



# NOTICE

of

## SPECIAL COUNCIL MEETING

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

TO BE HELD IN

**COUNCIL CHAMBERS  
PLAYFORD CIVIC CENTRE  
10 PLAYFORD BOULEVARD, ELIZABETH**

ON

**TUESDAY, 8 MARCH 2016 AT THE CONCLUSION  
OF THE STRATEGIC PLANNING COMMITTEE MEETING**

A handwritten signature in black ink, appearing to read "Mal Hemmerling", with a long horizontal stroke extending to the right.

**MAL HEMMERLING  
CHIEF EXECUTIVE OFFICER**

Issue Date: Thursday, 3 March 2016

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### MEMBERSHIP

#### **MAYOR GLENN DOCHERTY – Principal Member**

Cr Marilyn Baker	Cr Samantha Blake	Cr Andrew Craig
Cr Denis Davey	Cr Joe Federico	Cr Shirley Halls
Cr Michael Joy	Cr Duncan MacMillan	Cr Dino Musolino
Cr Carol Muzyk	Cr Jane Onuzans	Cr Max O'Rielly
Cr Peter Rentoulis	Cr Adam Sherwood	Cr Gay Smallwood-Smith

# CITY OF PLAYFORD STRATEGIC PLAN

<b>Strategy 1 - Our foundations – services, city presentation and community pride</b>	
Playford will rebuild itself with a range of facilities and services providing a village lifestyle that is connected socially and physically through a network of open spaces and sustainable trails. A sense of identity will pervade in the City with residents and businesses alike being proud of the community in which they chose to live and work.	<p>Outcomes:</p> <ul style="list-style-type: none"> <li>1.1 Liveable City with mix of services and facilities</li> <li>1.2 Environmental responsibility</li> <li>1.3 Attractive and sustainable open spaces</li> <li>1.4 Improved visual amenity</li> <li>1.5 Enhanced reputation</li> </ul>
<b>Strategy 2 - Securing Playford's future and building value</b>	
Playford will ensure that the land that we own or govern is preserved for appropriate residential, manufacturing, horticultural, agricultural, commercial and recreational needs. We will undertake structure planning and build assets and infrastructure that secure our social, environmental and economic future.	<p>Outcomes:</p> <ul style="list-style-type: none"> <li>2.1 Well planned and sustainable City</li> <li>2.2 Diversified and expanding economic base</li> </ul>
<b>Strategy 3 - Elizabeth, Adelaide's Northern CBD</b>	
Playford will further develop the Elizabeth Regional Centre as the major retail, commercial, education, social services, arts and entertainment centre for the region. This development will integrate with and underpin adjacent urban renewal, a Regional Sports Precinct, the Lyell McEwin Health Precinct, and a regional Education and Training Precinct with expanded tertiary facilities linked into developing manufacturing industries and the Defence Precinct.	<p>Outcomes:</p> <ul style="list-style-type: none"> <li>3.1 Provision of CBD facilities and services</li> <li>3.2 Vibrant, walkable and cosmopolitan lifestyle</li> <li>3.3 Opportunities for social interactions</li> </ul>
<b>Strategy 4 - Securing Playford's future in the global economy</b>	
The City of Playford will capitalise on its strategic geographical position and demographics to work with other local government bodies, the State and Commonwealth governments, applied research bodies and other regions to establish a diverse industry base and expand its defence, advanced manufacturing, horticulture, health and ageing industry sectors to provide local jobs for local people, capitalising on the digital economy, as the foundation for a rising standard of living for the community.	<p>Outcomes:</p> <ul style="list-style-type: none"> <li>4.1 Key economic drive of the State</li> <li>4.2 Robust local economy with local job opportunities</li> <li>4.3 Part of Southern Food Bowl with national and international links</li> <li>4.4 Re-focused manufacturing to support economic growth in the north of the State</li> </ul>
<b>Strategy 5 - Building our capabilities</b>	
As the entity responsible for many of the needs of its community, the City of Playford will focus on improving its financial performance, innovation and skills in partnership development and advocacy to resource and guide the achievement of this strategic plan.	<p>Outcomes:</p> <ul style="list-style-type: none"> <li>5.1 Highly performing organisation</li> <li>5.2 Delivering value for money services</li> <li>5.3 Effective government and private sector partnerships.</li> </ul>

**City of Playford  
Special Council Meeting**

**AGENDA**

**TUESDAY, 8 MARCH 2016 AT THE CONCLUSION  
OF THE STRATEGIC PLANNING COMMITTEE MEETING**

**1. ATTENDANCE RECORD**

- 1.1 Present
- 1.2 Apologies
- 1.3 Not Present

**2. DECLARATIONS OF INTEREST**

**3. STAFF REPORTS**

*Matters which cannot be delegated to a Committee or Staff*

- 3.1 National Stronger Regions Fund Round 3 Application - Playford Sports  
Precinct Stage 2 .....5

*Matters for Information*

- 3.2 Mid Year Review - Year-End Forecast (Attachment) .....14

**4. CONFIDENTIAL MATTERS**

Nil

**5. CLOSURE**

## STAFF REPORTS

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***Matters which cannot be  
delegated to a Committee or Staff***

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### 3.1 NATIONAL STRONGER REGIONS FUND ROUND 3 APPLICATION - PLAYFORD SPORTS PRECINCT STAGE 2

Contact Person: Mr Sam Green

#### Why is this matter before the Council or Committee?

Matters which cannot be delegated to a Committee or Staff.

