

## 8.1 2024/25 DRAFT ANNUAL BUSINESS PLAN AND LONG TERM FINANCIAL PLAN

Contact Person: Luke Culhane

### Why is this matter confidential?

Subject to an order pursuant to Section 90(3)(b) of the *Local Government Act 1999*, this matter is confidential because the report is informing Council on decisions relating to the 2024/25 Draft Annual Business Plan which has not yet been finalised

### A. COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE

No action – this motion passed in the open section.

### B. THE BUSINESS MATTER

#### 8.1 2024/25 DRAFT ANNUAL BUSINESS PLAN AND LONG TERM FINANCIAL PLAN

**Responsible Executive Manager :** Luke Culhane

**Report Author :** Trisca Price

**Delegated Authority :** Matters which cannot be delegated to a Committee or Staff

**Attachments :** 1↓. Annual Business Plan Presentation

### PURPOSE

The purpose of this report is for Council to consider the advice of the Corporate Governance Committee as it relates to financial sustainability. This advice may assist Council in making its decision on the Draft 2024/25 Annual Business Plan and Draft Long Term Financial Plan.

### STAFF RECOMMENDATION

Council notes the following advice of the Corporate Governance Committee regarding financial sustainability for consideration in finalising the 2024/25 Draft Annual Business Plan and Draft Long Term Financial Plan.

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### EXECUTIVE SUMMARY

Council is due to endorse the Draft 2024/25 Annual Business Plan and Long-Term Financial Plan at the April 2024 Ordinary Council Meeting. As part of this decision Council is required to consider the long-term financial viability of Council.

The Corporate Governance Committee has provided advice which may assist Council in making its decision with respect to preparing the budget to deliver the 2024/25 Annual Business Plan.

## 1. BACKGROUND

Between December 2023 and March 2024 Council has been considering the new projects and services it proposes to deliver to the community in the 2024/25 Annual Business Plan. Council has also been considering the costs to continue delivery of the existing services and the new services and projects and the available funding pathways.

Section 8(k) of the *Local Government Act 1999* (the Act) requires Council to ensure the sustainability of Council's long term financial performance and position. Further, Section 122(1)(ab) of the Act requires Council to make assessments in its strategic management plans of the sustainability of Council's financial performance and position.

To provide a transparent and consistent approach to assessing financial sustainability, Council approved a suite of financial indicators and targets in the Financial Sustainability Ratios and Targets Policy and Procedure. Council monitors these financial indicators each month and considers these as part of its annual planning process.

Section 2.2 of the Corporate Governance Committee Charter states:

*"The Corporate Governance Committee shall propose and provide information relevant to, a review of the Council's strategic management plans including the Annual Business Plan, and review and provide recommendations on the sustainability of Councils financial performance giving consideration to Council's financial indicators."*

## 2. RELEVANCE TO STRATEGIC PLAN

Community Theme 5: Using money wisely

Considering the financial implications of the Draft 2024/25 Annual Business Plan and Long-Term Financial Plan aligns with Community Theme 5 – Using Money Wisely. It ensures Council can afford the services and projects it proposes to deliver to the community now and into the future.

## 3. PUBLIC CONSULTATION

Section 123(3) of the Act requires Council to consult the community on its Draft Annual Business Plan and Long Term Financial Plan.

## 4. DISCUSSION

- 4.1 The Corporate Governance Committee has received the information provided in Attachment 1 which includes:
  - 4.1.1 The services and projects proposed to be delivered to the community.
  - 4.1.2 The cost pressures impacting Council over the 2024/25 financial year.
  - 4.1.3 The financial assumptions to be adopted in the Draft 2024/25 Annual Business Plan and Long Term Financial Plan.
  - 4.1.4 The funding pathways available to fund the 2024/25 Annual Business Plan maintaining the lower end of the structural surplus target ratio.

- 4.2 Pursuant to Section 2.2 of the Corporate Governance Committee Charter advice has been sought from the Committee regarding the sustainability of Council's financial performance considering Council's financial indicators.

## 5. OPTIONS

### **Recommendation**

Council notes the following advice of the Corporate Governance Committee regarding financial sustainability for consideration in finalising the 2024/25 Draft Annual Business Plan and Draft Long Term Financial Plan:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

## 6. ANALYSIS OF OPTIONS

### 6.1 Recommendation Analysis

#### 6.1.1 Analysis & Implications of the Recommendation

Noting the independent advice of the Corporate Governance Committee ensures that Council is fully briefed to meet its legislative obligations to consider financial sustainability.

#### **Risk Appetite**

##### Financial Sustainability

*Council has a low appetite for short-term financial risk that adversely impacts on the delivery of the long term financial plan and the Council's overall stability and sustainability.*

This decision will enable Council to make a fully informed decision when determining the services to deliver and the rate rise to include in the Draft 2024/25 Annual Business Plan and Long Term Financial Plan. Remaining financially sustainable will ensure that Council can deliver services to the community now and into the future.

#### 6.1.2 Financial Implications

Noting the advice of the Corporate Governance Committee does not in itself result in any financial or resource implications. However, the advice provided by the Corporate Governance Committee is likely to inform Council's final decision on the Draft 2024/25 Annual Business Plan and Long Term Financial Plan which may impact on the achievement of the financial sustainability ratios.

