,585**
• **Community Wastewater Management Systems Disposal**	**$ 250,391**
Northern and Yorke Regional Landscape Levy	**$ 192,061**

(and subject to necessary modifications to give effect to the amendments to the Annual Business Plan outlined above (if any)), is adopted."

RECOMMENDATION 4

Adoption of Valuation

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021 for the Financial Year ending 30 June 2022, pursuant to Section 167(2)(a) of the Local Government Act 1999, adopts the most recent valuations of the Valuer-General of South Australia that are available to the Council of the capital value of land in the Council area for rating purposes (subject to alteration) and that will govern the assessment of rates in the Council area for the financial year commencing 1 July 2021, and totalling $2,227,483,100, of which $2,199,935,189 relates to the valuations for rateable land".

RECOMMENDATION 5

Declaration of General Rates

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021, for the financial year ending 30 June 2022, having taken into account the general principles of rating outlined in section 150 of the Local Government Act 1999 and the requirements of sections 151, 152 and 153(2) of the Local Government Act 1999, and pursuant to sections 153(1)(b) and 156(1)(a) of the Act, declares the following general rates, consisting of two components, the first being the fixed charge specified in the resolution below, and the second being a differential rate based on the capital value of rateable land varying according to the land use category as provided for in Regulation 14 of the Local Government (General) Regulations 2013:

a) on all rateable land attributed Land Use Category (a) – Residential, a rate of 0.445709 cents in the dollar;

b) on all rateable land attributed Land Use Category (b) – Commercial Shop, Land Use Category (c) – Commercial Office, Land Use Category (d) – Commercial Other, Land Use Category (e) – Industry Light, and Land Use Category (f) – Industry Other a rate of 0.579381 cents in the dollar;

c) **on all rateable land attributed Land Use Category (g) – Primary Production, a rate of 0.405200 cents in the dollar; and**
d) **on all rateable land attributed Land Use Category (h) – Vacant Land and Land Use Category (i) - Other, a rate of 0.445709 cents in the dollar."**

RECOMMENDATION 6

Adoption of Fixed Charge

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021 pursuant to Sections 151 and 152(1)(c) of the *Local Government Act 1999*, for the Financial Year ending 30 June 2022, sets the fixed charge component of the general rate of $112 .00 on all rateable land within its area."

RECOMMENDATION 7

Application of Rate Capping

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021 determines not to fix a maximum increase in the general rate to be charged on rateable land within its area that constitutes the principal place of residence of a principal ratepayer in accordance with Section 153(3) of the Local Government Act 1999 for the Financial Year ending 30 June 2022".

RECOMMENDATION 8

Community Wastewater Management Scheme (CWMS) Annual Service Charge

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021, for the Financial Year ending 30 June 2022, pursuant to Section 155 of the *Local Government Act 1999*, Council imposes the following annual service charges based on the nature of the service on each assessment in respect of all land, whether vacant or occupied, to which the Council provides or makes available the prescribed service of the collection, treatment or disposal of waste as part of a Community Wastewater Management Scheme (CWMS) service.

CWMS Service	Annual Service Charge ($)
Middle Beach – Large Tank	443
Middle Beach – Small Tank	443
Mallala	659 "

RECOMMENDATION 9

Kerbside Waste Collection Annual Service Charge

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021:-

1. **For the Financial Year ending 30 June 2022, pursuant to Section 155 of the *Local Government Act 1999*, imposes an annual service charge of $167.00 per assessment in respect of all land, except for vacant land, to which Council provides or makes available the prescribed service of kerbside waste collection 3-bin service, within the townships of Mallala, Two Wells and Dublin.**
2. **Commercial/Industrial properties within the townships can apply to have the mandatory waste levy rebated provided they supply written documentation to the council detailing how they will dispose of their waste in an environmentally sustainable manner.**
3. **That Council, for the Financial Year ending 30 June 2022, pursuant to Section 155 of the *Local Government Act 1999*, imposes an annual service charge of $167.00 per assessment in respect of all land, except for vacant land, to which Council provides the prescribed service of kerbside waste collection 2-bin service, outside the townships of Mallala, Two Wells and Dublin upon the (existing or future) application to participate in such service by the ratepayer on the basis that the sliding scale provided for in Regulation 13 of the *Local Government (General) Regulations 2013* will apply to reduce the service charge payable, as prescribed.**
4. **That Council, for the Financial Year ending 30 June 2022, pursuant to Section 188(1)(b) of the Local Government Act 1999, imposes following fees and charges for additional bin services:**

Additional Bin Service	Fees & Charges ($)
Additional Organic Bin	72.00
Additional Recycle Bin	55.00
Additional General Waste Bin	80.00"

RECOMMENDATION 10

Regional Landscape Levy

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021, for the financial year ending 30 June 2022 in exercise of the powers contained in the *Landscape South Australia Act 2019*, and Section 154 of the *Local Government Act 1999*, and in order to reimburse the Council for the amount contributed to the Northern and Yorke Landscape Board, being $192,061 declares a separate rate of 0.008792 cents in the dollar of the capital value of land, in respect of all rateable land in the Council's area and in the area of that Board the capital value of such land totalling $2,184,533,181".

RECOMMENDATION 11

Rebate of Rates

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021:-

1. **pursuant to and in accordance with Sections 161 (community services) of the *Local Government Act 1999*, the Council grants a rebate of 75% of the rates imposed for the year ending 30 June 2022 on the following assessments:**

Assessment No	Organisation
13144	Junction Australia
48181	Junction Australia
48199	Junction Australia

2. **pursuant to and in accordance with Section 165 (educational purposes) of the *Local Government Act 1999*, the Council grants a rebate of 75% of the rates imposed for the year ending 30 June 2022 on the assessment 58347 (Xavier College, Two Wells);**

3. **pursuant to and in accordance with Sections 162 (religious purposes), 163 (public cemeteries) and Section 165 (educational purposes) of the *Local Government Act 1999*, the Council grants a rebate of 100% of the rates imposed for the year ending 30 June 2022 on the following assessments:**

Assessment No	Organisation	Section of the LGA Act 1999
12948	Uniting Church Cemetery, Lewiston	163
20164	Catholic Cemetery, Mallala	163
20180	Grace Plains Cemetery	163
20230	Barabba Cemetery	163
20495	Mallala Cemetery	163
30387	Dublin Cemetery	163
40295	Two Wells Cemetery	163
41855	Shannon Cemetery (Calomba)	163
20099	Anglican Church, Mallala	162
20123	Catholic Church Mallala	162
20149	Uniting Church Mallala	162
30536	Uniting Church Windsor	162
36947	Catholic Church Two Wells	162
40303	Uniting Church Two Wells - Church/Sunday School	162
40378	Anglican Church Two Wells	162
43125	Catholic Church Endowment Society – Church Hall	162
43133	Catholic Church Endowment Society – Church Land	162
43158	Catholic Church Endowment Society – Car Park	162
13037	Mallala Primary School	165
40410	Two Wells Primary School	165
40675	University of Adelaide Storage Shed	165
41798	Mallala Primary School	165

4. **that Council, for the Financial Year ending 30 June 2022, in accordance with the discretionary powers given to Council under Section 166(1)(c) of the *Local Government Act 1999* in relation to the granting of rates rebates, grants a discretionary rebate of 100% of the rates imposed on the following rateable assessments (represented by their assessment number) to enable the preservation of buildings or places of historic significance:**

Assessment No	Organisation
20206	Moquet Le
30395	Windsor Institute
30486	Long Plains Memorial Hall

5. **that Council, for the Financial Year ending 30 June 2022, in accordance with the discretionary powers given to Council under Section 166(1)(h) of the *Local Government Act 1999* in relation to the granting of rates rebates, grants a discretionary rebate of 100% of the rates imposed on the following rateable assessments (represented by their assessment number) on the basis that the land is being used to provide accommodation for aged persons:**

Assessment No	Organisation
20081	Adelaide Plains Council - Unit 1
47662	Adelaide Plains Council - Chivell Street Unit
47944	Adelaide Plains Council - Unit 2
47951	Adelaide Plains Council - Unit 3
47969	Adelaide Plains Council - Unit 4
47977	Adelaide Plains Council - Unit 5
47985	Adelaide Plains Council - Unit 6
47993	Adelaide Plains Council - Unit 7

6. **that Council, for the Financial Year ending 30 June 2022, in accordance with the discretionary powers given to Council under Section 166(1)(j) of the *Local Government Act 1999* in relation to the granting of rates rebates, grants a discretionary rebate of 100% of the rates imposed on the following rateable assessments (represented by their assessment number) on the basis that the land is being used by an organisation which, in the opinion of the Council, provides a benefit or service to the local community:**

Assessment No	Organisation
1784	Two Wells Golf Club
12922	Adelaide Plains Equestrian Club Inc
12971	Two Wells Pony Club
13722	Mallala Bowling Club

20263	**Redbank Community Hall**
20271	**Mallala Netball Club**
20289	**Mallala Netball Club**
20362	**St John Ambulance Service Inc**
21576	**Adelaide Pistol Club**
22350	**SA Sport Parachute Club (Club House only)**
23689	**SA Rifle Association Incorporated**
29207	**Port Parham Social Club**
30510	**Long Plains Recreation Oval**
30833	**Dublin Cricket Club**
38935	**United Pistol & Shooting Club**
40337	**Two Wells Football Club**
40345	**Two Wells Community Centre**
40386	**Two Wells Bowling Club**
40451	**Two Wells Golf Club**
40543	**Two Wells Trotting Trainers and Owners Association**
40550	**Adelaide Plains Dog and Obedience Club**
43059	**Mallala Football Club**
43067	**Mallala RSL Club**
43190	**Mallala CWA**
43117	**Mallala Tennis Club**
46268	**SA Rifle Association Incorporated**
56150	**Two Wells RSL**
56192	**Mallala Mens Shed**

Rebate of Mallala CWMS Service Charge

7. **that Council, for the Financial Year ending 30 June 2022, in accordance with the discretionary powers given to Council under Section 166(1) (c) and (j) of the *Local Government Act 1999*, grants a 100% discretionary rebate of CWMS Annual Service charges imposed on the following properties described as:**

Assessment No	Organisation
20099	**Anglican Church, Mallala**
13003	**Mallala Oval Ablution Block**
16055	**Council Chamber, Mallala**

20073	**Council Depot, Mallala**	
20313	**Council Office, Mallala**	
20370	**Mallala Museum**	”

8. **that Council determines that the costs of the discretionary rebates of Mallala CWMS Annual Service charges granted above be funded from Council's general revenue (as distinct from the users of the service)**

Rebate of Waste Levy

9. **that Council, for the Financial Year ending 30 June 2022, in accordance with the discretionary powers given to Council under Section 166(1)(j) of the *Local Government Act 1999* in relation to the granting of rates rebates, grants a discretionary rebate of 100% of the annual waste levy charge to the following community groups and Council properties for the 2021/2022 Financial Year:-**

Property Description	Weekly	Fortnightly		
	240L Waste	140L Waste	240L Recycle	240L Organic
Mallala				
1) Mallala Bowling Club, Joseph Street	-	1	1	1
2) Mallala Institute, Dublin Road	-	1	1	-
3) Council Office, Redbanks Road	-	3	3	1
4) Council Depot, Aerodrome Road	-	4	4	-
5) Uniting Church	-	1	1	-
6) Mallala Oval Grandstand	4	-	-	-
7) Mallala Oval - Secretary Building - RSL	3	-	-	-
8) Mallala Lions Club Camp Ground	4	-	-	-
9) Catholic Church	-	1	1	-
10) Mallala CWA	-	1	1	-
11) Mallala CFS	-	1	1	-
12) Mallala Men's Shed	-	1	1	-
Two Wells				
1) Bowling Club, Old Port Wakefield Road	-	1	2	-
2) Library, Old Port Wakefield Road	-	2	2	-
3) RSL ,Old Port Wakefield Road	-	1	1	-
4) Council Office, Old Port Wakefield Road	-	2	2	1
5) Two Wells CFS	-	1	1	-
6) Community Centre	4	-	-	-
7) Club Rooms	8	-	-	-
8) Dog Pound, Wells Road	-	1	1	-
9) Uniting Church	-	1	1	-
10) Catholic Church Society - Car Park	-	1	1	-
11) Two Wells, Craft Shop	-	1	1	-
12) Two Wells Golf Club	-	1	1	-

13) Anglican Church	-	1	1	-
14) Two Wells Craft Shop (Court House)	-	1	1	-
Dublin				
1) Dublin Institute, First Street	-	1	1	-
2) CFS, First Street	-	1	1	-
Thompson Beach				
1) The Shed, Ruskin Road	-	1	1	-
Long Plains	-	-	-	-
1) Long Plains Hall	-	1	1	-
2) Oval - Behind and in front of Club Rooms	10	-	-	-
3) Oval - Netball Club Rooms	2	-	-	-
Parham				
1) Parham Sports and Social Club	-	6	6	-
Total Community and Council Bins	**35**	**38**	**39**	**3"**

10. that Council determines that the costs of the discretionary Annual Waste Levy charges granted above be funded from Council's general revenue (as distinct from the users of the service)."

RECOMMENDATION 12

Due Dates for Payment of Rates

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021 resolves that:

1. **pursuant to section 181(2) of the *Local Government Act 1999*, rates and charges imposed in respect of the Financial Year ending 30 June 2022, shall be payable in four equal or approximately equal instalments, such instalments being due and payable by:**

   a) Friday, 3 September 2021 (first instalment),
   b) Friday, 3 December, 2021 (second instalment),
   c) Friday, 4 March, 2022 (third instalment), and,
   d) Friday, 3 June, 2022 (final instalment).
   provided that in cases where the initial account requiring payment of rates is not sent at least 30 days prior to this date, or an amended account is required to be sent, authority to fix the date by which rates must be paid in respect of those assessments affected is delegated to the Chief Executive Officer: and

2. **In exercise of the powers contained in section 44 of the *Local Government Act 1999*, the Council delegates this 8th day of July 2021 to the Chief Executive Officer of the Council the**

power pursuant to Section 181(4)(b) of the *Local Government Act 1999*, in any case where he considers it necessary or desirable to do so, to agree with the Principal Ratepayer that rates will be payable in such instalments falling due on such days as may be specified in the agreement and in that event that ratepayers rates will thereby be payable accordingly."

RECOMMENDATION 13

Loan Borrowings

"that Council, having considered Item 4.1 – *Adoption of 2021/2022 Annual Business Plan and Budget and Declaration of Rates for 2021/2022*, dated 8 July 2021 resolves that:-

1. **pursuant to the provisions of Sections 134 and 135 of the Local Government Act 1999, the Adelaide Plains Council does hereby order that the Council shall borrow by means of Convertible Cash Advance Debenture Loan, on the security of the general rate revenue of the Council, an amount up to the sum of $2,708,000 from the Local Government Finance Authority of South Australia on a floating variable/fixed rate for a maximum period of fifteen (15) years, the purpose of which is to finance Council's operations including its capital works programs; and**
2. **further, pursuant to Section 38 of the Local Government Act 1999, Council hereby authorises the Mayor and the Chief Executive Officer to execute under the Common Seal of Council, documentation associated with the aforementioned loan borrowing facility."**

BUDGET IMPACT

Estimated Cost:	$0.186m of budget deficit
Future ongoing operating costs:	Interest expenses associated with new borrowings.
Is this Budgeted?	Yes, additional interest costs have been budgeted

RISK ASSESSMENT

Council's main source of revenue is general rates which accounts for 74% of total income. Therefore, if the Council does not generate sufficient income, particularly, rate income, to meet its planned activities, Council will not be able to service its payment obligations on time (liquidity/credit risk) without borrowing (financial risk) more money. Overdue rates have increased significantly over the last 12 months mainly due to COVID-19 Rate Relief provided by the Council from May 2020. However, Council is in a strong financial position to face temporary spike in overdue rates due to relatively low level of existing outstanding borrowings.

Attachments

1. Draft 2021/2022 Annual Business Plan and Budget for adoption.

DETAILED REPORT

Purpose

The purpose of this report is for Council to:-

1. Consider the draft 2021/2022 Annual Business Plan and Budget and its adoption; and
2. Declare various rates and charges needed to fund Council's 2021/2022 annual budget.

Background/History

The Local Government Act 1999 (the Act) and the *Local Government (Financial Management) Regulations 1999* stipulate various pieces of legislation which determine the manner in which Council must adopt its Annual Business Plan and Budget and declare the annual rate.

Pursuant to Section 123 of the Act, Council is required to adopt both the Annual Business Plan and Annual Budget after 31 May, but before 31 August each year. Before Council can adopt the Draft ABP, it is required to undertake a public consultation process that, as a minimum, meets the requirements of section 123(4) of the Act.

Pursuant to Section 123 (6) of the Act, a council may then, after considering-

(a) any submission made to the council during the public consultation period; and

(b) any new or revised information in the possession of the council that is relevant to the material contained in the draft annual business plan; and

(c) such other materials or information as the council thinks fit,

adopt its annual business plan (with or without amendment).

The public consultation period commenced on Wednesday 5 May 2021 and concluded at 5pm on Tuesday 25 May 2021 and public notice was delivered in accordance with the Act and Council's *Public Consultation Policy.* During the public consultation period, Council received two (2) submissions. Both submissions together with comments from Council management were presented to the Audit Committee meeting held on 7 June 2021.

Section 123 of the Act also requires Council to consider its budget in conjunction with the Council's Annual Business Plan and adopt it following the adoption of the Annual Business Plan. The Draft 2021/2022 Annual Business Plan and Budget have been considered by the Council at number of workshops and Council meetings. Part of the annual budgetary process is for Council to adopt, pursuant to Section 167 of the Local Government Act 1999, the most recent valuations available to the Council at the time that the Council adopts its budget under the Act. The adopted valuation will govern the assessment of rates for that financial year. Accordingly, this report has been prepared based on valuation information as of 30 June 2021 from the Valuer General.

At the Audit Committee Meeting on 7 June 2021, the Committee adopted the following resolution:-

6.1 Draft 2021/2022 Annual Business Plan and Budget

Committee Resolution

Moved Deputy Mayor Strudwicke Seconded Mayor Wasley ***2021/ 025***

"that the Audit Committee, having considered Item 6.1 – Draft 2021/2022 Annual Business Plan and Budget, dated 7 June 2021, receives and notes the report and in doing so recommends to Council that it adopts the consulted upon Draft 2021/2022 Annual Business Plan and Budget as contained in the Attachment 1, subject to the following changes:

1. ***Updated final valuation reports from the Valuer General***
2. ***Inclusion of the successful grant funding allocation of $1.65m to undertake the Two Wells Levee."***

CARRIED

Discussion

Rates Modelling – Property Valuation

An extract from the property valuation data (as of 30 June 2021) from Valuer General (VG) is given below in **Table 1** in comparison to similar information as of 30 June 2020.