#### Purpose

Seek Council endorsement for the submission of an application for Round Three of the National Stronger Regions Fund.

#### STAFF RECOMMENDATION

1. Council endorses the submission for Round Three of the National Stronger Regions Fund for the development of Stage Two of the Playford Sports Precinct.
2. Council endorses funding for the development of Stage Two of the Playford Sports Precinct if successful in receiving funding in Round Three of the National Stronger Regions fund.
3. The associated budget submission, for consideration in the Annual Business Plan process, should allocate operating expenses over the 2016/17 and 2017/18 financial years.

#### Relevance to Strategic Plan

Strategy 3. Elizabeth, Adelaide's northern CBD

Outcome 3.1 Provision of CBD facilities and services

#### Relevance to Public Consultation Policy

The development of an application for the National Stronger Regions Fund does not require community consultation as per Council's Public Consultation Policy. Council is required to consult on the Annual Business Plan. Allocation of funding to the Playford Sports Precinct will be included in Annual Business Plan allowing the community to provide feedback to Council.

#### Background

The Australian Government announced the National Stronger Regions Fund (NSRF) in early October 2014. The NSRF will invest \$1 billion over five years and support investment in the priority economic and infrastructure areas – from freight and transport projects to convention centres and major multipurpose sports facilities. The investment will have a focus on strengthening regions by improving the productivity, employment, and workforce skills.

Applications can seek funding for amounts between \$20,000 and \$10 million and require at least a dollar for dollar contribution. Land does not count towards the fifty percent matching cash funding, but can be included as an in-kind contribution. Two applications may be submitted for each round.

The desired outcomes of the NSRF are:

- Improved level of economic activity in regions;
- Increased productivity in the regions;
- Increased employment and a more skilled workforce in regions;
- Increased capacity and improved capability of regions to deliver major projects, and to secure and manage investment funding;
- Improved partnerships between local, state and territory governments, private sector and community groups; and
- More stable and viable communities, where people choose to live.

Applications are appraised against each of the following assessment criteria:

- Assessment Criterion 1: The extent to which the project contributes to economic growth in the region;
- Assessment Criterion 2: The extent to which the project supports or addresses disadvantage in the region;
- Assessment Criterion 3: The extent to which the project increases investment and builds partnerships in the region; and
- Assessment Criterion 4: The extent to which the project and proponent are viable and sustainable.

Projects must deliver an economic benefit. The Assessment Criteria is weighted in the appraisal process. Assessment Criterion 1 represents three parts, Assessment Criterion 2 represents two parts, and Assessment Criteria 3 and 4 represent one part each of the total assessment score.

The NSRF guidelines provide additional definition regarding what economic benefit is including, but not limited to:

- more efficient use of resources;
- increases to productivity or capacity;
- the creation of direct and indirect employment, beyond the construction phase of the project;
- increases to output, exports and import replacement, or market share;
- increases in industry and economic competitiveness, including by reducing costs;
- more efficient supply chains, including through more efficient transport networks;
- diversification of the industrial base and local businesses;
- increases to capability to access funding and deliver a project of a significant size and scale;
- use of local and nationally produced goods and services, where it is appropriate and cost effective; and
- the extent to which the project halts a mooted or foreseen decline in a region, or otherwise stems a decline in employment, operating businesses, output or population.

Economic growth also delivers social and community benefits. These benefits need to be quantified and supported by evidence in the application.

## Key Dates

The Australian Government has announced the opening of Round Three of the NSRF opening on 15 January 2016 and closing on 15 March 2016. Announcements for Round Three projects are expected in July 2016.

## **Analysis of Issues**

Council submitted two applications for Round Two of the NSRF in July 2015, one for the Northern CBD Project and one for Stage Two of the Playford Sports Precinct.

There were 514 applications submitted in Round Two of the NSRF, with 274 applications meeting all the assessment criteria and only 111 projects approved for funding.

The Playford Sports Precinct application was one of the projects that met all the assessment criteria but failed to be recommended for funding by the Ministerial Panel.

The Department of Infrastructure and Regional Development, who are responsible for administering the NSRF provided feedback sessions for all applicants in Round Two. They advised that due to the fact the City of Playford's Sports Precinct Application met all the assessment criteria, Council should strengthen its application prior to re-submitting to a later round. This advice is supported by Regional Development Australia (Adelaide Metropolitan Region). Council administration have strengthened the application based on the feedback received from the Round 2 application.

### Summary of the Playford Sports Precinct Application:

The Playford Regional Sports Precinct is a large multi sports complex that includes diverse sports and recreation components that individually or collectively provide a destination for sport and have the potential to draw people from across the region and state. The facilities within the sports precinct will be of high quality being designed to cater for a strong focus on sports development, achievement and community inclusion.

The City of Playford's Regional Sports Precinct Master Plan was endorsed in June 2013, the staged project will span across a 50 hectare site to the south of the Elizabeth CBD including the Aquadome, Elizabeth Oval, Ridley Reserve, Spruance Oval and the Playford International College and Kaurna Plains School.

The sports themselves are the centre of gravity for the precinct and although they represent the primary functions of the sports precinct there are many more activities brought to the precinct by the clubs and governing bodies. Being situated between and in close proximity to the CBD and the health precinct, the location of the sports precinct enables significant interconnectivity with transport and commercial hubs, while facilitating interoperations with preventative health and rehabilitation initiatives.

Council has committed to Stage One of the precinct, consisting of Tennis, Lawn Bowls and a shared use path. In addition since Council's Round Two NSRF Application was submitted in July 2015, Adelaide United Football Club (AUFC) have moved into their training base, lighting is being installed on all four pitches within the Soccer Complex and construction works have commenced at AUFC's administration offices within the Aquadome on Elizabeth Way.

The Application for Round Three funding will focus on Stage Two of the Playford Sports Precinct. This includes seeking fifty per cent funding for:

- Development of the Softball Complex featuring two national standard diamonds and associated lighting, four turf diamonds, club rooms and car parking;
- Upgrading of Harvey Road to improve pedestrian safety and connection; and
- Continuing to develop the Soccer Complex, including one FIFA standard synthetic pitch, one natural turf pitch, club rooms featuring spectator seating, and car parking.

The facility components listed above are consistent with the Playford Sports Precinct Master Plan and importantly have strong support from AUFC. Since establishing themselves within the Playford Sports Precinct in September 2015, AUFC have indicated their strong desire to expand their use within the Soccer Complex. This will see AUFC sharing facilities with other local clubs and associations and build on their already successful Football School which has been established locally.

#### Community Access within the Playford Sports Precinct

The delivery of Stage Two of the Playford Sports Precinct will result in the need to restrict community access across certain facilities and will require community consultation to modify the Community Land Management Plan. Both the artificial soccer pitch and national standard softball diamonds are likely to require perimeter fencing, due to the need to maintain the surfaces to a high standard and control spectator entry for local, regional, state and national competitions.

The table below is intended to summarise the access arrangements for each component within the Playford Sports Precinct.

<b>Sport</b>	<b>Facility Description</b>	<b>Access Arrangements</b>
Australian Rules Football	Elizabeth Oval (Playford Alive Oval)	Oval is fenced with gate access for the community. The oval is allocated to Central Districts Football Club (CDFC) for training and matches throughout the winter season.
	Kaurna Plains School and Playford International College Reserves	Community access is to be negotiated by Council through a shared use agreement with DECD and schools. Council intends to allocate sporting club use after school hours with CDFC the main user group.
Lawn Bowls	Elizabeth Bowls Club site	The new facility is likely to be leased to the Playford Bowls Club. The facility will be accessible to members, schools and the community through non-member programs i.e. night owls.
Softball (Ridley Reserve – Phillip Highway end)	Four Turf Diamonds	Turf diamonds do not require fencing and will be accessible to the community at all times. The diamonds will be allocated to Central District Softball Association for training and competitions in the Summer season, and allocated to Central District Football Club for junior training and competitions in the winter season.
	Two National Standard Diamonds	Diamonds will be fenced with gate access for the community. Diamonds will be allocated to the Central District Softball Association in both the summer and winter seasons. Diamonds will be suitable for junior baseball also.
Soccer (Ridley – Fairfield Road end)	AUFC Training Base	Facility is fenced and leased to AUFC with no community access
	Synthetic Pitch	Facility will require perimeter fencing to protect the turf



		and will likely be managed by Council or a Soccer Association. Pitch hire will be available to local leagues, clubs and schools.
	Natural Turf Pitch	Pitch will not require fencing and will be available to the community at all times. The pitch will be allocated to local leagues and clubs for training and competitions in the winter season.
Tennis (Spruance Reserve)	Tennis Centre (plexi-pave courts)	The new facility will be fenced and will likely require a commercial management structure, incorporating the Playford Tennis Club. The facility will be accessible to members, schools and the community through non-member programs i.e. casual court hire.
	Two Community Courts	Courts will not be fenced and will be available to the community at all times
Indoor Sports	New Four Court Stadium adjacent Central Districts Football Club	Indoor facility with a commercial management structure. Users will pay to access the facility or require a membership with an associated club or league i.e. newly formed Playford Basketball League
Aquatic Sports	Aquadome	Indoor facility with a commercial management structure (currently managed by the YMCA). Users pay to access the facility or require a membership through the Playford Swimming Club
Open Space (Ridley Reserve – 'Putting Green')	Putting Green	No fencing required - full community access. Portion of the site is identified for a commercial venue in the Master Plan.