Table 1: Valuation Data from the VG

Description	30 June 2021	30 June 2020
Increase in number of properties through sub-division	257	173
Sub-Division Growth (valuation increase) - $'Mn	39	24
Building Development Growth (valuation increase) - $'Mn	32	54
Total Development Growth - $'Mn	71	78
Total Development Growth - %	3.44	2.04
Increase in Rates income due to Development Growth - $'Mn	0.256	0.197
Increase in Rates income due to Development Growth - %	2.67	2.15
Natural Growth (valuation increases due to reasons other than development) - %	4.46	1.86

Table 2 below shows the average rate by land use category based on 2.23% increase in average rates.

Table 2: Average Existing Rates (Inclusive of building developments on existing properties)

Land Use	2020/2021 $	2020/2021 $	Increase (%)
Residential	1,703	1,749	2.67
Commercial	1,341	1,332	(0.70)
Commercial - Other	2,352	2,259	(3.95)
Industry - Light	1,479	1,471	(0.51)
Industry - Other	6,447	6,169	(4.32)
Primary Production	2,504	2,544	1.62
Vacant Land	832	784	(5.77)
Other	1,223	1,735	41.89*
All Land Use Codes	**1,845**	**1,891**	**2.49***

* Average rate increase is 2.49% in the above table due to significant increase valuation of Xavier College in Two Wells which has Land Use Category of 'Other'. However, Xavier College is entitled to 75% rebate under Section 165 (educational purposes) of the Local Government Act 1999. If the valuation increase of Xavier College is excluded, the average rate increase is 2.23%

Actual rate rises

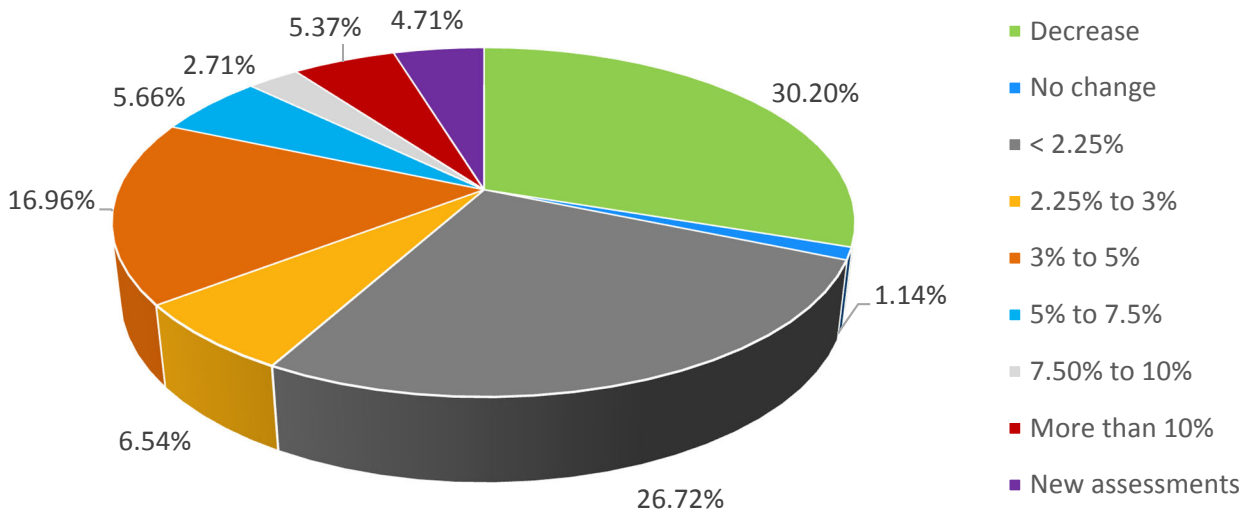
As Council rate is determined by multiplying capital value of the property (decided by the VG) by the rate in the dollar (decided by the Council) applicable to the property use, average rate calculated above does not show the actual general rate rises. Actual rate rises is also determined by a combination of other factors such as;

a) development/improvement on the land resulting value of the property being increased,
b) general valuation increase/decrease by VG due to market conditions.

For example, **Figure 1** below shows that with the proposed 2.23% average rate increase;

a) 30.20% of the properties will have their rates being reduced next year;
b) 1.14% of the properties will have their rates remained unchanged;
c) 26.72% of the properties will have their rates increased by less than 2.25%;
d) 6.54% of the properties, will have their rate increase between 2.25% and 3%;
e) 5.37% of the properties will have their rates gone up by more than 10.00%.; and
f) 257 new assessments have been created which is 4.71% of the total assessments.

Figure 1: Breakdown of General Rates Increase by Percentage (inclusive of development growth)



Draft 2021/2022 Budget

The draft 2021/2022 Budget has two components:-

i. Statement of Comprehensive Income (Profit & Loss Statement) which includes:-

a) Recurrent Budget covering income and expenses with regard to running day to day Council operations on a "business as usual basis";

b) Operating Projects Budget as summarised in **Table 4** (one off service initiatives and programs that support strategic objectives of the Council);

ii. Capital Projects Budget as summarised in **Table 5** (Income and expenses with regard to renewal/replacement of existing Council assets or creating new/upgraded assets).

Draft 2021/2022 Statement of Comprehensive Income (Profit & Loss Statement)

As shown in **Table 3** below, based on 2.23% increase in average rates and further 2.67% growth from new assessments, it is estimates that for 2021/2022 Financial Year, there will be an Operating Deficit of $0.186m from recurrent and operating project activities.

Table 3: Draft Statement of Comprehensive Income ($'000)

Description	2020/2021 Adopted Budget ($)	2021/2022 Draft Budget ($)	(%)	Budget Movement $	%
OPERATING INCOME					
Rates					
- General Rates - Existing Assessments	9,614	9,837	72	223	2.32
- General Rates - New Assessments	-	256	2	256	-
- Rate Rebates	(94)	(102)	(1)	(7)	7.74
- Waste Levy	605	658	5	53	8.83
- Regional Landscape Levy	188	192	1	4	2.05
- Other Rates Income	85	81	1	(3)	(3.98)
Statutory charges	410	496	4	86	21.07
User charges	168	170	1	2	1.18
Grants, subsidies & contributions	1,890	1,894	14	4	0.19
Interest Income	3	3	-	-	-
Reimbursements	125	126	1	1	0.88
Other Income	23	23	-	-	-
TOTAL INCOME	**13,016**	**13,635**	**100**	**619**	**4.75**
OPERATING EXPENSES					
Employee Costs	5,289	5,506	42	216	4.09
Materials, contracts and other	4,367	4,726	36	359	8.22
Including legal expenditure	*120*	*200*	*2*	*80*	*66.67*
Depreciation	2,683	2,731	21	48	1.79
Interest Expenses	101	72	1	(29)	(28.53)
Share of operating loss from GRFMA	63	63	-	-	-
TOTAL EXPENSES	**12,503**	**13,098**	**100**	**595**	**4.76**
RECURRENT SURPLUS	512	537	4	24	4.73
Net Cost of the 2 x CWMS	(115)	(144)	(1)	(28)	24.62
Net Operating Project Expenses	(314)	(579)	(4)	(265)	84.30
OPERATING SURPLUS/(DEFICIT)	83	(186)		(269)	

Figure 2 below shows the distribution of recurrent income for 2021/2022 Financial Year

Figure 1: Recurrent Income (Excl. CWMS) -$'000

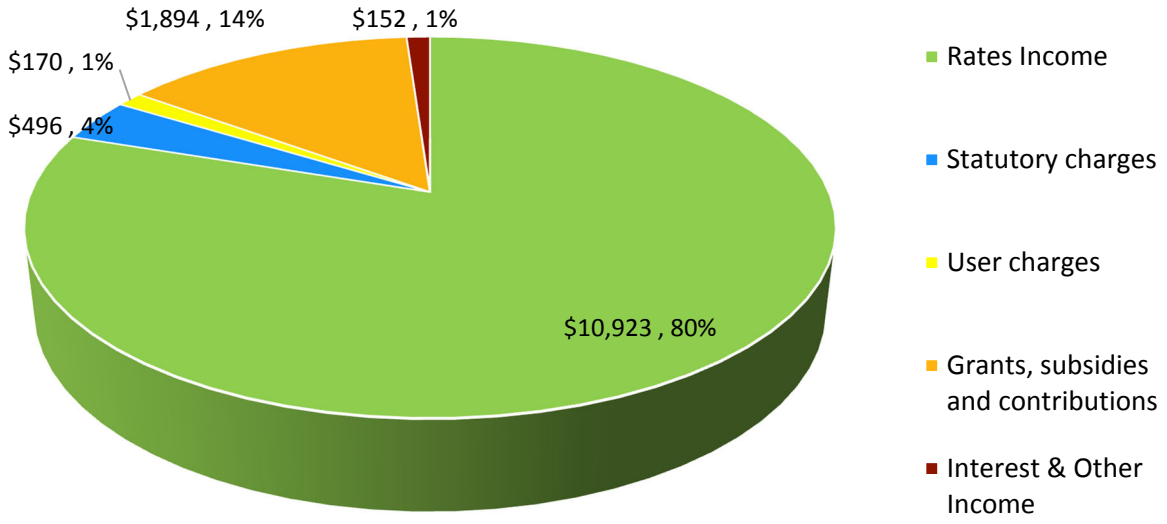
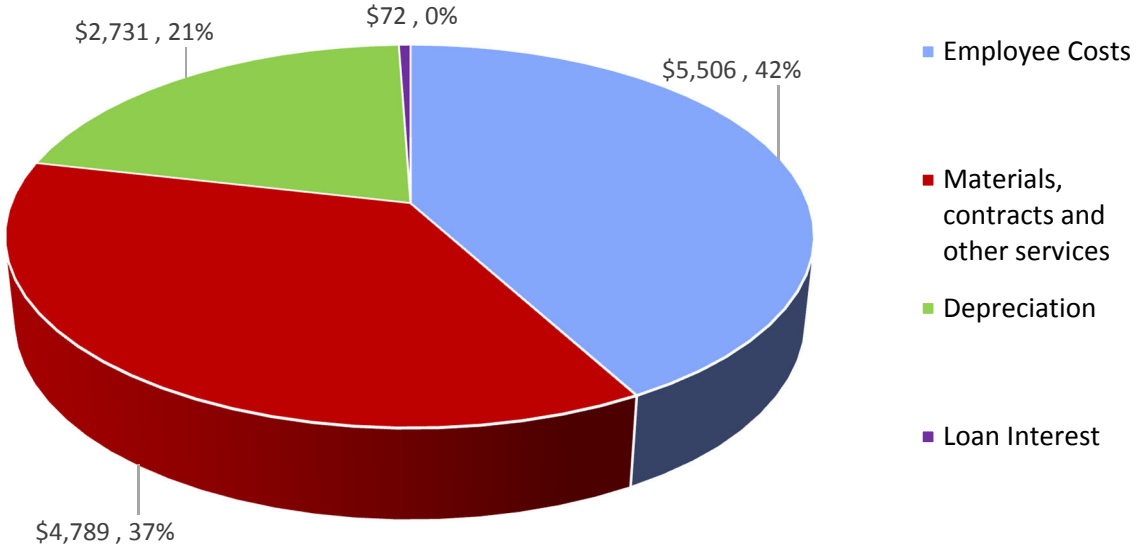


Figure 3 below shows the distribution of recurrent expenditure for 2021/2022 Financial Year

Figure 2: Recurrent Expenses (Excl. CWMS) - '$000



<u>Proposed Operating Project Program 2021/2022</u>

The cost of the draft Operating Project program is estimated to be $2.955m of which $2.376m applicable to four (4) projects is expected to be funded by Federal Government grant funding, resulting a net Operating Project Program budget of $0.579m.

Table 4: Proposed Operating Projects Program for 2021/2022 ($'000)

	Operating Project Name	Estimated Cost
1)	Resources required to meet growth in the Council district and develop local economy (Economic development, Parks & Garden, Marketing and Communication, Building / Environmental Health Inspection, Two Wells Crown Land, Economic Zones, Growth Strategy, Grant Writer etc.)	514
2)	GRFMA Charter Review.	20
3)	Community Survey 2021.	10
4)	Develop Recreational trail strategy.*	50
5)	Stage Adelaide Plains Food and Business Festival.*	20
6)	Local Roads and Community Infrastructure Grant Program - Round 3	691
7)	Two Wells Stormwater Levee**	1,650
	Total cost of the draft Operating Project Program	**2,955**

*50% to be funded under *'Building Better Regions Programs'.* Project will not proceed if the grant applications are unsuccessful.

** 100% funded by a Federal Gov. Grant under National Flood Mitigation Infrastructure Program

Kerbside Waste Collection Services

Council has been engaging a contractor to deliver kerbside waste collection since February 2018 resulting a 30% reduction in waste levy from $180.00 in 2017/2018 Financial Year to $126.00 in 2018/2019 Financial Year. However, since then, there has been a considerable increase in the disposal costs of waste and recyclables mainly due to changes in the Australian waste collection market following dramatic cuts to the volumes of waste China imports from the rest of the world since January 2018.

Accordingly, the total cost of the Kerbside Waste Collection program is expected to increase by 9.61% and therefore the Waste Levy is expected to increase by 4.4%% from $160 to $167 for standard service.

In previous financial years, cost of additional bins has been estimated as percentage of the standard Waste Levy. However, in 2021/2022 Financial Year, proposed additional bin charges in Recommendation 9 has been estimated based on estimated costs associated with providing additional bins. As a result, there has been a considerable reduction in additional bin charges.

Additional Bin Service	2020/2021 Fee	2021/2022 Proposed Fee
Additional Organic Bin	145.60	72.00
Additional Recycle Bin	116.50	55.00
Additional General Waste Bin	116.50	80.00

Proposed Capital Project Program for 2021/2022

Council is proposing to invest $6.251m in assets renewal and new/upgraded assets in the next financial year as summarised below. The estimated cost of the capital renewal program is $2.917m whereas only $2.400m has been allocated for 2021/2022 in the long term financial plan, an increase of $0.517m.

Table 5: Draft Four (4) Year Capital Works Program ($'000)

Asset Class	2021/2022	2022/2023	2023/2024	2024/2025
Fleet	-	135	120	60
Plant & Equipment	939	534	369	692
Streetscape*	302	397	82	89
Sealed Roads	3,150	3,227	609	609
Unsealed Roads	1,195	974	974	974
Site Improvements	585	537	200	200
Structures/Levee	80	272	507	793
Stormwater/ Pump Station	-	325	-	-
Total Draft Capital Expenditure	**6,251**	**6,401**	**2,861**	**3,417**
Renewal	2,917	2,981	2,300	2,535
Upgrade	504	-	-	-
New	2,830	3,420	561	885
Total Draft Capital Expenditure	**6,251**	**6,401**	**2,861**	**3,417**

* Streetscapes includes Footpath, Kerbing and Street Trees

Extract from LTFP	2021/2022	2022/2023	2023/2024	2024/2025
Renewal	2,400	2,525	2,378	3,122
New/Upgrade	414	392	72	684
Total Capital Expenditure as per I&AMP	**2,814**	**2,917**	**2,450**	**3,806**

Capital Grants

Council is expected to receive capital grants/receipts of $1.312m in 2021/2022 Financial Year as given below resulting net capital expenditure budget of $4.939m.

- Local Government Infrastructure Partnership $1.145m (Confirmed grant funding)
- Building Better Regions $0.100m (Grant application is yet to approved)
- Proceeds from the trade in of existing plant $0.067m

CWMS Service Charges

CWMS charges for both Middle Beach and Mallala is proposed to increase by 3.00% to $443 and $659 respectively in order to cover the costs associated with full operation of the scheme including maintenance and loan repayments. However, the income generated for Mallala CWMS is not sufficient to cover its operating expenses by $0.146m.

Overdue Rates

Due to COVID-19, Council at a special meeting held on 15 April 2020 resolved to provide rate relief by way of rates postponement for six (6) months until 1 November 2020. In addition, at the Ordinary

Council meeting held on 26 October 2020, Council resolved to extend COVID-19 Rate Relief by further six (6) months until 1 May 2021. Council management also suspended all the debt recovery actions since May 2020 to recover overdue rates under Council's "Rates Arrears and Debtor Management Policy".

Therefore, Council's overdue rates have increased significantly over the last 12 months. As of 30 June 2021, overdue rates balance is $1.050m ($0.810m on 30 June 2020) an increase of $0.240m. However, Council is in a strong financial position to face temporary spike in overdue rates due to relatively low level of existing outstanding borrowings.

New borrowings for 2021/2022 Financial Year

An operating deficit means, Council is spending more than what it generates as income in delivering services to the community. In addition, Council has existing loan obligations to pay as well as the need to fund new and upgraded assets. Therefore, if the Council decides to continue with the same level of service and draft operating/capital project program as included in this report with an average rate increase of 2.23%, it has to borrow $2.708m in 2021/2022 as summarised in the **Table 6** below. Out of the new borrowings;

- $1.145m will be used to fund Council's co-contribution required under State Government's LGIPP;
- $0.135m will be used to fund Council's co-contribution required under Building Better Regions Fund;
- $0.844m will be spent on other new/upgraded assets across the Council district;
- $0.508m will be allocated for loan repayments; and
- $0.076 will be allocated for other day-to-day Council's operations.

While the maximum amount to be borrowed is $2.708m, the timing of the actual borrowings would depend on the progress of the operating and capital projects program. Local Government Finance Authority has made available convertible cash advance debenture of 3 years for LGIPP funded projects at a concessionary rate of 1.30% to a maximum limit of $1.238m.

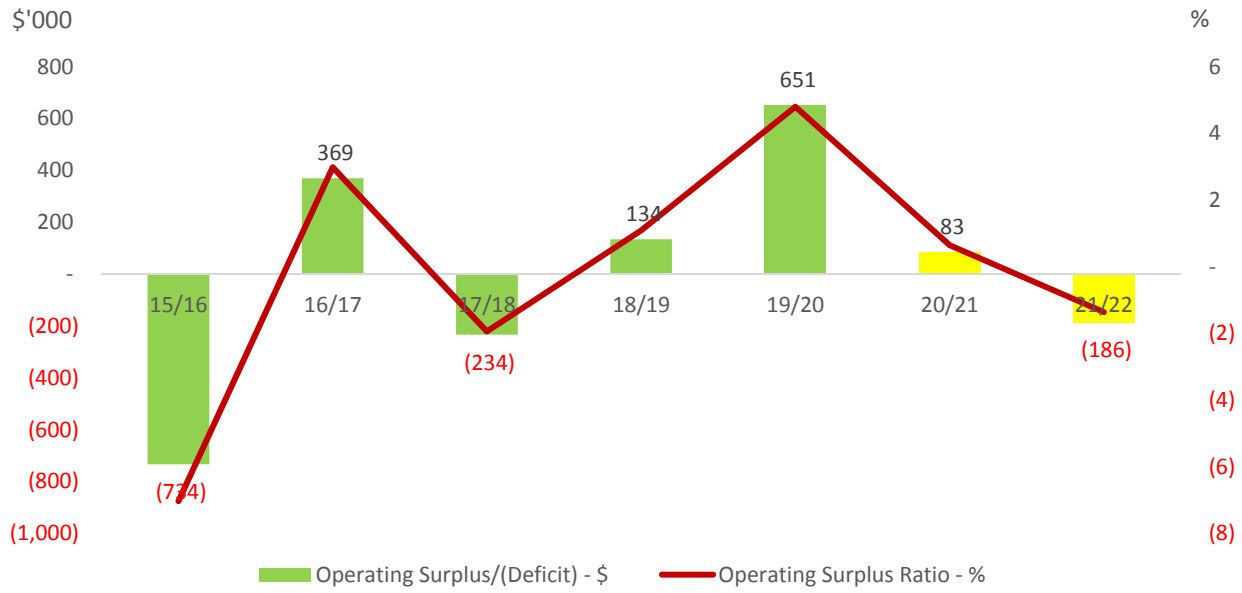
Table 6: Funding Shortfall for 2021/2022 ($'000)

Description	Amount
Cash shortfall due to Operating Deficit	(186)
Cash injection from sale of surplus/replaced assets	67
Share of loss - joint ventures & associates (non-cash transactions)	63
To fund capital Program - Money available through depreciation	2,862
- Proposed assets renewal expenditure	(2,917)
- Proposed new capital expenditure	(3,334)
Grants specifically for new or upgraded assets	1,245
Loan Repayment	(508)
Total funding shortfall	**(2,708)**

Budgeted Financial Indicators

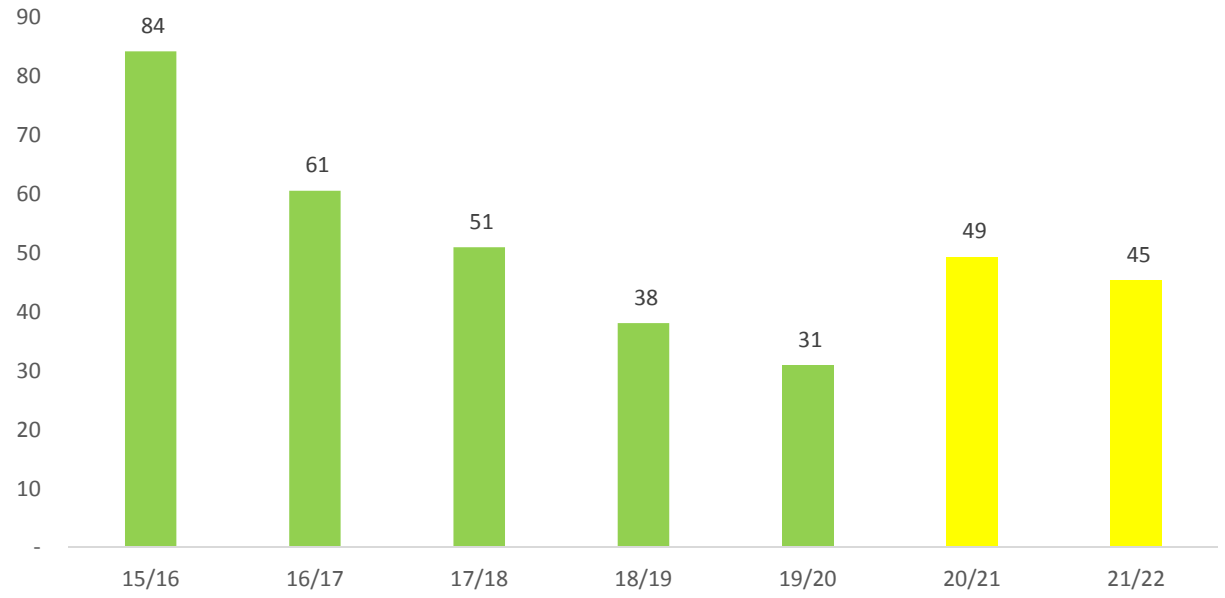
The following graph shows, Adelaide Plains Council's budgeted financial indicators for 2020/2021 and 2021/2022 Financial Years in comparison to actual results for the previous five (5) financial years.

1. Operating Surplus/ (Deficit) Ratio



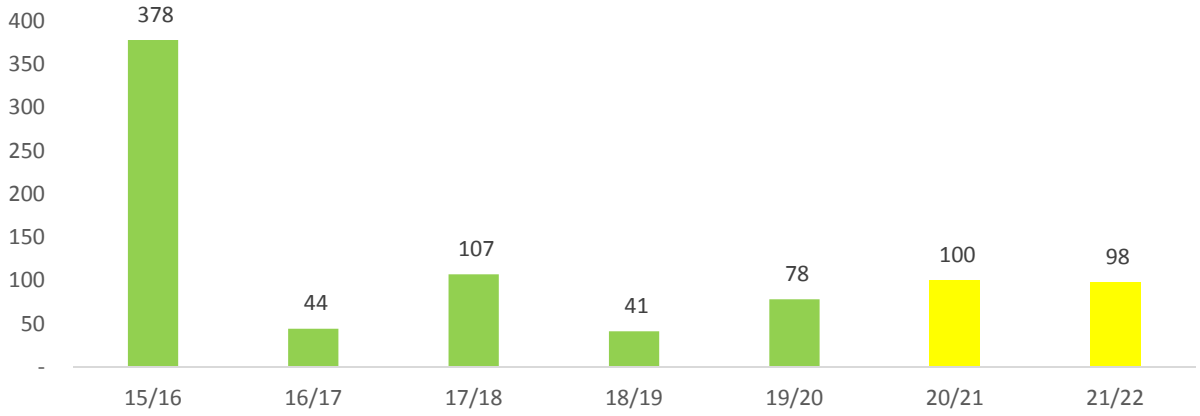
Note: Financial Sustainability Information Paper 9 of the LGA recommend an Operating Surplus Ratio of between 0% and 15% on average over long term.

2. Net Financial Liabilities Ratio (%)



Note: Financial Sustainability Information Paper 9 of the LGA recommend a Net Financial Liabilities Ratio of greater than zero but no more than 100% of total operating revenue on average over long term.

3. Assets Sustainability Ratio (%)



Note: Financial Sustainability Information Paper 9 of the LGA recommend an Asset Sustainability Ratio of greater than 90% but less than 110% on average over long term.

Conclusion

This report shows a deficit budget with a 2.23% increase in average rate for 2021/2022 Financial Year. However, it is expected that 58% of the rate payers will have a rate increase of 2.23% or less. Council is planning to invest $6.251m in capital expenditure in the next financial while adding much needed resources required to meet growth in the Council district and develop local economy. Council has experienced a significant growth in Two Wells and this growth is expected to add additional rates income of $0.257m and 257 new properties next year. It is estimated that new short-term borrowings of $2.708m will be required mainly to deliver proposed new and upgraded capital works program.

References

Legislation

Local Government (Financial Management) Regulations 2011

Local Government Act 1999

Council Policies/Plans

Budget Management Policy

Council Vehicle Policy

Funding Policy

Treasury Management Policy

Infrastructure and Assets Management Plans

Strategic Plan 2017-2021

2021/2022 Annual Business Plan and Budget

Image: Mallala Camping Ground

Adelaide Plains Council

Contents

1. Preamble 1
2. Foreword from the Mayor 2
3. Message from the Chief Executive Officer 3
4. Summary of 2021/2022 Budget 5
5. Strategic Plan 2017-2020 6
6. Infrastructure and Asset Management Plan 6
7. Assessment of the 2020/2021 Strategic Objectives 7
8. Significant Budget Influences and Assumptions 8
9. Services Provided by the Council to its Community 10
10. 2021/2022 Recurrent and Project Budgets 14
    10.1 Sources of Council Revenue 14
    10.2 How Council's Revenue is spent? 16
    10.3 Budgeted Statement of Comprehensive Income 18
    10.4 Operating Income and Expenditure by Council Functions/Services 19
    10.5 2021/2022 Operating Project Program 20
    10.6 2021/2022 Capital Projects Program 21
    10.7 2021/2022 Capital Program in Details 24
11. Loan Borrowings 26
    11.1 Current Long-Term Borrowings 26
    11.2 New borrowings for 2021/2022 Financial Year 26
12. Rating Structure and Policy 27
    12.1 What are Rates? 27
    12.2 Strategic Focus 28
    12.3 Method Used to Value Land 28
    12.4 Impact of Rates 28
    12.5 Differential General Rates 31
    12.6 Fixed Charge 32
    12.7 Regional Landscape Levy 32
    12.8 Service Charges 33
    12.9 Mandatory Township Kerbside Waste Collection Charges 35
    12.10 Payment of Rates 35

12.11 Remission and Postponement of Rates 36
12.12 Rebate of Rates 36
12.13 Sale of Land for Non-Payment of Council Rates 36
13. Budgeted Financial Statements 37
14. How to Measure Council Performance 41

1. Preamble

Under section 123 of the *Local Government Act 1999* (the Local Government Act), a council must have a budget for each financial year. This budget must be considered in conjunction with the council's annual business plan (and be consistent with that plan) and must be adopted before 31 August for the financial year.

Adelaide Plains Council therefore prepares, as part of its budget development process, an Annual Business Plan. Section 123(2) of the Local Government Act provides that each annual business plan of a council must:

(a) include a summary of the council's long-term objectives (as set out in its strategic management plans);

(b) include an outline of:

  (i) the council's objectives for the financial year;

  (ii) the activities that the council intends to undertake to achieve those objectives; and

  (iii) the measures (financial and non-financial) that the council intends to use to assess the performance of the council against its objectives over the financial year;

(c) assess the financial requirements of the council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue;

(d) set out the rates structure and policies for the financial year;

(e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the council;

(f) take into account the council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the council; and

(g) address or include any other matter prescribed by the regulations.

Before a council adopts its annual business plan it must prepare an annual business plan and undertake a public consultation process that, as a minimum, meets the requirements of section 123(4) of the Local Government Act.

This document presents the 2021/2022 Annual Business Plan and Budget for the Adelaide Plains Council as adopted by the Council at a special meeting held on Thursday, 8 July 2021 which has been developed in consultation with the Elected Members, Audit Committee and the Council staff and has been commented by the public in the context of Council's "Strategic Plan 2017-2020".

2. Foreword from the Mayor

Here we are 12 months on from the outbreak of the COVID-19 pandemic and the Adelaide Plains region has fared quite well given the circumstances. What this has meant to us as individuals is that we have been able to go about our daily business, keep jobs as much as possible and weather this situation. Your Council has made some tough but necessary decisions along the way resulting in as little disruption to services as possible. Local government has not shut down, in fact, adapting to changes put upon us and implementing different ways of continuing our service has been at the forefront.

Our Council has a relatively low income for its size. Pressure to maintain existing infrastructure and at the same time also provide new facilities for the growing population is indeed a balancing act. The budget has been worked through by elected members and staff at many workshops, informal gatherings and sub committees to reach this point.

You will have noticed significant improvements and changes around the district made possible through stimulus funding and grants received from the two higher levels of government – not at ratepayer cost. This is flowing on into the 2021/2022 financial year and with unprecedented external funding available, your Elected Members have seen the value in taking up the "50/50" contribution schemes. What this means is projects such as road sealing for example can be achieved at effectively half price to the ratepayers. Combined with extremely low interest rates, now is an opportune time to achieve these goals which have been out of reach for some time.

There is, however, a limit to how much extra work on top of existing services can be delivered with our existing staff and equipment. Even with the better than projected growth in our area, there is a finite limit. Therefore, a staged approach is needed which the elected members have worked through to ensure realistic goals are achieved. There will never be a better time to borrow money to partner with the governments "50/50" stimulus and grant funding, rather than fully paid for by ratepayers.

The 2021/2022 budget is somewhat not what we would have expected 6 months ago, but adapting and overcoming adversity, recognising new opportunities and not being afraid to make changes based on facts has been the reasoning of your elected chamber. I hope you will agree this budget builds on our future and is a sign of positive ways forward.

Mark Wasley
Mayor

3. Message from the Chief Executive Officer

2021/2022 promises to be a year like no other.

While the COVID-19 pandemic threw up unprecedented challenges for local government last financial year, this financial year will be centred on the recovery effort; investment, employment, infrastructure delivery and economic prosperity for our region.

This year's Annual Business Plan and Budget is the culmination of six months work. I believe it to be a fair and equitable blueprint for our ratepayers as we factor in:-

- valuation increases;
- allotment growth ;
- the need to subsidise government funding and associated loan borrowings to complement same;
- consideration of the COVID-19 climate on our ratepayers;
- delivery of our program to align with both our Long Term Financial Plan (LTFP) and Infrastructure and Asset Management Plan (I&AMP).

Our program for 2021/2022 foreshadows:-

- $2.917 million to be spent on asset renewals in line with priorities of the IAMP;
- $3.334 million to be spent on new and upgraded assets, many of which will be partially funded through significant state and federal government grants ;
- concerted freight and tourism road network sealing program to be staged over two years and to include Cheek Road, Aerodrome Road, Middle Beach Road and Barabba Road (secured through a $2.340 million state government grant);
- community survey, Two Wells Levee and tourism/recreational trail strategy;
- Gawler River Floodplain Management Authority Charter Review (primarily focused on a review of percentages for each constituent council toward flood mitigation infrastructure);
- advancement of the Light & Adelaide Plains Region Economic Development Authority (geared at investment and infrastructure spend/delivery).

In order to meet the ever-growing demands of our ever-expanding community, labour will move ahead in line with the projections of the LTFP and largely respond to our obligations under the new Planning and Design Code (health and building surveying), economic development and tourism-led initiatives (noting the Tourism and Economic Development Strategy will be delivered in 2021/2022) and parks and gardens maintenance (noting the substantial green spaces to be handed over at both Eden and Liberty this year and beyond).

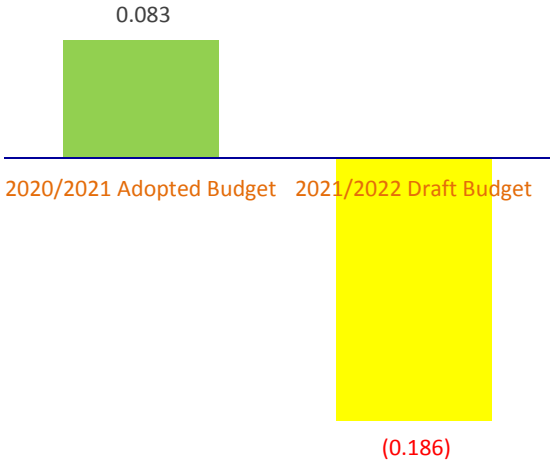
To achieve all of the above, your elected members have adopted a modest average rate increase for this financial year of 2.23 percent.

James Miller

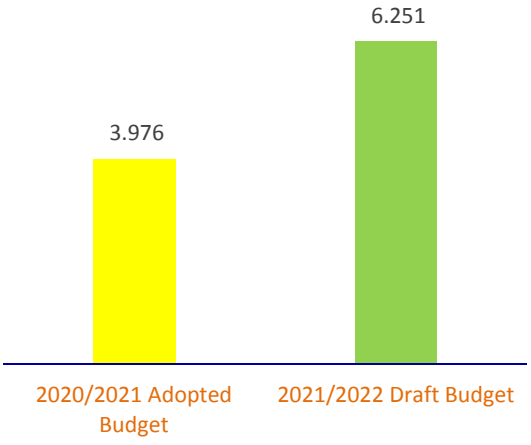
Chief Executive Officer

4. Summary of 2021/2022 Budget

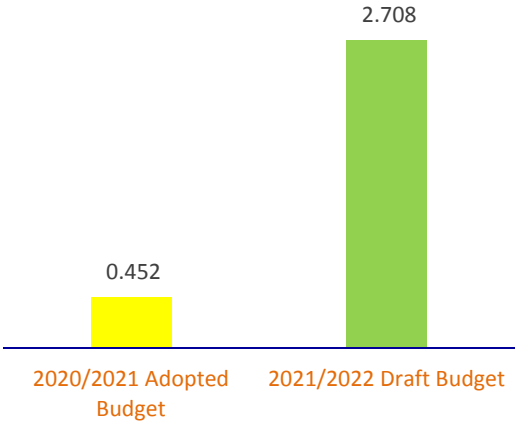
Operating Surplus/(Deficit) ($'Mn)



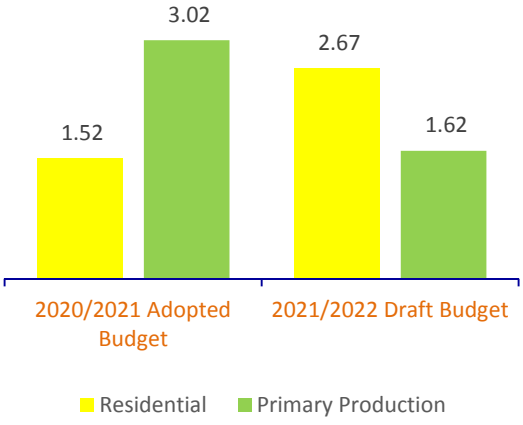
Investment in Infrastructure/assets ($'Mn)



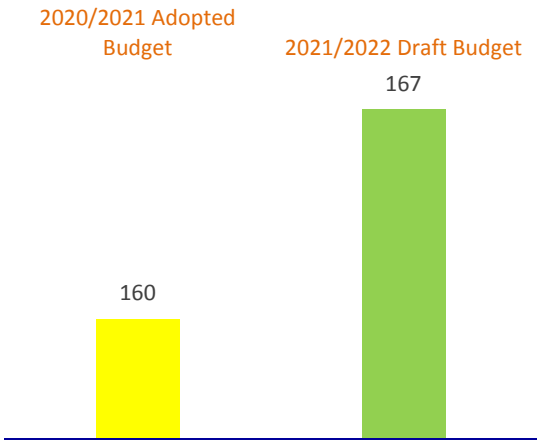
New Borrowings ($'Mn)



Average Rate Increase (%)



Waste Levy ($)



Growth from development

5. Strategic Plan 2017-2020

Under the Focus area ***"4.5 Accountable & Sustainable Governance"***, the following Council strategies have budgetary implications, in 2021/2022 and beyond.

1. Actively seek government, business and industry funding and partnerships;
2. Streamline Council processes;
3. Engage the community in Council decisions and initiatives;
4. Provide friendly and responsive customer service;
5. Maintain a positive and forward thinking culture;
6. Strategically plan for and sustainably maintain Council's assets and finances;
7. Advocate for and represent the interests of the community;
8. Listen and use evidence to make appropriate organisational decisions based on risk management principles;
9. Attract and retain a skilled competent workforce;
10. Continue to improve staff health, safety and wellbeing;
11. Meet all legislative compliance requirements; and
12. Implement Risk Management Policy and Procedures

Council aims to deliver a budget that not only contributes to its strategic objectives, but is also financially sound and allows the Council to meet its financing commitments from cash derived from operating activities without placing a burden on ratepayers through excessive and/or ad-hoc rate revenue increases or borrowing money to deliver current Council services that will create ***intergeneration inequality***.