### Summary of Access Arrangements:

Type of Access	Approx. % of Area
Full Community Access	36
Community Access - Fencing with Gate Access	16
Community Access - Commercial and/or Indoor Facility (User Pay or Membership through Associated Club/League)	21
Community Access - DECD Land	14
No Community Access – AUFC Training Base	13
<b>Total</b>	<b>100</b>

## **Options**

### Option 1

1. Council endorses the submission for Round Three of the National Stronger Regions Fund for the development of Stage Two of the Playford Sports Precinct.
2. Council endorses funding for the development of Stage Two of the Playford Sports Precinct if successful in receiving funding in Round Three of the National Stronger Regions fund.
3. The associated budget submission, for consideration in the Annual Business Plan process, should allocate operating expenses over the 2016/17 and 2017/18 financial years.

### Option 2

1. Council endorses the submission for Round Three of the National Stronger Regions Fund for the development of Stage Two of the Playford Sports Precinct.
2. Council endorses funding for the development of Stage Two of the Playford Sports Precinct if successful in receiving funding in Round Three of the National Stronger Regions fund.
3. The associated budget submission, for consideration in the Annual Business Plan process, should allocated operating expenses over \_\_\_\_\_ financial year(s).

### Option 3

Council does not submit an application for Round Three off the National Stronger Regions Fund.

## **Analysis of Options**

### Option 1

The Playford Regional Sports Precinct is seen by Council as a high priority project. It has been identified as a Lighthouse Project within Council's Strategic Plan and more recently it has been documented as a priority within the Northern Economic Plan. Council, by making this decision, will be prioritise allocating of funding for this project, as well as effectively making this project a higher priority for funding than all other Unfunded Services identified in the Annual Business Plan.

If Council is successful in obtaining funding through Round Three of the NSRF Council will need to allocate the matching funding. In preparation for the 2016/17 financial year, direction is required from Council regarding when the associated operating expenses should be recognised. This option spreads the impact across the 2016/17 and 2017/18 financial years, to minimise the impact.

The successful funding of the project will help drive project delivery and build momentum on the back of the construction of the Tennis Centre, Lawn Bowls Centre, AUFC Training Base and Administration Offices.

## Option 2

Council supports the development of the Playford Sports Precinct, but wishes that the funding for Stage Two is recognised in alternative financial years to that identified in Option 1. Council may wish to know that funding has been secured through the National Stronger Regions fund prior to allocating the operating funds to the project. Council will not know if it has secured the funding until July 2016, following the finalisation of the 2016/17 Annual Business Plan.

## Option 3

Council may wish to not to submit an application to Round Three of the NSRF and consider submitting an application when future rounds open.

## **Financial Implications**

The total project cost identified in the Application is estimated at \$9.9M. If successful in receiving NSRF Council will need to fund \$4.95M capital expenditure.

Council has not allocated any funding for Stage 2 of the Regional Sports Precinct. If Council was successful, the \$4.95M capital funding allocation would need to be approved via the Annual Business Plan process. Council needs to consider in which financial year it will allocate funding to the project. There are funding scenarios, outlined below in the discussion on the financial impact on the Long Term Financial Plan.

Receiving grant funding for either project may increase Council's ability to fund a range of other initiatives.

## Financial Impact On Long Term Financial Plan

A preliminary review of the funding implications on the Long Term Financial Plan (LTFP) has been conducted. The preliminary ongoing operating cost of the bid is estimated to be \$586k, if successful in receiving funding. If Council fully funded the project, the ongoing operating costs would be \$1.28M. The Long Term Financial Plan does not have unallocated operating expenditure that can be used to offset the additional funding required, and Council would need to allocate the operating expenditure via increasing rates, increasing the operating deficit, or reallocation of funding from other services.

<b>Playford Sports Precinct Options</b>	<b>2016/17</b>	<b>2017/18</b>
Funding Scenario 1 – Operating funded over two financial years <ul style="list-style-type: none"> <li>• Capital</li> <li>• Operating</li> </ul>	Net Capital \$1.87m <b>Operating \$204k</b>	Net Capital \$3.08m <b>Operating \$382k</b>
Funding Scenario 2 – Operating funded in 2016/17 only <ul style="list-style-type: none"> <li>• Capital</li> <li>• Operating</li> </ul>	Net Capital \$1.87m <b>Operating \$586k</b>	Net Capital \$3.08m
Funding Scenario 3 – Operating Funded in 2017/18 <ul style="list-style-type: none"> <li>• Capital</li> <li>• Operating</li> </ul>	Net Capital \$1.87	Net Capital \$3.08 <b>Operating \$586k</b>
Funding Scenario 4 – No NSR Funding – fully funded by Council <ul style="list-style-type: none"> <li>• Capital</li> <li>• Operating</li> </ul>	Net Capital \$2.7m <b>Operating \$1.28M</b>	Net Capital \$6.3m

If successful, it is recommended that Council's funding commitment be split across the 2016/17 and 2017/18 financial years, with various scenarios outlined in the table above. A budget submission reflecting Scenario 1 has been included in the suite of submissions currently under consideration by Council as part of the 2016/17 annual business planning process. By endorsing Option 1, Council would be pre-committing at least \$204K ongoing operating funding from the 2016/17 budget and would be effectively prioritising this project ahead of other submissions under consideration.

If Council allocates funding for this submission in the 2016/17 budget but is subsequently unsuccessful in its Round 3 NSRF bid, it would need to reconsider its approach to resourcing Stage 2 of the Sports Precinct, and make corresponding adjustments for this in its 2017/18 budget.