Therefore, the focus in developing the 2021/2022 Annual Business Plan and Budget, has been on ensuring that Council can maintain the service standards for its existing services (business as usual) and that those services receive appropriate funding, balanced with ensuring that the community does not face significant increases in their annual rates contribution in this year or in future years.

An update to Council's strategic management plan was adopted by the Council on 27 January 2021. Given the timing of the adoption of Strategic Plan 2021-2024, this Annual Business Plan has been underpinned by Strategic Plan 2017-2020. However, based on the updated strategic management plan, Council is currently in the process of updating I&AMP for the period 2021-2024 which in turn will feed in to the Long-Term Financial Plan of the Council which is expected to be reviewed in December 2021.

6. Infrastructure and Asset Management Plan

One of the six (6) priorities in Council's *Strategic Plan 2017-202*0 is:-

"Sound management of community assets such as Community Wastewater Management Systems, Built Infrastructure, Roads, Open Space, Stormwater and Flood Management".

Under Focus Area *"4.3 Great Places & Infrastructure*", Council's objective is to ensure that Adelaide Plains Council is a place:-

- Where Council buildings, facilities and assets are actively used by business and community;
- With safe and fit for purpose roads and transport networks;
- Quality design and planning outcomes;
- With attractive pedestrian and cycle friendly open spaces and streetscapes, and inviting town entrances; and
- That celebrates its rural character so close to the city and protects and activates its heritage places;

7. Assessment of the 2020/2021 Strategic Objectives

Following table shows Councils strategic objectives for 2020/2021 Financial Year and the assessment of whether the activities Council has undertaken as of 30 June 2021 have achieved those objectives.

Table 1: Assessment of Strategic Objectives for 2020/2021 Financial Year

Operating Project to achieve Council's Strategic Objective		
Strategic Objective : Growing Economy, Great Places & Infrastructure		
1)	Economic Development Initiatives – TW Crown Land, ITHC, TW main street Grant Funding Application, TW main street design, and GRFMA Charter Review.	In progress*
2)	Deliver an annual capital construction and renewal program	Completed
3)	Delivery of annual plant/fleet replacement program	Completed
4)	Local Road and Community Infrastructure Program (Round 1)	In progress*
5)	Establish Horse Floating Park Area following any necessary approvals, at Section 631 the Esplanade, Parham.	In progress*
6)	Middle Beach boat ramp investigation and remediation	Completed
7)	Mallala Office underpinning - realign and stabilise the foundation soil.	Completed
8)	Two Wells Resource Recovery Centre – Additional bin retaining wall	In progress*
9)	Feasibility Study on Lewiston Drainage	Completed
Strategic Objective : Vibrant Community		
10)	Animal Management Plan Review	In progress*
11)	Drought Communities Program involving various projects	Completed
Strategic Objective : Resilient Environment & Community		
12)	Parham Community Emergency Management Plan	In progress*
Strategic Objective : Accountable & Sustainable Governance		
13)	Prudential Review of office accommodation	In progress*
14)	Representation Review	Completed
15)	Review of Rating Structure	Completed

** Projects in progress as of 30 June 2021 will be carried forward to 2021/2022 Financial Year*

8. Significant Budget Influences and Assumptions

The Annual Business Plan is Council's key annual operational and financial planning document. It describes what services and projects Council plans to deliver to the community in the 2021/2022 Financial Year and how to finance those planned services and projects.

The Annual Business Plan has been developed in the context of delivering Council's long term strategic direction as set out in the *Strategic Plan 2017-2020* and *Infrastructure and Asset Management Plans (I&AMP),* and as required under the Local Government Act.

In this context, in preparing 2021/2022 Annual Business Plan (ABP) and Budget, Council has considered several significant factors/assumptions. These include:

- **External Budget Influences**
  - The Reserve Bank of Australia has an inflationary target of between 2% and 3% per annum.
  - The Mid-Year Economic and Fiscal Outlook released by the Federal Government in December 2020 predicts that the CPI for Australia would be 1.50% in 2021/2022.
  - The CPI for South Australia in 2021/2022 is expected to be 1.25% as per 2020/2021 State Budget.
  - Increase in population due to new residents moving in to the Eden housing development in Two Wells. For example, in 2019/2020 Financial Year, Council has added 173 new rateable properties whereas it was 257 new properties in 2020/2021.
  - Increase in demand for updated IT infrastructure to ensure cyber security.
  - Increase in community demand for new assets such as sealing of unsealed roads, footpaths and stormwater drainage.
  - Adelaide Plains Council population had grown by nearly 5.5% from 2011 to 8,801 in 2016. It is projected to grow by 10,557 persons to a population of 19,358 by 2050 at 1.20% per annum compared to 0.90% for Greater Adelaide.
  - The Estimated Resident Population within the district as per Australian Bureau of Statistics is 9,441 as of 30 June 2020 and 9,137 as of 30 June 2019. Since 30 June 2019, the population within the Council area has grown by 3.33% (Greater Adelaide was 1.19%.);
  - Commitments to projects and partnership initiatives continuing over more than one year e.g. Barossa Regional Procurement Group, Regional Development Australia Barossa Inc, Central Local Government Region of South Australia and Local Government Association of South Australia.

- **Internal Budget Influences**
  - Cost of maintaining infrastructure assets handed over to the Council from Eden housing development in Two Wells. Budget for next financial year will be developed on the assumption that the new infrastructure will have same service level as previously provided by the developer unless Council decides otherwise.
  - Demand for labour resources for project management as a result of;
    - Local Roads and Community Infrastructure funding

    - Bridges Renewal Program Round 5 - Wasleys Bridge Upgrade
    - New Two Wells Roundabout – Heavy Vehicle Safety and Productivity Program
    - Strategic project delivery
- Increase demand for labour resources for compliance and inspectoral activities due to significant growth in residential dwellings.
- Overdue Rates balance was $1.050m on 30/06/2021 ($0.810m as at 30/06/2020 and $0.692m as at 30/06/2019).
- Additional depreciation expenses associated with significant infrastructure spending in 2019/2020 and 2020/2021 financial years.
- Increase in salaries/wages as per enterprise bargaining agreement;
- Council's long-term financial objective of being financially sustainable by achieving an operating break even position and the need to exercise prudent financial management practices to ensure financial sustainability.
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, kerbing, footpaths, Community Waste Management Scheme, storm water drainage, parks and gardens, and Council's buildings, plants, machinery, equipment, furniture and fittings, in consistent with the I&AMP.

Council is committed to ongoing reviews of its operations in order to provide optimum benefit to the community and also to ensure that Council deliver quality services in the most cost-effective and efficient manner. Therefore, Council will aim to:

- Actively target Federal and State Government grant programs available as part of economic recovery efforts of upper tiers of governments post COVID-19;
- Continuously review, prioritise and validate current services and programs;
- Continuously review systems and procedures to ensure that internal operations are effective and efficient; and
- Empower community organisations with appropriate support to manage and maintain specific community assets by the community itself. It is believed that this will enhance the autonomy of these organisations through site ownership and control.

Figure 1 below shows the growth in Council's operating expenditure since the 2017/2018 Financial Year. While employee costs have remained consistent, around $4.800m from 2017/2018 to 2018/2019 Financial Years, it is has increased since 2020/2021 to strengthen Council's internal capacity to respond to significant increase in economic development opportunities and residential growth within the district over the coming years.

Material, Contracts and Other Expenses are showing an upward trend over the period mainly due to increased cost to Council in relation to contracting kerbside waste collection and disposal service, information technology, general maintenance, water, electricity, insurances, legal fees and the delivery of several new initiatives partially funded by the Federal Government. A significant increase in material, contract and other expenses in 2021/2022 Financial Year is due to $1.650m to be spent on Two Wells Stormwater Levee which is 100% funded by grants.

Interest Expenses have decreased over the years mainly due to a reduction in Council's short-term cash advance (CAD) loan. In addition, new interest expense of $0.050m has been budgeted for 2021/2022 financial year based on estimated borrowings shown in **Table 12**.

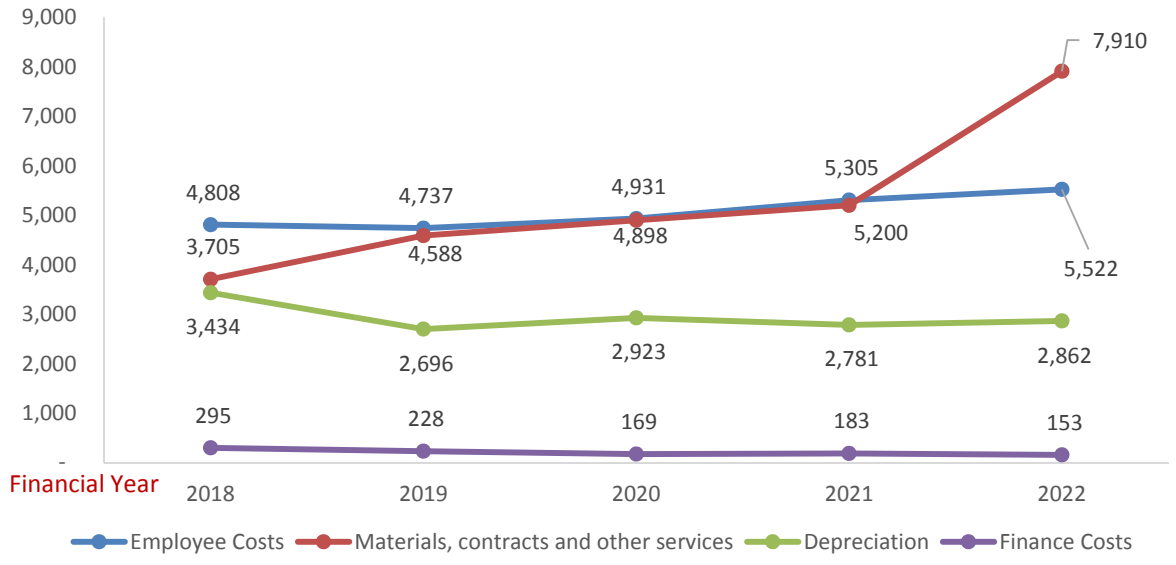


Figure 1: Growth in Council's Operating Expenses (Including CWMS) - $'000

Depreciation Expenses have increased by $0.080m or 2.88% in 2021/2022 when compared to 2020/2021 Financial Year Mainly due to additional depreciation associated with new assets handed over to the Council by developers following the completion of initial maintenance obligations.

9. Services Provided by the Council to its Community

Council provides services in response to the needs and priorities of the community. In providing these services, and carrying out all of its daily functions, Council is highly regulated by the provisions of the Local Government Act as well as various other legislation, including, but not limited to, the following:

- *Burial and Cremation Act 2013* (SA)
- *Community Titles Act 1996* (SA)
- *Crown Land Management Act 2009* (SA)
- *Development Act 1993* (SA)
- *Dog and Cat Management Act 1995* (SA)
- *Environment Protection Act 1993* (SA)
- *Evidence Act 1929* (SA)
- *Expiation of Offences Act 1996* (SA)
- *Fair Work Act 1994* (SA)
- *Fences Act 1975*(SA)
- *Fines Enforcement and Debt Recovery Act 2017* (SA)
- *Food Act 2001* (SA)
- *Freedom of Information Act 1991* (SA)
- *Land and Business (Sale and Conveyancing) Act 1994* (SA)
- *Liquor Licensing Act 1997* (SA)
- *Local Government (Elections) Act 1999* (SA)

- *Local Nuisance and Litter Control Act 2016* (SA)
- *Natural Resources Management Act 2004* (SA)
- *Real Property Act 1886* (SA)
- *Return to Work Act 2014* (SA)
- *Road Traffic Act 1961* (SA)
- *Roads (Opening and Closing) Act 1991* (SA)
- *Safe Drinking Water Act 2011*(SA)
- *South Australian Public Health Act 2011*(SA)
- *Supported Residential Facilities Act 1992* (SA)
- *State Records Act 1977* (SA)
- *Strata Titles Act 1988* (SA)
- *Unclaimed Goods Act 1987* (SA)
- *Work Health and Safety Act 2012* (SA)

In addition to complying with, administering and enforcing the above legislation, there are also various related mandatory regulations and policies, and associated guidelines, that govern daily operations. Generally, a council decides what services they will provide locally (discretionary services), however there are some services that a council is required to provide by law (statutory services).

Discretionary and statutory services provided by each department of Adelaide Plains Council can be summarised as follows:

Governance and Executive Office

The majority of services provided by Council's Governance and Executive Office Department are mandated by legislation.

- Practice adequate records management;
- Work Health and Safety and Risk Management – monitoring, reporting and compliance
- Human Resource Management;
- Management of Council's Governance Framework, including management of Council Code of Conduct complaints and handling queries or requests from the Ombudsman SA and the Independent Commissioner Against Corruption;
- Council Member Support and Training (including the provision of advice and preparation and distribution of agendas and minutes);
- Preparation of Annual Report ;
- Local Government Elections (preparation and assistance);
- Delegations;
- Development and maintenance of statutory and other Council Registers (including register of interest, resolution registers, confidential items register, delegations register, gifts register, policy register, lease register, register of allowances and benefits, register of by-laws);
- Provision of internal and external customer service (including handling customer requests, receive and distribute information, receive and transfer calls and correspondence, daily banking and receipting, assist customers with dog registration requirements, rates enquiries, general enquiries, application forms); and
- Communication and Community Engagement – management of all Council communication platforms, distribution of Council publications including newsletters, public consultation notices and media releases etc.

Development and Community

- Planning and development, including building safety assessment;
- Dog and cat management;
- Preparation of strategic plans for the area;
- Public health services such as monitoring cooling towers for Legionnaire's Disease;
- Fire prevention;
- Provision of advice and support relating to Crown Land under Council's care, control and management;
- Undertake road closures and reviews;
- Libraries;
- Community development;
- Social planning;
- Control of public nuisances;
- Playgrounds;
- Monitoring unsanitary conditions;
- Food safety inspections;
- Footpath planning;
- Stormwater management planning;
- Parks and gardens planning;
- Traffic management planning;
- Traffic management compliance and local road safety;
- Ovals and other sporting facilities (open space) planning;
- Roadside rubbish compliance and clean up;
- Property management assistance;
- Provision of advice and support in relation to Crown Land under Council's care, control and management;
- General animal management;
- Development and Community information service;
- Skate park planning;
- Arts and cultural activities;
- Tourism information and support;
- Environmental management;
- Festival and event planning and facilitation;
- Short stay accommodation planning and facilitation;
- Cemeteries;
- Wetland planning;
- Local Museum and heritage support;
- Coastal management planning;
- Business support;
- Stormwater recycling;
- Landcare program planning;
- Dry zones planning and facilitation;
- Aged care facilitation;
- Cycling path planning;
- Crime prevention through environmental design;
- Community leadership and advocacy; and
- Community Wastewater Management Schemes (SA Water does not provide sewers to townships).

Infrastructure and Environment

- Fleet and plant maintenance;
- Engineering design and specifications;
- Engineering support to development assessment;
- Asset management planning;
- Emergency management and support during floods and fire;
- Administration of Heavy vehicle applications;
- Building and structure maintenance;
- Building security;
- Public toilets;
- Building cleaning;
- Playgrounds;
- Roads (local roads - that is, not national highways or State arterial roads);
- Footpaths;
- Boat ramps;
- Stormwater drains and Flood protection/levees;
- Parks and gardens;
- Weed control;
- Street lights;
- Traffic management and local road safety;
- Reserves and picnic areas;
- Ovals & other sporting facilities;
- Rubbish collection, disposal and recycling;
- Illegal dumping;
- Vandalism;
- Environmental management;
- Support to festivals and events;
- Campgrounds;
- Cemeteries maintenance;
- Wetlands maintenance;
- Local Museums and Heritage support;
- Coast Care projects and Landcare programs; and
- Community Wastewater Management Schemes.

Finance and Business

- Administer and maintain Council's property database and Council's assessment records;
- Collect overdue Council rates;
- Administer Council cemeteries;
- Accounts payable and receivable;
- Administer and process Council payroll system;
- Administer and maintain Council's accounting system including assets registers;
- Prepare annual business plan and budgets and carry out quarterly budget revisions;
- Regulatory compliance in relation to the reporting of GST, Fuel Tax Credits, FBT, PAYG;
- Process insurance claims relating to fleet vehicles;
- Management of Council insurances with Local Government Risk Services;
- Review and completion of grant acquittals;
- Annual review of Council fees and charges;

- Assist Council's Audit Committee to carry out its legislated functions;
- Manage Council cash flow in order to minimise interest expenses;
- Preparation of Council's Annual Financial Statements;
- Assist Council auditors to carry out interim and final audit of Council accounting records;
- IT services and support, including development and implementation of programs and processes;
- Provide administrative assistance to Adelaide Plains Historical Committee; and
- Review and maintain finance related Council policies and monitor their implementation.

10. 2021/2022 Recurrent and Project Budgets

Council's 2021/2022 Budget consists of Recurrent Budget, Operating Projects and Capital Projects Budgets.

Recurrent Budget

The Recurrent Budget includes the amount of operating income that Council will receive in 2021/2022 Financial Year from general rates, service charges, government grants, fees and charges and investment and operating expenditures to provide Council's day-to-day operations and services in the course of its normal operating activities (on a 'business as usual' basis) such as kerbside rubbish collection, street lighting, parks and ovals maintaining and issuing building consents. It also includes costs related to the capital expenditure programme such as interest on loan obtained for capital program, maintenance of Council assets and depreciation.

Operating Projects

Some programs/activities of Council are categorised as Operating Projects rather than Recurrent Budget, where that program or activity does not make up part of Council's regular core services or there is a finite funding life required.

Capital Projects

The expenditure included in the Capital Projects category is the amount of money Council will invest either in upgrading existing assets or in the creation of new assets in accordance with the Council's Strategic Plan objectives and Infrastructure and Asset Management Plans.

10.1 Sources of Council Revenue

In order to fund its operations and programs, Council collects revenue from sources such as general rates, fees and charges levied on Council services (Statutory Charges and User Charges), grants from State and Federal Governments, interest income from investing excess cash in short-term investments, reimbursements and other sundry revenue sources. **Figure 2** below illustrates the main sources of the estimated Council revenues in 2021/2022 Financial Year (excluding income from Community Wastewater Management Scheme).

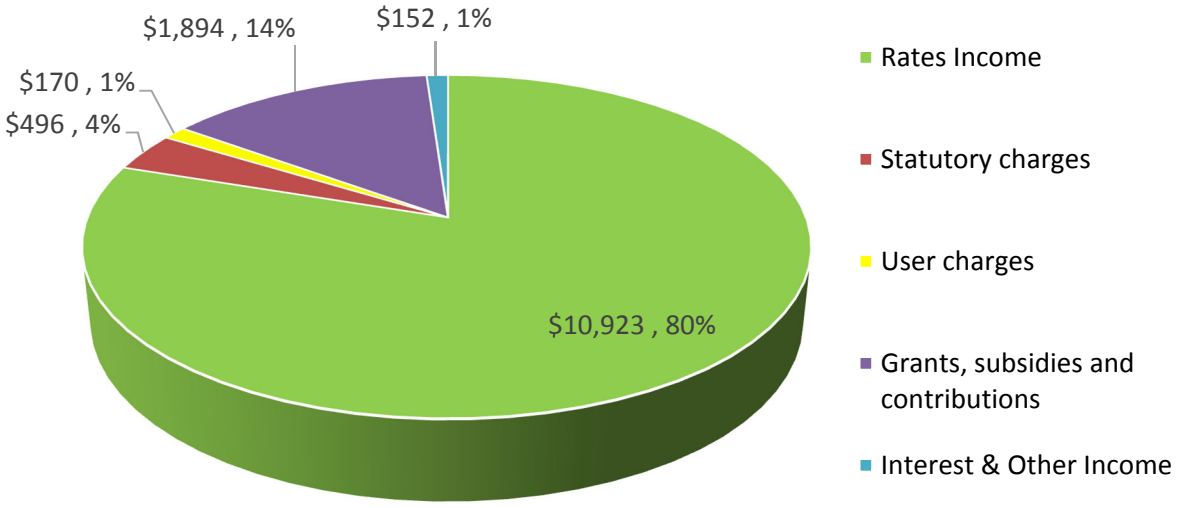


Figure 2: Distribution of Operating Income in 2021/2022 ($'000 & %) – Excluding CWMS

Rates

Rates are the main sources of funding for the Council. A total of $10.923m ($10.398m in 2020/2021) are to be collected in 2021/2022 Financial Year, to help pay for essential, non-discretionary services such as roads maintenance, public lighting, kerbside waste collection and disposal, citizenship ceremonies, public health and safety as well as discretionary services such as Council libraries, outdoor cinemas, and assistance to community programs and events.

Statutory Charges

Statutory Charges relate mainly to fees and fines levied in accordance with legislation and include development application fees, animal registrations, health act registrations and parking fines. It is estimated that the Council will collect statutory charges of $0.496m in 2021/2022 Financial Year ($0.410m in 2020/2021).

User Charges

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include rent income from Mallala Aged Homes, charges for the use of Council facilities, library printing and photocopy charges, Section 7 property searches and burial fees. User charge income is expected to increase marginally from $0.168m in 2020/2021 Financial Year to $0.170m in 2021/2022 Financial Year.

Grants, subsidies and contributions

Grants include monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Grants income has been budgeted based on confirmed funding only. The main sources of grant to be received by the Council are;

Table 2: Summary for Estimated Recurrent Grants Income for 2021/2022 (S'000)

Grant Program	Amount
Financial Assistance grant (FAG) from Federal Government	1,500
Roads to Recovery (R2R) grant from Federal Government *	263
Coastal Officer Grant (Green Adelaide formerly NRM Board)**	102
Library operating grant from State Government	29
Total Grants, subsidies and contributions Income	1,894

* *For accounting purpose R2R grant is recorded as operating income. However, as per R2R guidelines, grant should be spent on roads renewal/upgrades (Capital)*

**53% of the Regional Landscape Levy collected from Adelaide Plains Council is invested back in the region through this grant.

Investment Income

The Council earns investment income primarily in the form of interest from the investment of cash surpluses throughout the financial year and loans to community organisations.

Reimbursements

Council is part of the self-funded insurance scheme administered by Local Government Risk Services (LGRS). Annually LGRS redistribute part of its profit from the operations of Workers Compensation Scheme and other insurance schemes back to the Council along with performance rebates. During 2021/2022, it is estimated that the Council will receive reimbursements of $0.126m of which majority is from LGRS compared to $0.125m in 2020/2021.

Other Income

Other income relates to a range of unclassified items that do not fit within the aforementioned main revenue categories. Other income is expected to be remained unchanged at $0.023m in the 2021/2022 Financial Year.

10.2 How Council's Revenue is spent?

Employee Expenses

Employee expenses include all labour related expenditure such as salaries, wages, allowances and on-costs (Annual Leaves, Long Service Leaves, Superannuation, Workers Compensation Insurances etc.). For 2021/2022 Financial Year, employee costs on recurrent operations (excluding CWMS operations) are expected to increase to $5.506m compared to $5.289m in 2020/2021, an increase of 4% exclusive of any employee costs associated with new positions that may be created as part of increasing resources required to meet growth in the Council district and develop local economy.

3: Estimated Employee Expenses for 2021/2022 Financial Year – Exc. CWMS ($'000)

Description	Costs
Salaries & Wages	4,719
Long Service Leave	117
Superannuation	458
Workers Compensation Insurance	212
Total Employee Cost budget	5,506

Figure 3 below shows Council's staff levels at the end of each financial year from 2012/2013 Financial Year, and the budgeted staff numbers for 2021/2022 financial year on a full-time equivalent basis (FTE). Accordingly, the budgeted FTEs for 2021/2022 is 57 which is the same level of FTEs as in 2016/2017 Financial Year.

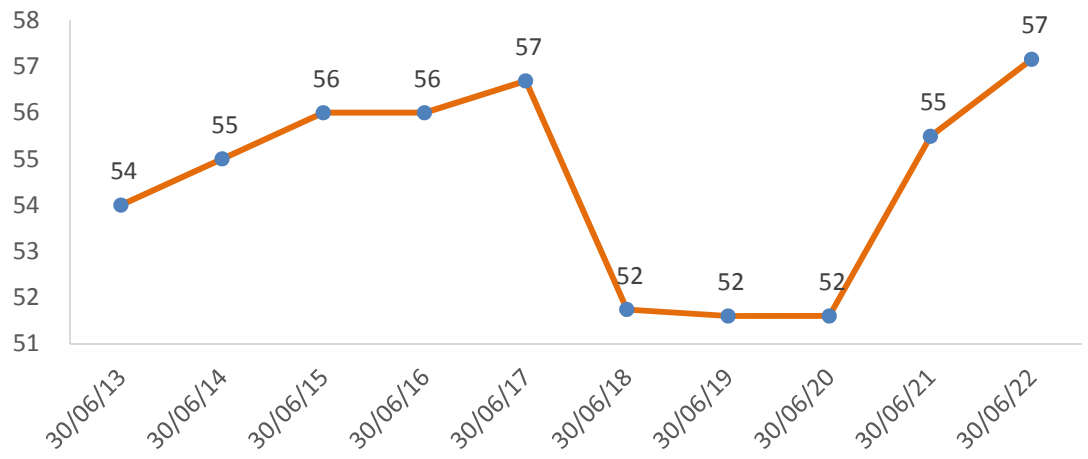


Figure 3: Adelaide Plains Council Workforce (FTEs)*

*30/06/13 to 30/06/20 are actual staff numbers and 30/06/2021 and 30/06/22 are budgeted (FTE) staff numbers.

Materials, Contracts and Other Expenses

Materials include items such as electricity, water, fuel, road products, library books, printing and stationary costs. Contracts relate to the provision of Council services by external providers and include items such as kerbside waste collection, street sweeping, security, leases and infrastructure repairs and maintenance.

Other Expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations, payment of the Regional Landscape levy and other miscellaneous expenditures.

It is estimated that the Council will spend $4.789m in 2021/2022 Financial Year on Materials, Contracts and Other Expenses, compared to $4.430m in 2020/2021 Financial Year, an increase of $0.359m or a 8% mainly due to increase in legal costs, building reserve & seal road maintenance and kerbside recyclable disposal costs.

Depreciation, Amortisation and Impairment

Depreciation is an accounting charge which measures the usage of Council's property, plant and equipment (including infrastructure assets such as roads and drains) over the estimated effective useful life of the assets. In 2021/2022 the forecast amount of depreciation is $2.731m compared to $2.683m for 2020/2021, an increase of $0.048m or 1.79% mainly due to new depreciation expenses associated with infrastructure assets handed over to the Council by developers after the initial maintenance period.

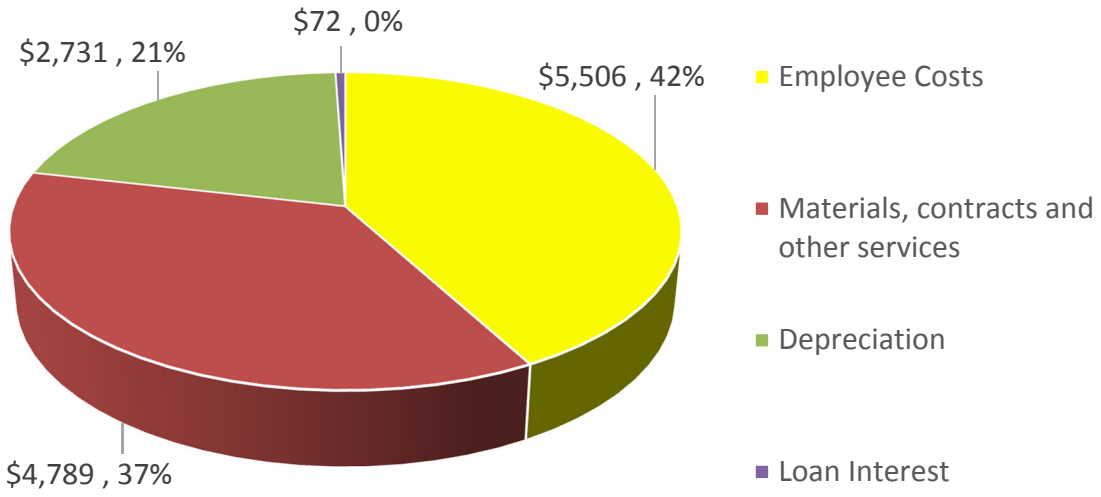


Figure 4: Distribution of Operating Expenses in 2021/2022 ($'000 & %) – Excluding CWMS

Finance Charges

Finance charges relate to interest charged by the Local Government Financing Authority on funds that have been borrowed by Council. Interest costs have been estimated based on Council's loan portfolio as at June 2021 and expected new borrowings for the next year.

Interest costs are expected to decrease by 29% from $0.101m in 2020/2021 Financial Year to $0.072m in 2021/2022, mainly due to the combined impact of interest being paid reduced progressively when repaying loan instalments overtime and additional interest expenses of $0.050m associated with new borrowings required for 2021/2022 Financial Year.

10.3 Budgeted Statement of Comprehensive Income

For the 2021/2022 Financial Year, the estimated operating deficit is $0.186m from recurrent and operating project activities based on 2.25% increase in average rates. The estimated operating deficit consists of;

- Recurrent budget surplus of $0.537m;
- CWMS Budget deficit of $0.144m; and
- Net Operating Project budget of $0.579m.

Table 4: Statement of Comprehensive Income for 2021/2022 Financial Year ($'000)

Description	2020/2021 Adopted Budget ($)	2021/2022 Budget ($)	(%)	Budget Movement $	%
OPERATING INCOME					
Rates					
- General Rates - Existing Assessments	9,614	9,837	72	223	2.32
- General Rates - New Assessments	-	256	2	256	-
- Rate Rebates	(94)	(102)	(1)	(7)	7.74
- Waste Levy	605	658	5	53	8.83
- Regional Landscape Levy	188	192	1	4	2.05
- Other Rates Income	85	81	1	(3)	(3.98)
Statutory charges	410	496	4	86	21.07
User charges	168	170	1	2	1.18
Grants, subsidies & contributions	1,890	1,894	14	4	0.19
Interest Income	3	3	-	-	-
Reimbursements	125	126	1	1	0.88
Other Income	23	23	-	-	-
TOTAL INCOME	**13,016**	**13,635**	**100**	**619**	**4.75**
OPERATING EXPENSES					
Employee Costs	5,289	5,506	42	216	4.09
Materials, contracts and other	4,367	4,726	36	359	8.22
Including legal expenditure	*120*	*200*	*2*	*80*	*66.67*
Depreciation	2,683	2,731	21	48	1.79
Interest Expenses	101	72	1	(29)	(28.53)
Share of operating loss from GRFMA	63	63	-	-	-
TOTAL EXPENSES	**12,503**	**13,098**	**100**	**595**	**4.76**
RECURRENT SURPLUS	512	537	4	24	4.73
Net Cost of the 2 x CWMS	(115)	(144)	(1)	(28)	24.62
Net Operating Project Expenses	(314)	(579)	(4)	(265)	84.30
OPERATING SURPLUS/(DEFICIT)	83	(186)		(269)	

10.4 Operating Income and Expenditure by Council Functions/Services

The following table shows operating income and expenditure for the 2021/2021 Financial Year by the Council functions/service *excluding* operating projects. (*Council administration covers functions such as financial management, Chief Executive Officer, Council offices and chambers maintenance, customer service, human resources management, communications & public relations, payroll management, information technology, rates administration, governance, Work, Health and Safety & Risk management, records management and Council's assets management).

Table 5: Operating Income and Expenditure by Council Functions/Services ($'000)

Council Services/Functions	Income	Expenses	Net Costs
Volunteer Administration	-	7	7
Economic Development	-	10	10
Children & Youth Services	-	10	10
Community Events/Bus/Donations	(2)	92	91
Bridges and culverts Maintenance	(1)	19	18
Illegal Roadside Dumping	(1)	29	29
Heritage	(1)	19	18
Cemeteries	(50)	49	(1)
Mallala Aged Units	(58)	55	(3)
Street Lighting	-	77	77
Emergency Services and fire prevention	(4)	64	60
Community Safety	(8)	66	59
Street Cleaning	-	70	70
Public Conveniences	-	76	76
Resource Recovery Centre	(30)	79	49
Ovals, Playgrounds & Other Sporting Facilities	-	87	87
Community Services	-	102	102
Stormwater Management	-	116	116
Coastal Conservation	(102)	118	16
Flood Prevention	-	117	117
Environmental Health	(100)	124	24
Dog & Cat Control	(199)	162	(37)
Elected Members	-	172	172
Building Maintenance	-	202	202
Footpaths & kerbing Maintenance	-	193	193
Libraries	(30)	352	322
Community Wastewater Management	(250)	394	144
Parks, Gardens & Reserve Maintenance	-	556	556
Depot operation	(4)	627	623
Kerbside Waste Collection	(654)	647	(7)
Plant Maintenance	-	658	658
Planning & Compliance	(187)	1,340	1,153
Roads Maintenance	(1)	2,296	2,295
Government Grants	(1,763)	-	(1,763)
Council Administration*	(10,439)	4,504	(5,936)
Total Income and Expenses	**(13,885)**	**13,492**	**(393)**

10.5 2021/2022 Operating Project Program

The cost of the Operating Project program is estimated to be $2.955m of which $2.376m applicable to four (4) projects is expected to be funded by Federal and State Government grant funding, resulting a net Operating Project Program budget of $0.579m.

Table 6: Operating Projects Program for 2021/2022 ($'000)

Operating Project Name	Estimated Cost
Construction of Two Wells Stormwater Levee*	1,650
Local Roads and Community Infrastructure Grant Program - Round 3	691
Resources required to meet growth in the Council district and develop local economy (Economic development, Parks & Garden, Marketing and Communication, Building / Environmental Health Inspection, Two Wells Crown Land, Economic Zones, Growth Strategy, Grant Writer etc.)	514
GRFMA Charter Review.	20
Develop Recreational trail strategy.* *	50
Stage Adelaide Plains Food and Business Festival.* *	20
Community Survey 2021.	10
Total cost of the Operating Project Program	2,955

* 100% funded by a Federal Gov. Grant under National Flood Mitigation Infrastructure Program

**50% to be funded under 'Building Better Regions Programs'. Project will not proceed if the grant applications are unsuccessful.

10.6 2021/2022 Capital Projects Program

Depreciation and Assets Renewal

Depreciation is the wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. *Assets Renewal Expenditure* are the expenditure on an existing asset which returns the service potential or the life of the asset to the level which it had originally.

Infrastructure Backlog

According to sound asset management principles, Council should (on average) spend annually on assets renewal an amount equal to its annual depreciation expenses. Council has been able to achieve this since 2019/2020 Financial Year with a very significant assets renewal expenditures that cleared major part of infrastructure back log in 2019/2020. With the budgeted asset renewal expenditures, it is expected that Council will not increase its infrastructure backlog as summarised in the following table.

Table 7: Depreciation and Assets Renewal Expenditure ($'000)

Description	21/22	20/21	19/20	18/19	17/18
Depreciation	2,862	2,683	2,923	2,696	3,434
Assets Renewal Expenditure	2,917	2,589	3,149	1,454	1,729
Infrastructure (backlog)	**55**	**(94)**	**226**	**(1,242)**	**(1,705)**

Adelaide Plains Council is responsible for a large portfolio of assets with a value of $164m as of 30 June 2020 and an estimated depreciation expense of $2.862m (including depreciation

on CWMS assets) in 2021/2022 Financial Year. It is therefore critical for the long term sustainability of assets that the Council engages in practises that optimise assets useful lives for the benefit of the community.

Capital Project Program for 2021/2022

Council is proposing to invest $6.251m in assets renewal and new/upgraded assets in the next financial year as summarised below. The estimated cost of the capital renewal program is $2.917m whereas only $2.400m has been allocated for 2021/2022 in the long term financial plan, an increase of $0.517m.

Table 8: Four (4) Year Capital Works Program ($'000)

Asset Class	2021/2022	2022/2023	2023/2024	2024/2025
Fleet	-	135	120	60
Plant & Equipment	939	534	369	692
Streetscape*	302	397	82	89
Sealed Roads	3,150	3,227	609	609
Unsealed Roads	1,195	974	974	974
Site Improvements	585	538	200	200
Structure	80	-	-	-
Levee	-	272	507	793
Stormwater	-	320	-	-
Pump Station	-	5	-	-
Total Capital Expenditure	6,251	6,401	2,861	3,417
Renewal	2,917	2,981	2,300	2,535
Upgrade	504	-	-	-
New	2,830	3,420	561	885
Total Capital Expenditure	6,251	6,401	2,861	3,417

* Streetscapes includes Footpath, Kerbing and Street Trees

Extract from LTFP	2021/2022	2022/2023	2023/2024	2024/2025
Renewal	2,400	2,525	2,378	3,122
New/Upgrade	414	392	72	684
Total Capital Expenditure as per I&AMP	2,814	2,917	2,450	3,806

Next year capital program is planned to deliver;

a) 35.80 km of road resheeting;
b) 10.90 km of road resealing;
c) 19.15 km of sealing of unsealed roads;
   - 2021-2022 – 10.25km (Aerodrome, Barabba and Cheek Roads)
   - 2022-2023 – 8.90km (Middle Beach Road)
d) 1 km of new footpath, kerbing and street trees

New/Upgraded Assets to be delivered with external grant funding

State Government's Local Government Infrastructure Partnership Program (LGIPP) has recently approved $2.340m for Adelaide Plains Council to seal four (4) unsealed roads over

two (2) financial years that are vital for the freight and tourism of the area. Council's matching contribution to these LGIPP works $2.340m that is proposed to be funded by combination of new borrowings and rates income over two (2) financial years.