### **Preferred Options and Justification**

Option One is the preferred option as the attraction of external funding will drive the delivery of the Playford Sports Precinct and balance the funding impact on the community across multiple financial years.

# STAFF REPORTS

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## *Matters for Information*

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### **3.2 MID YEAR REVIEW - YEAR-END FORECAST**

See Attachment No: 1. 2015/16 Forecast Financial Statements

#### **Why is this matter before the Council or Committee?**

Matters for Information.

#### **Purpose**

To inform Council whether the organisation is on track to achieve its financial targets as outlined in the budget.

#### **STAFF RECOMMENDATION**

Council receives the Mid Year Review Report and 2015/16 Forecast Financial Statements (Attachment 1).

#### **Relevance to Strategic Plan**

Strategy 5 - Building our capabilities  
Outcome 5.1 Highly performing organisation

#### **Relevance to Public Consultation Policy**

The Mid Year Review is principally for internal management purposes and there is no requirement to consult with the community.

#### **Background**

In accordance with Regulation 9 of the Local Government (Financial Management) Regulations 2011, Council must reconsider its budget at least two times throughout the year, between 30 September and 31 May, restating the impact on the Uniform Presentation of Finances (Regulation 9(1)(a)). In addition, Council must also reconsider its Budget once between the 30 November and 15 March, producing a revised forecast for all the budgeted financial statements as per the Model Financial Statements format (Regulation 9(1)(b)).

This Mid Year Review Report has been produced in accordance with Regulation 9(1)(b). The purpose of the Year-End Forecast is to indicate whether Council is on track to achieve both its financial and key service delivery performance targets as outlined in the budget.

#### **Current Situation**

The results of the Year-End Forecast indicate that Council is on track to meet the financial and key service delivery targets as outlined in the budget. While there is movement between accounts, savings in one area or additional income is offsetting cost pressures in another, resulting in a forecast operating deficit of \$2.7M which is favourable when compared to the Revised Budget deficit of \$3.6M approved by Council in December.

In relation to the capital program, there are significant variances being forecast related to the timing of expenditure on large multi-year projects. A number of projects have experienced delays resulting in work being deferred to next financial year (2016/17). The Forecast indicates that the Net Capital Budget will be \$37.4M, \$10.1M less than the Revised Budget (\$4.1M less than the Original Budget).

### Operating Budget

The Revised Budget adopted by Council in December was a shift from a surplus of \$1.5M to a deficit of \$3.6M. A \$5.0M reduction in income was required due to the adjustment for the pre-payment of the Federal Assistance Grant in 2014/15.

The forecast for the year-end financial position is an operating deficit of \$2.7M, a \$0.9M favourable variance to the Revised Budget deficit of \$3.6M. Key variances are outlined below (**Attachment 1: 2015/16 Forecast Financial Statements**, has further detail):

Revenue: \$0.3M, 0.4% favourable.

- Other Income (\$1.5M unfavourable): Revenue targets which were previously allocated to Other Income, have now been identified and reallocated against specific items (eg Grants/Contributions, Rates and Investment Income, which have exceeded prior projections).
- Grants, Subsidies, Contributions (\$1.7M favourable): Additional Grants have been secured during the year. These Grant Funds are matched by expenditure (Employee Costs and Materials, Contracts and Other Expenses). Additional Developer Contributions have also been received; these have been used to offset revenue targets under Other Income.

Expenditure: \$0.6M, (0.6%) favourable.

- Employee Costs (\$0.9M unfavourable): Role adjustments and payments associated with the Organisational Realignment.
- Materials, Contracts & Other Expenses (\$1.2M favourable): Largely due to the E&E Investment not being required (\$0.7M); the balance is the cumulative impact of a reduction in costs for Business Units across a range of items.
- Finance Costs (\$0.2M favourable): Less borrowings than anticipated.

The forecast indicates cost pressures are being managed within the current budget through savings or additional income. It should be recognised that the cost of the Organisational Realignment has been absorbed within the current budget.

The Forecast has been developed based on current best estimates. Management wish to delay requesting a formal budget revision until there is more certainty around the final year end position. Accordingly, no budget revisions are being requested for any of the items listed above. The next Budget Review will be used to propose a revised budget.

## Capital Budget

The Revised Net Capital Budget adopted by Council in December was \$47.4M, an increase from the Original Net Capital Budget of \$42.5M. The Forecast indicates that the Net Capital Budget will be \$37.4M, \$10.1M less than the Revised Budget (\$4.1M less than the Original Budget).