In addition, Council has applied for a grant of $0.135m from the Federal Government's Building Better Regions Fund. While the outcome of the grant applications is yet to be confirmed, it has been included in the budget with the expectation that if the grant application is unsuccessful relevant programs will not proceed.

New/Upgraded Assets to be delivered with Council's own funding

The capital programme has also identified new/upgraded assets to the value of $0.844m that will be funded from a combination of new borrowings and rates income. Please refer to **Table 9** below for the details and the reasons for spending in those new/upgraded assets.

Table 9: New/Upgraded Assets to be delivered with Council's own funding ($'000)

Type of Expenditure	Description	Budget	Comment
New	Plant Replacement	135	New excavator and trailer – Increase activities requiring an excavator, purchasing will lower the requirements for plant hire.
New	Street Scape (Footpath, Kerbing and Street Trees)	292	Part of IAMP
Upgrade	Intersection Upgrade - Hill Street (Dublin Road and Balaklava Road)	100	Upgrade required due to accelerated deterioration of asset and increased frequently of maintenance.
Upgrade	Germantown Road - Gawler Road to Temby Road	110	Upgrade required due to accelerated deterioration of asset and increased frequently of maintenance.
New	Parham Playground - Shade shelter	60	All playgrounds in APC have shelters over the playground elements except for Parham.
New	Parham Playground - New element	15	To provide further playground equipment for the community enjoyment.
New	Mallala Playground - New element	15	To provide further playground equipment for the community enjoyment.
New	Computer Monitors and Laptops	23	End of Lease Buy-out
Upgrade	Council Chamber and Meeting Rooms Audio/Video equipment	94	Council resolution
Total Expenditure on New/Upgraded Assets		844	

10.7 2021/2022 Capital Program in Details

Table 10 below provides details of the capital program approved for 2021/2022 Financial Year.

Table 10: 2021/2022 Capital Project Budget in Details ($'000)

	Capital Project to achieve Council's Strategic Objective	Rationale	Type	Costs
Strategic Objective : Great Places & Infrastructure				
1)	Plant Replacement	A	Renewal	687
2)	Plant Replacement	B	New	135
3)	End of Lease Buyout of Computer Monitors and Laptops	B	New	23
4)	Council Chamber/Meeting Rooms Audio/Video Upgrade	B	Upgrade	94
	Investment in Plant & Equipment Program			939
5)	Elizabeth Street - William Street to Donaldson Road	A	New	31
6)	Donaldson Road - Elizabeth Street to Wilson Road	A	New	58
7)	Second Street (Dublin) - Sixth Street to Seventh Street	A	New	28
8)	Mary Street - Chivell Street to Elizabeth Street	A	New	24
9)	Elizabeth Street (Mallala) - Joseph Street to Mary Street	A	New	41
10)	Joseph Street - Chivell Street to Elizabeth Street	A	New	22
11)	Butler Street - Irish Street to End of Seal	A	New	88
12)	Pram Ramp renewal to DDA compliant	A	Renewal	10
	Investment in Street Scape (Footpath, Kerbing and Street Trees)			302
13)	Intersection Upgrade - Hill St (Dublin Rd and Balaklava Rd)	A	Upgrade	100
14)	Germantown Road - Gawler Road to Tembys Road	A	Upgrade	110
15)	Dawkins Road (Judd Road to Boundary Road)	A	Renewal	165
16)	Hayman Road (Williams to Boundary)	A	Renewal	485
17)	Sealing of Cheek Road	C	New	620
18)	Sealing of Barabba Road	C	New	1,020
19)	Sealing of Aerodrome Road	C	New	650
	Investment in Sealed Road Program			3,150
20)	Artesian Road West - Fertile Avenue to Buckland Park	A	Renewal	21
21)	Boundary Road - Bache Road to Redbanks Road	A	Renewal	69
22)	Bubner Road - Port Parham Road to Ruskin road	A	Renewal	47
23)	Cowan Road - Buckland Park Road to Halstead Rd West	A	Renewal	22
24)	Davies Road - Fidge Road to Collins Road	A	Renewal	34
25)	Day Road - Hall Road to Germantown Road and Matters Road to Verner Road	A	Renewal	67
26)	Frost Road North - Gawler Road to Sharpe Road	A	Renewal	82
27)	Griggs Road - Port Gawler Road to Shellgrit Road	A	Renewal	10
28)	Halstead Road West - Buckland Park Road to End	A	Renewal	30
29)	Hunters Road - Port Wakefield Road to Shannon Road	A	Renewal	71
30)	Johnson's Road - Calomba Road to Shannon Road	A	Renewal	90
31)	Navvy Hill Road - Porter Road to Church Road	A	Renewal	47
32)	Owen Road - Farrelly Road to March Road	A	Renewal	185
33)	Pritchard Road (Windsor) - Long Plains Rd to Avon Rd	A	Renewal	63
34)	School Road - Rowe Road to Church Road	A	Renewal	21
35)	Shannon Road - Hunters Road to Carslake Road	A	Renewal	98
36)	Tembys Road - Williams Road to Hall Road	A	Renewal	71

37)	Verner Road - Paddys Bridge Road to Tembys Road and Germantown Road to Hall Road	A	Renewal	59
38)	Wasleys Road - End Bridge to Pritchard Road	A	Renewal	20
39)	Welivere Road - Long Plains Road to House	A	Renewal	20
40)	Williams Road - Kenner Road to Simpkin Road	A	Renewal	34
41)	Windsor Road - Port Wakefield Road to Carter Road	A	Renewal	32
	Investment in Unsealed Road Program			1,195
42)	Two Wells Oval - Irrigation system	A	Renewal	95
43)	Parham Playground - Shade shelter	B	New	60
44)	Parham Playground - New element	B	New	15
45)	Mallala Playground - New element	B	New	15
46)	Two Wells Oval Entrance - Paths, landscaping, furniture.	B	Renewal	70
47)	Dublin Lions Park - Paths, landscaping, furniture.	B	Renewal	70
48)	Lewiston Reserve - Fencing	B	Renewal	10
49)	Various locations - Reserve and street furniture	B	Renewal	15
50)	Various locations - Signage - wayfinding and information	B	Renewal	35
51)	Parham Short Stay Facility Upgrade	C	Upgrade	200
	Investment in Site Improvements Program			585
52)	Dublin Institute/ Hall - Toilets	A	Renewal	80
	Investment in Buildings & Structure Program			80
	Total Council Investment in Infrastructure and Assets in 2021/2022 Financial Year			6,251

Renewal of existing assets as per Assets Management Plans	2,917
Upgraded Assets	504
New assets	2,830
Total Council Investment in Infrastructure and Assets in 2021/2022 Financial Year	6,251

Rationale

A. Infrastructure & Asset Management Plan;

B. Staff initiatives to reduce cost and improve productivity/service standard; and

C. Grant applications

Capital Grants

Council is expected to receive capital grants/receipts of $1.312m in 2021/2022 Financial Year as given below resulting net capital expenditure budget of $4.939m.

- Local Government Infrastructure Partnership $1.145m (Confirmed grant funding)
- Building Better Regions $0.100m (Grant to be confirmed)
- Proceeds from the trade in of existing plant $0.067m

11. Loan Borrowings

In developing the Long Term Financial Plan, borrowing was identified as an important funding source, particularly for bridging short-term cash flow gaps. Borrowings are undertaken in accordance with Council's *Treasury Management Policy* which underpins Council's decision making financing its operations in the context of cash flow, budgeting, borrowings and investments.

As borrowing is an important financial management tool in the overall context of funding Council's expenditures, Council's *Treasury Management Policy* links closely to the Council's overall strategic management plans in the context of:

- Strategic planning for the future of the Council, covering short, medium and long term spending and investment issues;
- Current and estimated future revenues and the ability to increase the revenue stream through Council rates, user charges or additional grant funds;
- Inter-generational equity considerations in terms of the ratepayers who benefit from the expenditure and therefore on a user pay basis who should pay for the costs associated with such expenditure;
- Current and future funding needs for both operating and capital expenditures;
- Potential movements in interest rates; and
- Any other strategic imperative such as development of local economy that is linked to revenue and expenditure capacities (for example, sealing of major freight routes servicing commercial sector).

11.1 Current Long-Term Borrowings

At the end of 2020/2021 Financial Year, Council has five (5) outstanding fixed rates long-term borrowings with a total value of $2.297m. **Table 11** below shows the details of the outstanding long-term borrowings.

Table 11: Outstanding Long-term Loans as at 30 June 2021 ($'000)

Purpose of the Loan	Amount	To be repaid on
Gawler River Scheme - Flood Plain Management	44	15/01/2022
To purchase community land in Mallala	19	15/05/2022
Resource Recovery shed and Ruskin Shannon Rd Development	38	15/06/2022
Funding Mallala Depot Construction and Other Capital Program	384	16/04/2022
Council investment in Mallala CWMS	1,812	15/06/2036
Total outstanding long-term loans	2,297	

11.2 New borrowings for 2021/2022 Financial Year

An operating deficit means, Council is spending more than what it generates as income in delivering services to the community. In addition, Council has loan obligations to pay as well as the need to fund new and upgraded assets. Therefore, new borrowings of $2.708m is

required in the next financial year as summarised in the **Table 12** below. Out of the new borrowings;

- $1.145m will be used to fund Council's co-contribution State Government's LGIPP;
- $0.135m will be used to fund Council's co-contribution required under Building Better Regions Fund if the funding application is successful;
- $0.844m will be spent on other new/upgraded assets (**Table 9**) across the Council district;
- $0.508m will be allocated for loan repayments; and
- $0.076 will be allocated for other day-to-day Council's operations.

While the maximum amount to be borrowed is $2.708m, the timing of the actual borrowings would depend on the progress of the operating and capital projects program. Local Government Finance Authority has made available convertible cash advance debenture of 3 years for LGIPP funded projects at a concessionary rate of 1.30% to a maximum limit of $1.238m.

Table 12: Funding Shortfall for 2021/2022 ($'000)

Description	Amount
Cash shortfall due to Operating Deficit	(186)
Cash injection from sale of surplus/replaced assets	67
Share of loss - joint ventures & associates (non-cash transactions)	63
To fund capital Program - Money available through depreciation	2,862
- Cost of assets renewal expenditure	(2,917)
- Cost of new capital expenditure	(3,334)
Grants specifically for new or upgraded assets	1,245
Loan Repayment	(508)
Total funding shortfall	**(2,708)**

Interest expenses associated with new borrowings is approximately $0.050m.

12. Rating Structure and Policy

12.1 What are Rates?

Rates are levied as a tax on property in accordance with the provisions of the Local Government Act. Rates are not a service or user charge. For example, some property owners may choose to not use the library, but nevertheless make a contribution to the service through their rates. Because rates are levied on the value of property, those in higher valued properties pay more in rates than those in lower valued properties.

General Rates are the principal source of funding for Council services representing approximately 74% of total operating income in 2021/2022 and 2020/2021 Financial Years.

12.2 Strategic Focus

In adopting its rates for the 2021/2022 Financial Year, Council will consider its *Strategic Plan 2017-2020*, the current economic climate, specific issues faced by the community, the budget requirements for the 2021/2022 Financial Year.

Land use categories as provided in the *Local Government (General) Regulations 1999* are used as the basis of Council's general rate calculation.

12.3 Method Used to Value Land

All land within a council area, is rateable, except for land specifically exempt e.g. Crown land, council occupied land. Council continues to use capital value as the basis for valuing land within the council area. Council considers that this method of valuing land provides the fairest method of distributing the rates across all ratepayers because:

- Property value is a relatively good indicator of market value of a property, providing the fairest method of calculating rates and therefore, it is the most appropriate measure of relative wealth in the community;
- As a measure of wealth it most closely reflects property owners' the capacity to pay; and
- It accords with the taxation principle, that people should contribute to the community social and physical infrastructure, in accord with their capacity to pay, as measured by property wealth.

Other valuation methods available are site value (value of land only) and annual value (value of rental potential of property). These are not considered appropriate with regard to Adelaide Plains Council.

Council will be adopting the valuations made by the Valuer-General and which are applicable for the financial year commencing 1 July 2021. If a property owner is dissatisfied with a property valuation, then an objection may be made to the Valuer-General in writing, within 60 days of receiving notice of the valuation, explaining the basis for the objection. Further contact details can be obtained from Council's Rates Officer on (08) 8527 0200. *It is important to note that Council has no role in the valuation process.*

12.4 Impact of Rates

General Council rates of a property are determined by two factors:

- valuation of a property as determined by the Valuer of General of South Australia; and
- rates in the dollar specific to land use code (LUC) of the property which is determined by the Council.

The following tables outline these factors:

Rates in the dollar	- As determined by the Council for the past 5 years;
Increate in the rate in the $	- Annual increase in the rate in the $; and

relativity	- This shows the relationship between various LUCs where rate in the dollar applicable to commercial and industrial properties is 30% more than that of residential properties and for primary producers it's 9% less than residential properties.

Table 13: Rates information from 2016/2017 Financial Year

Land Used	16/17	17/18	18/19	19/20	20/21	21/022
Residential, Vacant Land & Other	0.00452	0.00463	0.00463	0.00463	0.00458	0.00446
Commercial & Industrial	0.00587	0.00602	0.00602	0.00602	0.00596	0.00579
Primary Production	0.00411	0.00421	0.00421	0.00421	0.00417	0.00405
Fixed Charge	100.00	102.50	105.06	108.21	110.00	112.00

Change in the Rate in the dollar (%)

Land Used	16/17	17/18	18/19	19/20	20/21	21/22
Residential, Vacant Land & Other	3.40	2.50	0.00	0.00	(1.00)	(2.75)
Commercial & Industrial	3.40	2.50	0.00	0.00	(1.00)	(2.75)
Primary Production	3.40	2.50	0.00	0.00	(1.00)	(2.75)
Fixed Charge increase	0.00	2.50	2.50	3.00	1.65	1.82

Relativity

Land Used Code	16/17	17/18	18/19	19/20	20/21	21/22
Residential, Vacant Land & Other	1.00	1.00	1.00	1.00	1.00	1.00
Commercial & Industrial	1.30	1.30	1.30	1.30	1.30	1.30
Primary Production	0.91	0.91	0.91	0.91	0.91	0.91

Rates Modelling – Property Valuation

An extract from the latest property valuation data (30 June 2021) available from Valuer General (VG) is given below in **Table 14** in comparison to similar information as of 30 June 2020.

Table 14: An Extract from latest valuation data from the VG

Description	30 June 2021	30 June 2020
Increase in number of properties through sub-division	257	173
Sub-Division Growth (valuation increase) - $'Mn	39	24
Building Development Growth (valuation increase) - $'Mn	32	54
Total Development Growth - $'Mn	71	78
Total Development Growth - %	3.44	2.04
Increase in Rates income due to Development Growth - $'Mn	0.256	0.197
Increase in Rates income due to Development Growth - %	2.67	2.15
Natural Growth (valuation increases due to reasons other than development) - %	4.46	1.86

A summary of movement in number of properties and the property valuation is given below based on valuation data from the Valuer General.

Table 15: Movement in Number of Properties and Property Valuation (30 April 2021)

Land Use	2020/2021 FY		2021/2022 Financial Year (Valuation as at 30 June 2021) - Inclusive of Growth							
	No of Properties	Total Property Valuation ($Mn)	No. of Existing Assessments	Total Existing Properties Valuation ($Mn)	% Increase in existing properties valuation	No of New Properties	New Property Valuation ($Mn)	% increase in valuation due to new properties	Total No of Properties	Total District Valuation ($Mn)
Residential (Excl. Eden)	2,959	1,020	2,995	1,088	6.65	9	3	0.33	3,004	1,092
Commercial	26	6	28	6	5.30	-	-	-	28	6
Commercial - Other	75	29	76	28	(2.90)	-	-	-	76	28
Industry - Light	6	1	6	1	2.15	-	-	-	6	1
Industry - Other	17	16	15	16	(1.47)	-	-	-	15	16
Primary Production	1,403	815	1,393	845	3.70	12	4	0.50	1,405	849
Vacant Land (Excl. Eden & Liberty)	464	65	435	61	(6.44)	60	12	17.86	495	72
Other	53	13	54	20	52.44	-	-	-	54	20
Vacant Land - Eden	34	10	19	4	(59.52)	75	16	149.45	94	20
Residential - Eden	100	45	114	54	20.86	24	5	10.63	138	59
Vacant Land - Liberty	42	11	24	8	(29.85)	71	11	94.86	95	19
Residential - Liberty	27	8	44	16	107.33	6	1	14.45	50	17
All Land Use Codes	5,206	2,040	5,203	2,148	5.29	257	51	2.52	5,460	2,200

Table 16 below shows the average rate by land use category based on 2.25% increase in average rates.

Table 16: Average Existing Rates (Inclusive of building developments on existing properties)

Land Use	2020/2021 ($)	2020/2021 ($)	Increase (%)
Residential	1,703	1,749	2.67
Commercial	1,341	1,332	(0.70)
Commercial - Other	2,352	2,259	(3.95)
Industry - Light	1,479	1,471	(0.51)
Industry - Other	6,447	6,169	(4.32)
Primary Production	2,504	2,544	1.62
Vacant Land	832	784	(5.77)
Other	1,223	1,735	41.89*
All Land Use Codes	**1,845**	**1,891**	**2.49***

* Average rate increase is 2.49% in the above table due to significant increase valuation of Xavier College, Two Wells which has Land Use Category of 'Other'. However, Xavier College is entitled to 75% rebate under Section 165 (educational purposes) of the Local Government Act 1999. If the valuation increase of Xavier College is excluded, the average rate increase is 2.23%

Actual rate rises

As Council rate is determined by multiplying capital value of the property (decided by the VG) by the rate in the dollar (decided by the Council) applicable to the property, average rate

calculated above does not show the actual general rate rises. Actual rate rises is also determined by a combination of other factors such as;

a) development/improvement on the land resulting value of the property being increased,
b) general valuation increase/decrease by VG due to market conditions.

For example, **Figure 5** below shows that with 2.25% average rate increase;

a) 30.20% of the properties will have their rates being reduced next year;
b) 1.14% of the properties will have their rates remained unchanged;
c) 26.72% of the properties will have their rates increased by less than 2.25%;
d) 6.54% of the properties, will have their rate increase would be between 2.25% and 3%;
e) 5.37% of the properties will have their rates gone up by more than 10.00%.; and
f) 257 new assessments have been created which is 4.71% of the total assessments.

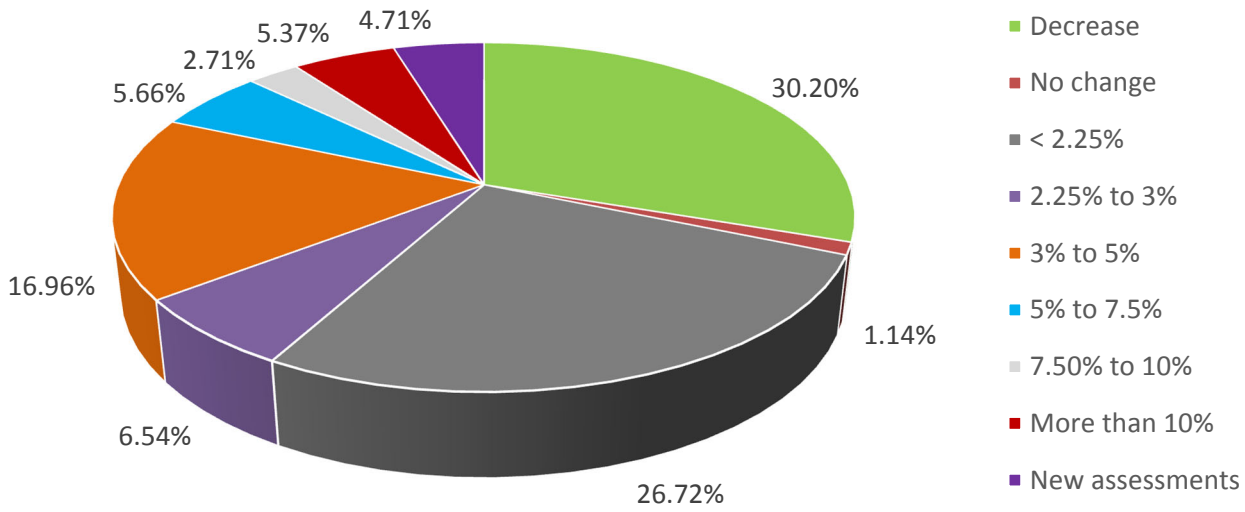


Figure 5: Breakdown of General Rates Increase by Percentage (incl. development growth)

12.5 Differential General Rates

Every resident will benefit from the general amenity of the Council area in some way, whether that is at the present time or in the future. The amenity includes the local economy, general Council operations and the option to use Council facilities.

It is acknowledged that the system of council rates is in essence a system of taxation against property prescribed through the provisions of the Local Government Act. However, Council has assessed that the level of differential rating imposed is governed in part by the ability to pay, the potential for income tax deductions and the perception of accessibility or useability of council services by the residents and consumers. To this end, Council has determined the following.

Commercial Properties

Commercial properties generally have available to them, their employees and customers the same services as other ratepayers. However, in most cases commercial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided. In addition, commercial properties have potential taxation benefits.

Industrial Properties

Industrial properties generally have available to them, their employees and customers the same services as other ratepayers. However, in most cases industrial users have a greater impact on the main services such as road maintenance and generally derive a greater benefit from the services provided, particularly where, for example, large amounts of raw or unrefined product is delivered to site for processing utilising Council's infrastructure. Similar to commercial properties, industrial properties have potential taxation benefits.

Primary Production Properties

Primary Production properties tend to be more remote from some of the services provided by Council. In terms of infrastructure adjacent to their properties, they may not have sealed or formed roads, footpaths or street lighting. However they do have capacity to enjoy the formed roads, footpaths or street lighting and enjoy the same level of amenity as other residents of the Council area. Primary production properties also have potential taxation benefits.

12.6 Fixed Charge

A council may impose a fixed amount payable by way of rates, provided that it has not imposed a minimum charge. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one fixed charge is payable by the ratepayer.

In 2021/2022 the fixed charge has been increases from $110 to $112. This will be applicable to approximately 4,772 rateable properties. Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering Council's activities and to the cost of creating and maintaining the physical infrastructure that supports each property.

12.7 Regional Landscape Levy

The whole of the Council area is located within the boundaries of the Northern & Yorke Natural Resource Management Board. An estimated contributions of $0.192m are sought for 2021/2022 Financial Year ($0.188m in 2020/2021). Council is operating as a revenue collector for the Northern & Yorke Natural Resource Management Board in this regard. It does not retain this revenue or determine how the revenue is spent.

12.8 Service Charges

Community Wastewater Management System (CWMS)

Mallala CWMS Charge

Mallala CWMS charges has been increased from $640 to $659 (3% increase) in 2021/2022 in order to cover the costs associated with full operation of the scheme including maintenance and loan interest payments.

Middle Beach CWMS Charge

In relation to the Middle Beach Scheme, the CWMS charge for both "small tank" and "large tank" has been increased from $430 to $443, an increase of 3%.

Notwithstanding above service fee increase, the income generated for Mallala CWMS is not sufficient to cover its operating expenses as shown below in **Table 17** and not compliant with National Water Initiative Pricing Principles and Essential Services Commission's (ESCOSA) price determination that is applicable to CWMS.

Table 17: CWMS Budget for 2021/2022 ($'000)

Description	Mallala	Middle Beach
CWMS service charges (345 connections X $659 per connection)	227	
CWMS service charges (52 connections X $443 per connection)		23
Total Income	**227**	**23**
Less : Operating Expenses		
Depreciation	125	5
Salaries and Wages	16	-
Interest Payments - CWMS Loan	80	-
Consultants	10	-
Consumables and Hardware	9	1
Contractors	82	7
Electricity	28	6
Insurance	9	1
ESCOSA Licence Fee	2	-
Materials	10	-
Other Expenses	1	1
Total Expenses	**373**	**21**
Net Operating Surplus/(Deficit)	**(146)**	**2**

Kerbside Waste Collection Program

Council provides a three bin refuse collection service (Domestic Waste, Recycling and Organic) within the townships of Mallala, Two Wells and Dublin and a two bin refuse collection service (Domestic Waste and Recycling) in rural and coastal settlement areas. The service is provided to those ratepayers in Council's area that are able to access the service along the designated collection routes. In addition, Council provides a weekly service in which all public bins (street, parks and reserves and sporting club bins) with in the district are emptied to ensure the continued ambiance of public space.

Council has engaged a contractor to carry out kerbside waste collection since February 2018. Outsourcing this service has resulted in a 30% reduction in waste levy from $180 in 2017/2018 Financial Year to $126 in 2018/2019 Financial Year. However, since then, there has been a considerable increase in the disposal costs of waste and recyclables mainly due to changes in the Australian waste collection market following dramatic cuts to the volumes of waste China imports from the rest of the world since January 2018.

In addition, there was a substantial increase in Solid Waste Levy by the South Australian government from 1 July 2019 (Waste levy applicable to Adelaide Plains Council has increased from $55 per tonne from 1 July 2019 to $71.50 per tonne from 1 July 2020) which has resulted in a significant increase in Council's Waste Levy for 2020/2021. This upward trend in waste disposal costs is expected to continue in to 2021/2022 Financial Year.

Kerbside Waste Collection Charges

For 2021/2022 Financial Year, it is estimated that the total cost of the kerbside waste collection program is expected to be increased by 4.30% mainly due to increase cost of recyclables disposal. Therefore, the standard waste collection service charge has been increased from $160 to $167. Accordingly, following waste collection charges are applicable to 2021/2022 Financial Year.

Table 18: Waste Collection Service Charge for 2021/2022 ($'000)

Waste Service Description	Annual Waste Levy ($)
Standard 3-bin or 2-bin waste Service	167
Additional Organic Bin	72
Additional Recycle Bin	55
Additional General Waste Bin	80
Waste Service 1 (distance to pick up point) - 25% discount	125
Waste Service 2 (distance to pick up point) - 50% discount	83

Where the service is provided to rebated land, a service charge is still levied against the land.

Some residents may have to utilise one of 21 collection points to have their bin emptied as the waste collection truck does not traverse all roads in the district. Those residents are entitled to the following waste levy reductions if the resident's collection point is greater than 500 metres from the access point to their land:-

1. If greater than 500 metres but no more than 2 kilometres from the resident's access point to their land, 75% of the annual levy is charged;
2. If greater than 2 kilometres but less than 5 kilometres, 50% of the annual levy is charged;
3. If 5 kilometres or more from the resident's access point to their land, no annual levy is charged.

12.9 Mandatory Township Kerbside Waste Collection Charges

The waste levy is mandatory for properties located within the townships of Mallala, Two Wells and Dublin.

12.10 Payment of Rates

Under section 181 of the Local Government Act, Council must provide the opportunity for all ratepayers to pay rates by quarterly instalments. Council payment dates for the 2021/2022 Financial Year will be 3 September 2021, 3 December 2021, 4 March 2022 and 3 June 2022.

Late Payment of Rates

The Local Government Act provides that Council may impose an initial penalty of 2% on any payment for rates, whether by instalment or otherwise, that is received late. A payment that continues to be late is then charged an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Council allows a further three working days after the due date for payment as a grace period. Thereafter late payment penalties are applied in accordance with the Local Government Act.

Council issues a final notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid more than 28 days after the issue of the final notice, then Council will refer the debt to their debt collection agency for collection. All Court costs incurred by Council in the recovery of outstanding rates and fines are payable by the ratepayer. When Council receives a payment in respect of overdue rates, Council applies the money received as follows:

i. firstly – in payment of any costs awarded to, or recoverable by, the Council in any court proceedings undertaken by the Council for the recovery of the rates;
ii. secondly – in satisfaction for any liability for interest;
iii. thirdly – in payment of any fine;
iv. fourthly – in satisfaction of liabilities for rates in the order in which those liabilities arose in payment of rates, in date order of their imposition (starting with the oldest account first).

12.11 Remission and Postponement of Rates

Postponement of Rates - Hardship

Section 182 of the Local Government Act permits Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates they are invited to contact Council's Rates Officer, on (08) 8527 0200 to discuss the matter. Such enquiries are treated confidentially by Council.

Seniors Rate Postponement

Section 182A of the Local Government Act provides the option for State Senior Card holders to apply to postpone part of their council rates on a long term basis. The deferred amount is subject to a monthly interest charge, with the accrued debt being payable on the disposal or sale of the property. Postponement is similar to a reverse mortgage by relying on the equity in the property. A ratepayer who has a State Seniors Card may apply for postponement of a portion of the council rates payable on property they own if it is their principal place of residence and if no other person other than their spouse has an interest as owner of the property and there is appropriate equity in the property. Further information can be obtained from Council's Rates Officer on (08) 8527 0200.

12.12 Rebate of Rates

The Local Government Act requires councils to rebate the rates payable for certain land uses. This includes a 100% rate rebate granted on places of worship, public cemeteries, hospitals and land occupied by universities, and 75% rate rebates have been granted on educational facilities (subject to some qualifications).

Discretionary rebates may be applied by the Council under section 166 of the Local Government Act. Council annually considers many applications for rate rebates and has in the past, and is again for the 2021/2022 Financial Year, has rebated rates charged to various district community and sporting organisations.

12.13 Sale of Land for Non-Payment of Council Rates

The Local Government Act provides that a council may sell any property where the rates have been in arrears for three years or more. The Council is required to provide one (1) month's notice to the principal ratepayer and the owner (if not the same person) of the land of its intention to sell the land and provide the owner with details of the outstanding amounts. If payment of the outstanding amount is not received within one month the property may be sold. Except in extraordinary circumstances, Council enforces the sale of land for arrears of rates, in accordance with the Local Government Act.

13. Budgeted Financial Statements

Budgeted financial statements for the 2021/2022 Financial Year are given below.

ADELAIDE PLAINS COUNCIL

BUDGETED STATEMENT OF COMPREHENSIVE INCOME FOR 2021/2022

INCOME	**$'000**
Rates	10,923
Statutory charges	496
User charges	170
Grants, subsidies and contributions	1,894
Investment Income	3
Reimbursements	126
Other Income	23
TOTAL INCOME	**13,635**
EXPENSES	
Employee Costs	5,506
Materials, contracts and other services	4,726
Including legal expenditure	*200*
Depreciation, Amortisation & Impairment	2,731
Finance Costs	72
Share of loss - joint ventures & associates	63
TOTAL EXPENSES	**13,098**
OPERATING SURPLUS / (DEFICIT)	537
Net Cost of the CWMS (Mallala & Middle Beach)	(144)
Net Operating Project Expenses	(579)
OPERATING SURPLUS / (DEFICIT)	(186)
Asset Disposal & Fair Value Adjustments	67
Amounts specifically for new or upgraded assets	1,245
Physical resources received free of charge	2,000
NET SURPLUS (DEFICIT)	**3,126**
OTHER COMPREHENSIVE INCOME	
Changes in assets revaluation surplus	1,500
TOTAL COMPREHENSIVE INCOME	**4,626**

ADELAIDE PLAINS COUNCIL

BUDGETED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	$'000
ASSETS	
Current Assets	
Cash and cash equivalents	306
Trade & other receivables	1,031
Inventories	154
Total Current Assets	**1,491**
Non-Current Assets	
Financial Assets (Investment in GRFMA)	5,928
Infrastructure, Property, Plant and Equipment	124,385
Other Non-current Assets	15
Total Non -Current Assets	130,328
Total Assets	**131,819**
LIABILITIES	
Current Liabilities	
Trade & Other Payables	1,353
Borrowings	3,183
Provisions	1,009
Total Current Liabilities	**5,545**
Non-current Liabilities	
Borrowings	1,767
Provisions	220
Total Non-current Liabilities	1,987
Total Liabilities	7,532
NET ASSETS	**124,287**
EQUITY	
Accumulated Surplus	40,868
Asset Revaluation Reserve	81,130
Other Reserves	2,289
TOTAL EQUITY	**124,287**

ADELAIDE PLAINS COUNCIL
BUDGETED STATEMENT OF CASH FLOWS FOR 2021/2022

	$'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts	
Rates - general & other	11,173
Fees & other charges	496
User charges	170
Investment receipts	3
Grants utilised for operating purposes	4,270
Reimbursements	126
Other revenues	23
Payments	
Employee costs	(5,522)
Materials, contracts & other expenses	(7,847)
Finance payments	(153)
Net Cash provided by (or used in) Operating Activities	**2,739**
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	
Grants specifically for new or upgraded assets	1,245
Sale of replaced assets	67
Payments	
Expenditure on renewal/replacement of assets	(2,917)
Expenditure on new/upgraded assets	(3,334)
Net Cash provided by (or used in) Investing Activities	**(4,939)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts	
Proceeds from New Borrowings	2,708
Payments	
Repayments of Borrowings	(507)
Net Cash provided by (or used in) Financing Activities	**2,201**
Net Increase (Decrease) in cash held	**(0)**
Cash & cash equivalents at beginning of period	306
Cash & cash equivalents at end of period	**306**

ADELAIDE PLAINS COUNCIL
BUDGETED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2022

	$'000
ACCUMULATED SURPLUS	
Balance at end of previous reporting period	37,742
Net Result for Year	3,126
Balance at end of period	**40,868**
ASSET REVALUATION RESERVE	
Balance at end of previous reporting period	79,630
Gain on revaluation of infrastructure, property, plant & equipment	1,500
Balance at end of period	**81,130**
OTHER RESERVES	
Balance at end of previous reporting period	2,289
Balance at end of period	**2,289**
TOTAL EQUITY AT END OF REPORTING PERIOD	**124,287**

ADELAIDE PLAINS COUNCIL
BUDGETED UNIFORM PRESENTATION OF FINANCES FOR 2021/2022

	$'000
Operating Revenues	16,261
less Operating Expenses	(16,447)
Operating Surplus / (Deficit) before Capital Amounts	**(186)**
***less* Net Outlays on Existing Assets**	
Capital Expenditure on renewal and replacement of Existing Assets	2,917
less Depreciation, Amortisation and Impairment	(2,862)
less Proceeds from Sale of Replaced Assets	(67)
	(12)
***less* Net Outlays on New and Upgraded Assets**	
Capital Expenditure on New and Upgraded Assets	3,334
less Amounts received specifically for New and Upgraded Assets	(1,245)
	2,089
Net Lending / (Borrowing) for Financial Year	**(2,264)**

14. How to Measure Council Performance

Council's success is measured by the achievement of the strategic objectives outlined in the *Strategic Plan 2017-2020*, which also identifies the desired outcomes expected from the strategic objectives. In addition to the strategic outcomes, Council also measures its achievements through the following non-financial and financial Indicators.

Non-Financial Indicators

To ensure that Council delivers on the strategic objectives set out in the *Strategic Plan 2017-2020* and *Annual Business Plan*, it is paramount that annual budget activities and projects are completed on time while delivering project outcomes as planned. Therefore, the progress of the activities and projects will be closely monitored to ensure that there will be no project delays and budget overruns.

Financial Indicators

When evaluating activities undertaken during any given financial year, Council considers a number of factors, one being its future financial sustainability.

A series of financial indicators have been developed by the local government sector to assist in determining whether a council is financially sustainable or moving to a position of financial sustainability.

Financial indicators which are used by the Council to measure performance and financial sustainability as recommended by the Model Financial Statements approved by the Minister for Local Governments and Local Government Association of South Australia are:-

1. Operating Surplus Ratio - Desired level is 0% and 10% on average over long term;
2. Asset Sustainability Ratio - Desired level is greater than 90% but less than 110% on average over long term; or
3. Net Financial Liabilities Ratio- Desired level is greater than 0% but no more than 100% on average over long term.

Operating Surplus/ (Deficit) Ratio

Council's long term financial sustainability is dependent upon ensuring that, on average over time, its operating income is higher than operating expenses (i.e. an operating surplus).

The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of operating income. A positive ratio indicates the percentage of operating income available to help fund planned capital expenditure. A negative ratio indicates the percentage increase in operating income or the approximate decrease in operating expenses required to achieve a break-even operating result.

Figure 6 below shows Adelaide Plains Council's operating results and Operating Surplus/(Deficit) Ratio since 2015/2016 Financial Year. Accordingly it has reported an operating deficit throughout the period, except for in two (2) financial years.