### Net Capital Budget

Financial Year 2015/2016

	Full Year Revised Budget \$'000	Full Year Forecast \$'000	Variance \$'000
Income	5,276	7,048	1,772
Expenditure	52,698	44,408	8,290
<b>Total</b>	<b>47,422</b>	<b>37,360</b>	<b>10,062</b>

### Capital Expenditure Budget

Financial Year 2015/2016

Project Type	Full Year Revised Budget \$'000	Full Year Forecast \$'000	Variance \$'000
Buildings	6,791	6,991	(200)
Fleet	3,115	3,235	(120)
IT	649	720	(71)
Land Acquisition	-	-	-
Lighthouse Projects	17,492	7,999	9,493
Open Space Strategy	998	998	-
Other	1,428	1,918	(490)
Parks	3,850	3,850	-
Playford Alive	1,691	1,691	-
Public Street Lighting	130	130	-
Stormwater	1,800	300	1,500
Streetscapes	3,327	3,327	-
Transport	10,427	12,249	(1,822)
Wetlands	1,000	1,000	-
<b>Total</b>	<b>52,698</b>	<b>44,408</b>	<b>8,290</b>

The net impact of key variances are summarised below.

Favourable Variances, \$10.9M.

There are significant variances forecast on several projects. Delays experienced are likely to result in expenditure on large, multi-year projects being deferred until next financial year. The most notable of these projects include:

- Northern CBD \$2.8M (reduced Income of \$250k offset by a reduction in Expenditure of \$3.0M, resulting in a net impact \$2.8M).
- Sports Precinct \$6.5M (reduced Expenditure only).
- Stormwater Infrastructure Upgrade \$1.5M (reduced Expenditure only).

While the above are likely to be realised as savings on the annual 2015/16 Capital Budget, it is important to recognise that this is not an adjustment to the full-life budget of the projects; it simply reflects the timing of when expenditure is likely to be incurred.



### Unfavourable Variances, \$0.8M.

- Solar Installation (\$236k): Stage 2 of an E&E project including installation of solar panels for the Civic Centre. It is estimated that savings generated will cover the initial investment.
- CEO Vehicle (\$120k): Purchase of vehicle for new CEO was not originally allowed for in the Budget.
- Business Process Improvement Project (\$275k): Documentation of Work Instructions associated with process improvement and succession planning.
- Playford Growth Areas Community Infrastructure (\$122k): Additional budget funded from Open Space Reserve, the full budget for this project will be \$800k up from \$678k.

### Grant Funded Variances – Nil Impact.

- Eastern Park Football Club \$200k: Refurbishment is fully funded by Communities Development Program Grant.
- Sheltered Turning Lane – Craigmore Road/Village Terrace \$122k: Expenditure covered by Motor Accident Commission funding.
- Peachey Road Stage 3 \$1.7M: Total budget for the project is \$3.4M, with 50% (\$1.7M) funded by Roads to Recovery in 2015/16; remainder funded by grant from Special Local Roads in 2016/17.

### Next Budget Review

It is proposed that the final Budget Review for the year be brought forward to April to give Council adequate time to consider the potential options to mitigate cost pressures or effectively utilise savings. Historically the Final Review has been presented to Council in May, bringing the Review forward to April gives Council an extra month to adequately consider the available options.

### Impact on Long Term Financial Plan (LTFP)

The year-end position, and associated variances to Budget, will inform the starting point for the upcoming LTFP currently under preparation.

The adopted LTFP financial ratios, adjusted for FAGs prepayment, remain within the rolling 5 year target ranges.

### **Summary**

As per the Local Government (Financial Management) Regulations 2011, the forecast is presented in a manner consistent with the Model Financial Statements in Attachment 1. This includes a revised Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Uniform Presentation of Finances and key ratios. These revised statements show the Original Budget, the Revised Budget (as adopted on 15 December 2015) and the forecast.

**City of Playford**  
**Budgeted Statement of Comprehensive Income**  
**For the year ended 30 June 2016**

Actual Results 2014/15 \$000's		Original Budget 2015/16 \$000's	Revised Budget * 2015/16 \$000's	Forecast 2015/16 \$000's	Variance to Revised Budget	
					\$000's	%
	<b>INCOME</b>					
64,213	Rates	67,494	67,494	67,742	248	0%
2,171	Statutory charges	2,139	2,139	2,051	(88)	(4%)
2,837	User charges	4,509	4,454	4,411	(43)	(1%)
20,526	Grants, subsidies & contributions	14,768	9,688	11,361	1,673	17%
188	Investment income	89	100	105	5	5%
1,195	Reimbursements	997	941	1,003	62	7%
1,307	Other income	2,590	2,656	1,140	(1,516)	(57%)
482	Net gain - Joint Ventures & Associates	126	126	126	-	-
<b>92,919</b>	<b>TOTAL INCOME</b>	<b>92,712</b>	<b>87,598</b>	<b>87,939</b>	<b>341</b>	<b>0%</b>
	<b>EXPENSES</b>					
33,721	Employee costs	34,236	34,197	35,082	(885)	3%
32,987	Contracts, materials & other	34,518	34,515	33,320	1,195	(3%)
4,027	Finance costs	4,648	4,648	4,420	228	(5%)
16,643	Depreciation	17,835	17,835	17,800	35	(0%)
125	Net loss - Joint Ventures & Associates	-	-	-	-	-
<b>87,503</b>	<b>TOTAL EXPENSES</b>	<b>91,237</b>	<b>91,195</b>	<b>90,622</b>	<b>573</b>	<b>(1%)</b>
<b>5,416</b>	<b>Operating Surplus / (Deficit)</b>	<b>1,475</b>	<b>(3,597)</b>	<b>(2,683)</b>	<b>914</b>	<b>(25%)</b>
(4,667)	Asset disposal & fair value adjustments	(425)	(676)	(710)		
9,174	Amounts received specifically for new or upgraded assets	1,000	5,276	7,048		
13,332	Physical resources received free of charge	8,496	8,496	8,496		
<b>23,255</b>	<b>NET SURPLUS / (DEFICIT)</b> transferred to Equity Statement	<b>10,546</b>	<b>9,499</b>	<b>12,151</b>		
	<b>Other Comprehensive Income</b>					
1,612	Changes in revaluation surplus - infrastructure, property, plant & equipment	20,624	20,034	16,494		
(400)	Share of other comprehensive income - joint ventures and associates	-	-	-		
<b>1,009</b>	<b>Total Other Comprehensive Income</b>	<b>20,624</b>	<b>20,034</b>	<b>16,494</b>		
<b>24,264</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>31,170</b>	<b>29,533</b>	<b>28,645</b>		

\* Revised Budget as adopted by Council on 15 December 2015

**City of Playford**  
**Budgeted Balance Sheet**  
**For the year ended 30 June 2016**

Actual Results 2014/15 \$000's		Original Budget 2015/16 \$000's	Revised Budget * 2015/16 \$000's	Forecast 2015/16 \$000's
	<b>CURRENT ASSETS</b>			
6,131	Cash & cash equivalents	1,324	320	12,063
6,762	Trade & other receivables	8,672	7,083	7,083
123	Inventory	148	126	126
-	Other current assets	-	-	-
13,016	<b>TOTAL CURRENT ASSETS</b>	10,144	7,529	19,272
	<b>NON-CURRENT ASSETS</b>			
965,713	Infrastructure, property, plant & equipment	1,046,964	1,028,429	1,018,280
7,614	Equity accounted subsidiaries	7,878	7,614	7,614
403	Financial assets	-	403	403
15,766	Other Non-current assets	18,615	15,766	12,917
989,496	<b>TOTAL NON-CURRENT ASSETS</b>	1,073,457	1,052,212	1,039,214
1,002,512	<b>TOTAL ASSETS</b>	1,083,601	1,059,741	1,058,486
	<b>CURRENT LIABILITIES</b>			
18,153	Trade & other payables	20,621	19,660	18,849
3,932	Short-term provisions	4,079	4,105	3,932
4,898	Borrowings	16,401	16,401	16,980
26,983	<b>TOTAL CURRENT LIABILITIES</b>	41,101	40,166	39,761
	<b>NON-CURRENT LIABILITIES</b>			
863	Long-term provisions	923	915	893
78,142	Long-term borrowings	91,207	92,603	92,663
79,005	<b>TOTAL NON-CURRENT LIABILITIES</b>	92,130	93,518	93,556
105,988	<b>TOTAL LIABILITIES</b>	133,231	133,684	133,317
896,524	<b>NET ASSETS</b>	950,370	926,057	925,169
	<b>EQUITY</b>			
404,269	Accumulated Surplus	418,692	414,602	420,416
481,360	Asset Revaluation Reserve	523,110	501,395	497,491
10,895	Other Reserves	8,568	10,060	7,262
896,524	<b>TOTAL EQUITY</b>	950,370	926,057	925,169

\* Revised Budget as adopted by Council on 15 December 2015

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**City of Playford**  
**Budgeted Statement of Changes in Equity**  
**For the year ended 30 June 2016**

Actual Results 2014/15 \$000's		Original Budget 2015/16 \$000's	Revised Budget * 2015/16 \$000's	Forecast 2015/16 \$000's
	<b>ACCUMULATED SURPLUS</b>			
381,584	Balance at end of previous reporting period	407,311	404,269	404,269
23,255	Net Surplus (Deficit) for year	10,546	9,499	12,151
	<b>Other Comprehensive Income</b>			
22	Share of other comprehensive income - joint ventures and associates	-	-	-
309	Transfers from other Reserves	1,000	1,000	4,667
(901)	Transfers to Other Reserves	(165)	(165)	(672)
<b>404,269</b>	<b>Balance at end of reporting period</b>	<b>418,692</b>	<b>414,603</b>	<b>420,415</b>
	<b>ASSET REVALUATION RESERVE</b>			
480,373	Balance at end of previous reporting period	502,486	481,360	481,360
	<b>Other Comprehensive Income</b>			
1,190	Gain on revaluation of infrastructure, property, plant & equipment	20,624	20,034	16,494
(203)	Impairment (expense) / recoupments offset to asset revaluation reserve	-	-	-
<b>481,360</b>	<b>Balance at end of reporting period</b>	<b>523,110</b>	<b>501,394</b>	<b>497,854</b>
	<b>OTHER RESERVES</b>			
10,303	Balance at end of previous reporting period	9,403	10,895	10,895
901	Transfers from accumulated surplus	165	165	672
(309)	Transfers to accumulated surplus	(1,000)	(1,000)	(4,667)
<b>10,895</b>	<b>Balance at end of reporting period</b>	<b>8,568</b>	<b>10,060</b>	<b>6,900</b>
<b>896,524</b>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>950,370</b>	<b>926,057</b>	<b>925,169</b>
404,269	Accumulated Surplus	418,692	414,602	420,416
492,255	Reserves	531,678	511,455	504,753
<b>896,524</b>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>950,370</b>	<b>926,057</b>	<b>925,169</b>