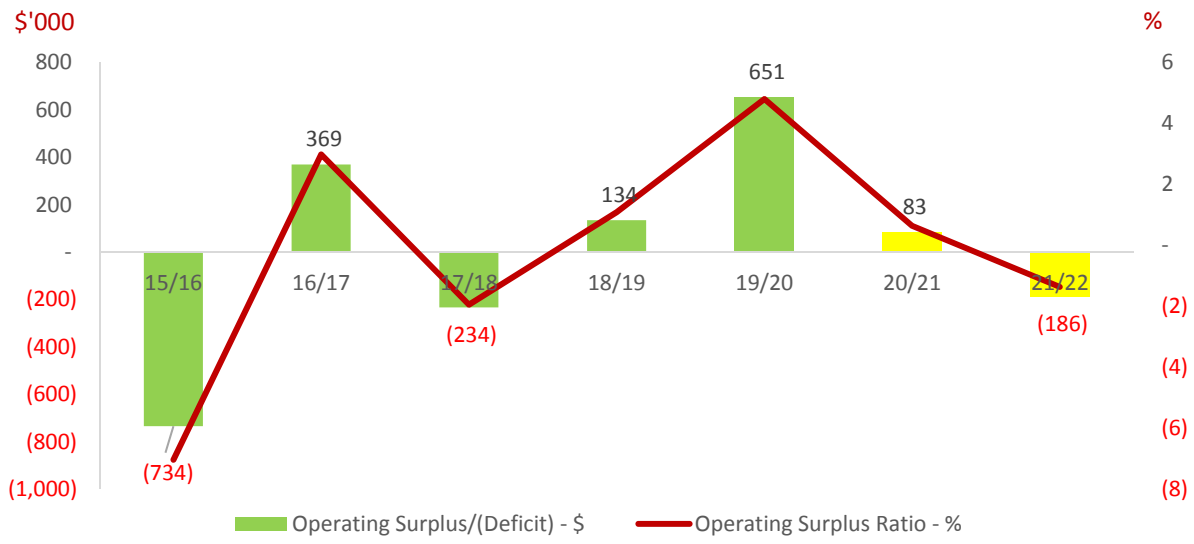


Figure 6: Operating Surplus/ (Deficit) Ratio

Asset Sustainability Ratio

Asset Sustainability Ratio measures whether Council is renewing or replacing existing physical assets (roads, footpaths, stormwater drainage, buildings, plant and equipment and furniture and fittings etc.) at the same rate the stock of these assets is wearing out. The ratio is calculated by measuring actual capital expenditure on renewal or replacement of assets, relative to the expenditure on renewal or replacement of assets as per Council's Infrastructure and Asset Management Plan.

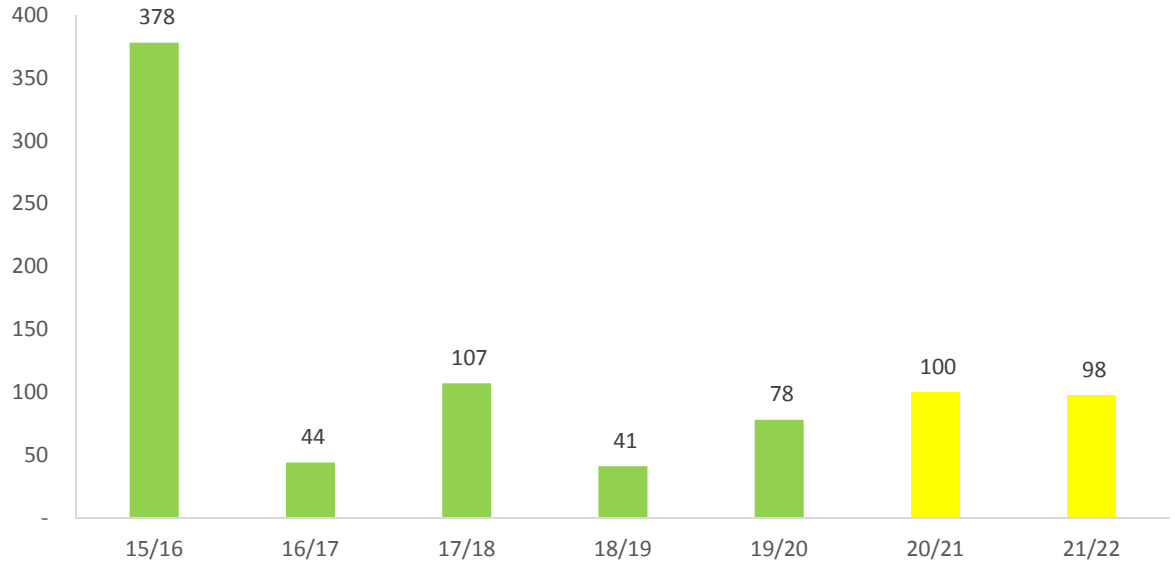


Figure 7: Asset Sustainability Ratio (%)

Net Financial Liabilities Ratio

This ratio indicates the extent to which the net financial liabilities of Council or its total indebtedness can be met by Council's total operating revenue. Net financial liabilities measure a council's indebtedness. It is a broader measure than net debt as it includes all of a council's obligations including provisions for employee entitlements and creditors.

The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. Net financial liabilities equals total liabilities less financial assets where financial assets include cash, investments, and loans to community groups, receivables and prepayments. Where the ratio is increasing, it indicates a greater amount of a council's operating revenues is required to service its financial obligations.

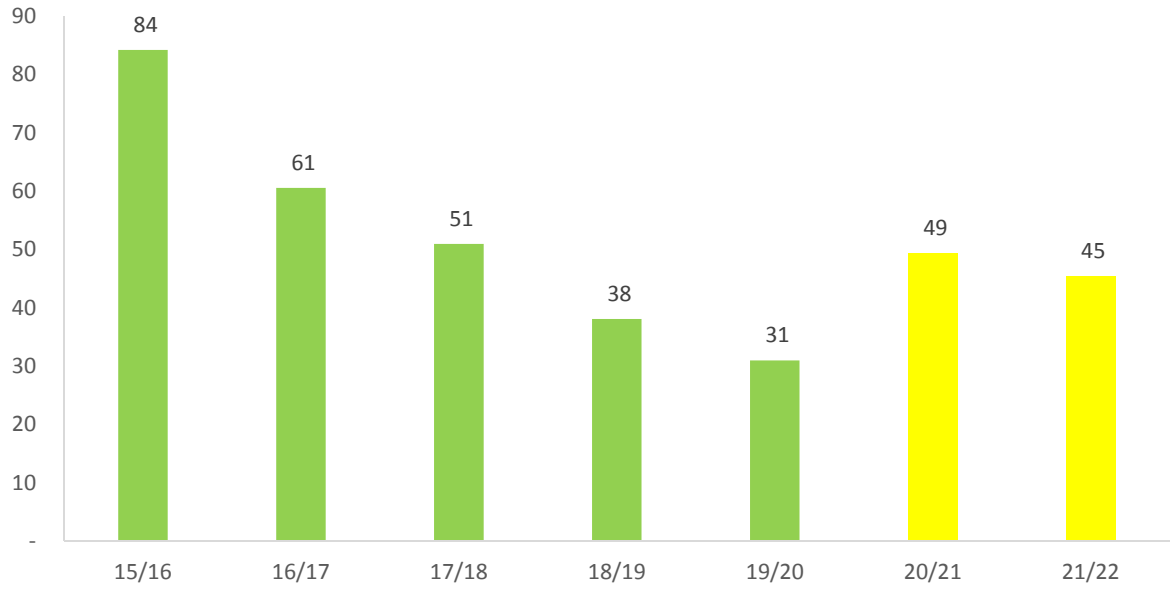


Figure 8: Net Financial Liabilities Ratio (%)

	4.2	Consideration of Projects to be Carried Forward from 2020/2021 to 2021/2022
Adelaide Plains Council	**Department:** **Report Author:**	**Finance and Business** **General Manager – Finance and Business**
Date: 8 July 2021	**Document Ref:**	**D21/29372**

EXECUTIVE SUMMARY

- The purpose of this report is to seek Council approval for the continuation of projects that were budgeted for in the 2020/2021 Financial Year and are committed or underway but not completed at the end of that financial year, and to endorse those projects being carried over to the 2021/2022 Financial Year.
- In keeping with part 3.4 of Council's *Budget Management Policy*, capital projects and major operating activities that are committed or underway but not yet completed at the end of one financial year need to be reviewed and considered for carrying forward as soon as practicable in the relevant financial year (i.e. 2021/2022).
- There are a total of 20 outstanding projects which were budgeted but not completed as at 30 June 2021. That includes;
    - 12 Operating Projects, with an unspent budget of $0.421m (net of grants); and
    - Eight (8) Capital Projects, with an unspent budget of $0.757m (net of grants);
- It is recommended that Council endorse a budget variation to take into account projects that were budgeted for and not completed in the 2020/2021 financial year, so that those projects will be carried over to the 2021/2022 Financial Year.

RECOMMENDATION

"that Council, having considered Item 4.2 – *Consideration of Projects to be Carried Forward from 2020/2021 to 2021/2022*, dated 8 July 2021, receives and notes the report and in doing so instructs the Chief Executive Officer to:-

1. **Carry forward projects not completed by 30 June 2021 and continue with the implementation in 2021/2022 Financial Year as identified in the Attachment 1;**
2. **Make necessary budget revision in 2021/2022 Financial Year to account for the carry over amounts as identified in the Attachment 1 on the condition that the total budget for the projects in the Attachment 1 do not exceed the combined budgets for 2020/2021 and 2021/2022 Financial Years; and**
3. **Advise the Council regarding final carry over amounts as part of the September 2021 Budget Review."**

BUDGET IMPACT

Estimated Cost:	Net carry over Operating Projects costs of $0.421m
	Net carry over Capital Projects costs of $0.757m
Future ongoing operating costs:	Not Applicable.
Is this Budgeted?	Not Applicable

RISK ASSESSMENT

Nil

Attachment

1. Potential Carry Over Projects to 2021/2022 Financial Year

DETAILED REPORT

Purpose

The purpose of this report is for Council to consider a budget variation in 2021/2022 financial year to take into account projects that were budgeted for in the 2020/2021 year and are committed or underway but not completed at the end of that financial year, and to endorse those projects being carried over to the 2021/2022 financial year.

Background/History

Policy Position

Council's *Budget Management Policy*, reviewed by Council's Audit Committee, and subsequently reviewed and adopted by Council on 24 February 2020, provides:

> *3.4 Guidelines in relation to the carry forward of expenditure authority associated with projects included in the budget for the previous financial year.*
>
> *Funding approval for budgeted activity not completed at the end of any budget year is forfeited unless approval to carry-over the activity and associated budget allocation is granted by Council.*
>
> *While there may be one-off exceptions, operating activity budgeted for but not expended in a year generally should not be carried forward to the following year. Identifiable projects that will not commence in the year that they have been budgeted for should be re-evaluated and where warranted included in the budget for the following year at the time of its adoption. Similarly capital projects that have not commenced in one year should be considered against other competing priorities in determining the content of the budget for the following year rather than treated separately as 'carried forwards'.*
>
> ***The scope and funding requirements of capital projects and major operating-type activities that are committed or underway but not completed at the end of one-financial year needs to be reviewed and the projects/activities considered for carrying forward as soon as practicable in the relevant financial year.***
>
> *Any request for carrying forward activity needs to clearly highlight whether the scope of each activity item and its associated funding quantum is proposed to be varied from that previously approved and if so the reasons for same. Any impact on the achievement of the targets for a financial indicator established in Council's original budget for the current year also should be identified.*

Discussion

The draft 2021/2022 Budget as contained in the agenda item 4.1 (draft budget) estimates an Operating Deficit of $0.186m which consists of:

- Recurrent budget surplus of $0.393m; and
- Net Operating Project budget of $0.579m;

In addition draft budget also includes:

- capital project budget of $6.251m; and
- new short-term loan borrowings $2.708m

Draft budget has been prepared based on income and expenses (including new projects expenditures) budgets for 2021/2022 Financial Year only and does not include budget allocation for carry over projects from 2020/2021 Financial Year in line with Council's Budget Management Policy.

However, based on information available as of 5 July 2021, 12 operating projects with en estimated net cost of $0.421m were not completed by 30 June 2021 (Please refer to **Attachment 1**). These 12 projects have commenced either in 2020/2021 or previous financial years and are in progress with relevant financial commitments issued to consultants/contractors or have contractual obligations to deliver the project.

Attachment 1 also contains the information on carry over capital projects. Accordingly, eight (8) capital projects with an estimated net cost of $0.757m were not completed by 30 June 2021.

The total value of carry over project is summarised below.

Description	Amount
Net Operating Projects costs to be carry over **(Attachment 1)**	$0.421m
Net Capital Projects costs to be carry over **(Attachment 1)**	$0.757m
Total Carry Over	**$1.178m**

- Financial impact of carry over Operating Projects on the 2021/2022 Financial Year

Operation Results

Once the net cost of the operating projects ($0.421m) is incorporated in to the 2021/2022 budget as part of First Budget Update in September 2021 (to be presented to the November 2021 Council meeting), the operating deficit is expected to be increased by $0421m. (The value of the carry over amounts would be confirmed following the finalisation of the 2020/2021 Financial Year accounts).

Borrowings

Following the Third Budget Update for 2020/2021 Financial Year, it was estimated that new short-term borrowings of $2.249m will be required in 2020/2021. However, due to carry over projects as summarised in the above table, short-term borrowings of $1.178m budgeted for 2020/2021 Financial Year will not be required and hence carry over to 2021/2022 Financial Year.

Conclusion

Inclusion of prior year projects not completed by 30 June 2021 recognises Council commitments to continue with those project in the 2021/2022 Financial Year.

References

Legislation

Local Government Act 1999

Council Policies/Plans

Budget Management Policy

2020/2021 Annual Business Plan and Budget

2021/2022 Annual Business Plan and Budget

List of Potential Carry Over Projects to 2021/2022 Financial Year

Operating Projects	Amount budgeted in 2020/2021	Actual Spend as of 5 July 2021	Potential Carried over amount	
Costs				
Installation of single lane roundabout	500,000	-	500,000	Department for Infrastructure and Transport is negotiating land acquisition required to begin the project. This could be a short or very drawn out process. $439,500 is funded under Heavy Vehicle Safety and Productivity Program.
Wasleys Bridge Maintenance	215,000	9,279	205,721	This project is expected to be completed by 31 December 2021 due to late approval to grant application. 50% funded under 'Bridge Renewal Program round 5.
Two Wells Main Street Upgrade – Detailed design work	142,000	89,427	52,573	Signage & branding component is to be carried over.
Establish a horse float parking area in Parham	50,000	-	50,000	Carry over due to land access and State Government approval.
Two Wells Resource Recovery Centre - Bin Retaining Wall/Container for Mattresses	40,000	12,489	27,511	In progress.
Parham Community Emergency Management Plan and Animal Management Plan Review	45,000	23,229	21,771	Draft Animal Management Plan has been prepared and submitted to the Dog & Cat Management Board for comment & approval before commencing public consultation. Parham Community Emergency Management strategy has been prepared & community information process is to be confirmed.
Relocation - TW Trotting Club	40,000	11,766	28,234	In progress.
Tourism (Economic Development) Strategy	35,700	11,440	24,260	Draft strategy prepared and Council endorsement is required for public consultation.
Undertake Heritage Study in Council areas	30,000	11,304	18,696	To be completed in early July.
Economic Development Initiatives	50,000	32,705	17,295	In progress.
Prudential Review of office accommodation	21,745	5,000	16,745	In progress.
New Residents Kits/Business & Community Directory	10,000	5,000	5,000	In progress.
Total Budget Unspent			**967,806**	
Grant Income				
Installation of single lane roundabout	(439,500)	-	(439,500)	
Wasleys Bridge Maintenance	(107,500)	-	(107,500)	
Net Costs	**632,445**	**211,639**	**420,806**	

Capital Projects	Amount budgeted in 2020/2021	Actual Spend as of 5 July 2021	Potential Carried over amount	
Costs				
Coats Road - Construct and Seal (LRCIP Round 2)	376,000	1,854	374,146	Deadline for LRCIP round 2 completion is 31 December 2021.
Two Wells Village Green	253,005	-	253,000	Funded by Open Space Maintenance Fund
Local Road and Community Infrastructure Program (LRCIP) - Round 1	345,459	150,906	194,553	Parham Campgrounds Toilet Facility, Two Wells Oval – Toilet Block, Mallala Museum - Upstairs air conditioning are to be completed.
New Public Toilet at the Village Green, Two Wells	182,179	15,697	166,482	In progress.
Sealing of Wheller Road	141,000	-	141,000	In progress.
Dublin Lions Park - Toilet Block Renewal	180,000	52,003	127,997	In progress.
Middle Beach - New Shelter & BBQ etc. (LRCIP Round 2)	94,489	-	94,489	Deadline for LRCIP round 2 completion is 31 December 2021.
Sealing of Dawkins Road/Bethesda Road Intersection	70,000	-	70,000	Grant application was submitted to Black Spot Program in October 2020. If the application is unsuccessful, this project will not go ahead.
Total Budget Unspent			**1,421,667**	
Grant Income				
Local Roads & Community Infrastructure Program - Round 2	(470,489)	-	(470,489)	Deadline for LRCIP round 2 completion is 31 December 2021
Local Roads & Community Infrastructure Program - Round 1	(345,459)	(150,906)	(194,553)	
Net Costs	**826,184**	**69,554**	**756,625**	
Total Carry Over Budget			**1,177,431**	

Adelaide Plains Council	**5.1 Confidential Item**
8 July 2021	

5.1 Trans-Tasman Energy Group Claim

RECOMMENDATION

"that:

1. **Pursuant to section 90(2) of the Local Government Act 1999, Council orders that all members of the public, except Chief Executive Officer, Acting General Manager – Governance and Executive Office, General Manager – Finance and Business, General Manager – Infrastructure and Environment, General Manager – Development, Community, Administration and Executive Support Officer/Minute Taker and IT Support Officer be excluded from attendance at the meeting of Council for Agenda Item 5.1 – *Trans-Tasman Energy Group Claim***

2. **Council is satisfied that pursuant to section 90(3)(h) and 90(3)(i) of the Local Government Act 1999, Agenda Item 5.1 – *Trans-Tasman Energy Group Claim* contains:**

    a. **Legal advice, being advice from HWL Ebsworth in relation to the Trans-Tasman Energy Group Claim and**

    b. **Information relating to litigation that the Council believes on reasonable grounds will take place involving the Council, being details of the Trans-Tasman Energy Group Claim and**

3. **Council is satisfied that the principle that Council meetings should be conducted in a place open to the public has been outweighed by the need to keep the information, matter and discussion confidential."**

RECOMMENDATION

"that Council, having considered the matter of Item 5.1 – *Trans-Tasman Energy Group Claim* in confidence under sections 90(2) and 90(3)(h) and 90(3)(i) of the *Local Government Act 1999,* resolves that:

1. **The report pertaining to Item 5.1 – *Trans-Tasman Energy Group Claim* remain confidential and not available for public inspection until further order of the Council;**
2. **Pursuant to section 91(9)(a) of the *Local Government Act 1999*, the confidentiality of the matter will be reviewed every 12 months; and**
3. **Pursuant to section 91(9)(c) of the *Local Government Act 1999,* the Committee delegates the power to revoke this confidentiality order to the Chief Executive Officer."**