\* Revised Budget as adopted by Council on 15 December 2015

**City of Playford**  
**Budgeted Statement of Cash Flows**  
**For the year ended 30 June 2016**

Actual Results 2014/15 \$000's		Original Budget 2015/16 \$000's	Revised Budget * 2015/16 \$000's	Forecast 2015/16 \$000's
Inflows / (Outflows)		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
	<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
	<b>Receipts</b>			
188	Investment receipts	89	100	105
95,433	Operating receipts	92,263	89,559	87,651
	<b>Payments</b>			
(4,027)	Finance payments	(4,648)	(4,648)	(4,420)
(70,523)	Operating payments to suppliers & employees	(68,286)	(69,365)	(68,917)
<b>21,071</b>	<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>19,418</b>	<b>15,646</b>	<b>14,419</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	<b>Receipts</b>			
19,238	Proceeds from borrowings	26,922	30,862	38,374
	<b>Payments</b>			
(12,350)	Repayment of borrowings	(3,854)	(4,898)	(12,350)
<b>6,888</b>	<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>23,068</b>	<b>25,964</b>	<b>26,024</b>
	<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
	<b>Receipts</b>			
493	Proceeds from sale of capital assets replaced	-	-	-
104	Proceeds from sale of surplus capital assets	-	-	2,849
9,174	Grants specifically for new or upgraded assets	1,000	5,276	7,048
39	Repayment of loans by community groups	-	-	-
	<b>Payments</b>			
(13,603)	Capital Expenditure Replacement	(17,542)	(18,499)	(18,819)
(19,508)	Capital Expenditure New/Upgrade	(24,943)	(34,198)	(25,589)
<b>(23,320)</b>	<b>NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES</b>	<b>(41,485)</b>	<b>(47,421)</b>	<b>(34,511)</b>
<b>4,639</b>	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>1,001</b>	<b>(5,811)</b>	<b>5,932</b>
1,492	CASH AT BEGINNING OF REPORTING PERIOD	323	6,131	6,131
<b>6,131</b>	<b>PROJECTED CASH AT END OF REPORTING PERIOD</b>	<b>1,324</b>	<b>320</b>	<b>12,063</b>

\* Revised Budget as adopted by Council on 15 December 2015

**City of Playford**  
**Budgeted Uniform Presentation of Finances**  
**For the year ended 30 June 2016**

Actual Results 2014/15 \$000's		Original Budget 2015/16 \$000's	Revised Budget * 2015/16 \$000's	Forecast 2015/16 \$000's
92,919	Operating income	92,712	87,598	87,939
(87,503)	Less: Operating expenditure	(91,237)	(91,195)	(90,622)
<b>5,416</b>	<b>Operating Surplus / (Deficit)</b>	<b>1,475</b>	<b>(3,597)</b>	<b>(2,683)</b>
	<b>Less: Net outlays on existing assets</b>			
13,603	Capital expenditure on renewal and replacement of existing assets	17,542	18,499	18,819
(16,643)	Less: Depreciation	(17,835)	(17,835)	(17,800)
(493)	Less: Proceeds from sale of replaced assets	-	-	-
<b>(3,533)</b>	<b>Net Outlays on Existing Assets</b>	<b>(293)</b>	<b>664</b>	<b>1,019</b>
	<b>Less: Net outlays on new and upgraded assets</b>			
19,508	Capital expenditure on new and upgraded assets	24,943	34,198	25,589
(9,174)	Less: Grants and contributions specifically for new and upgraded assets	(1,000)	(5,276)	(7,048)
(104)	Less: Proceeds from sale of surplus assets	-	-	(2,849)
<b>10,230</b>	<b>Outlays on New and Upgraded Assets</b>	<b>23,943</b>	<b>28,922</b>	<b>15,692</b>
<b>(1,281)</b>	<b>NET LENDING / (BORROWING) FOR FINANCIAL YEAR</b>	<b>(22,175)</b>	<b>(33,183)</b>	<b>(19,394)</b>

\* Revised Budget as adopted by Council on 15 December 2015

**City of Playford  
Budgeted Financial Indicators  
For the year ended 30 June 2016**

Actual Results 2014/15	Ratio	Target	Original Budget 2015/16	Revised Budget * 2015/16	Forecast 2015/16
<b>Operating Surplus Ratio</b>					
9%	<u>Operating Surplus</u> Rates - general & other less NRM levy	0-5% over rolling 5 year period	(1%)	(3%)	(3%)
<b>Net Financial Liabilities Ratio</b>					
101%	<u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy	<=150%	134%	145%	131%
<b>Asset Sustainability Ratio</b>					
79%	<u>Net Asset Renewals</u> Amount planned to be Spent According to the Endorsed Asset Management Plan Annuity	>90%<110%	100%	100%	101%

\* Revised Budget as adopted by Council on 15 December 2015