# Corporate Governance Committee

## 2024/25 Business Plans

2 April 2024



## Purpose

- Rating Framework recap
- 2024/25 Annual Business Plan – Budget
- Sustainable Finance and Rate Rise
- ESCOSA findings and response

## Rating Framework recap

# Rating Framework

Rate Policy and Rate Rebate Policy to be reviewed at Policy Review Committee on 8th April 2024

CITY OF  
Playford

Rating Policy

Policy Author	General Manager Strategy & Corporate
Date of next review	May 2024

1. Statement of Intent

In South Australia, council rates are a form of property tax levied by Local Government, as the primary source of funding for the many mandatory and discretionary services provided by councils. Rates are administered by each council in line with the *Local Government Act 1999* (the Act). This document sets out the Council's policy for setting and collecting rates from its community.

Council rates are not a fee for service but a system of taxation for local government purposes.

All land within the Council's area is rateable except land that is subject to an exemption under the Act.

Council considers a general rate, which consists of two components – one based on the value of the land and the other a fixed charge – to be the fairest and most equitable method of imposing rates. A fixed charge is a means of ensuring all ratepayers contribute equally to Council services and the development and maintenance of community infrastructure.

Council may impose differential general rates that vary based on land use. It assesses rates against each piece or section of land subject to separate occupation, except for land with a commercial or industrial land use where rates are assessed against each piece or section of such land subject to separate ownership.

Council's aim is to have a competitive rating environment for commercial properties. Its strategy is to gradually reduce the rate in the dollar for commercial properties in a staged approach that balances the demands from business for rate relief with the needs from residential rate payers to continue to provide a sustainable level of services.

Council's rates are based on the capital values of land in its area as assessed by the Valuer-General. An owner of land may in accordance with the *Valuation of Land Act 1971* object to a valuation made by the Valuer-General of their land.

Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- Rates constitute a system of taxation, and the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes, and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
- Property value is considered a relatively good indicator of wealth, and the capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

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CITY OF  
Playford

Rate Rebate Policy

Policy Author	General Manager Strategy & Corporate
Date of next review	May 2024

1. Statement of Intent

The objective of this Policy is to ensure that all applications for rate rebates are considered in an equal and fair manner in line with the provisions set out under the *Local Government Act 1999* (the Act) and this Policy.

Rates are a form of taxation and provide the main revenue stream for Council to deliver services to the community. Rates are levied under the Act on the basis of land value and use, which is widely accepted as a reasonable indicator of capacity to pay. Recognising that there may be circumstances where this may not always be the case, the Act makes provision for Council to consider applications for rate rebates. This supports the provision of equitable services and facilities to meet the needs of the whole community.

This Policy is intended to provide guidance as to the grounds upon which relief of rates payable is available to a person, body or organisation, in the form of rebates. Council will consider each application to ensure the requirements under the Act have been met.

When assessing requests for rebates Council may take into account, but is not limited to, the following:

- the availability of rebates under the Act
- the applicant's need for financial assistance
- whether, and to what extent, the applicant provides a benefit or service to the local community
- whether the applicant is a public sector, not-for-profit or commercial entity
- whether the rebate will assist in securing new development in the City of Playford
- if the applicant has been subject to a substantial change in rating or valuation
- the impact of adverse environmental impacts on existing business
- the extent of other financial assistance, if any, available to the applicant from other sources (eg Commonwealth or State government)
- whether there are any relevant historical considerations that may be relevant
- the level of rates that would be applied by neighbouring councils
- the financial consequences of the rebate for the Council
- any other matters, and policies of the Council, which the Council considers relevant.

When considering rate rebates Council gives consideration to the following five principles that apply to the imposition of taxes on communities:

- equity
- benefit
- ability-to-pay
- efficiency
- simplicity

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CITY OF  
Playford

Hardship Policy

Policy Author	General Manager - Strategy and Corporate
Date of next review	August 2024

1. Statement of Intent

This policy reinforces the commitment of the Council to assist ratepayers and debtors experiencing financial hardship, with the aim of recovering council rates and charges in a fair and financially responsible manner.

Ratepayers should

- Be treated in a fair, equitable and respectful manner;
- Be offered mutually negotiated and agreed payment plans or extension of time to pay, that address arrears and ongoing rates charges;
- Have capacity to pay considered;
- Be offered Centrepay and direct debit payment options;
- Have debts to be paid within fair and reasonable timeframes;
- Receive empathetic, confidential and consistent assistance;
- Be offered referral to financial counselling and other services where required; and
- Be protected from legal action and additional costs while meeting their obligations.

2. Scope

This policy endorses consistent application of assistance for ratepayers seeking relief from rates and charges due to hardship or extenuating circumstances. Relief and assistance may be in the form of postponement or remission of rates, negotiated flexible debt repayment plans, or referring the ratepayer to see an accredited financial counselor.

A ratepayer experiencing financial hardship is someone who is identified by themselves, by Council, by an accredited financial counselor, or by a welfare agency, as having the intention, but not the financial capacity, to make required payments in accordance with Council's payment terms.

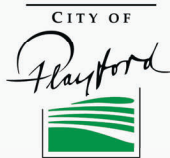
This policy also endorses appropriate and consistent action that meets delegation requirements, in relation to sundry debtors.

3. Legislation and References

This policy is to be read in conjunction with the:

- Hardship Procedure and Debt Recovery Procedure.
- *Local Government Act 1999*
  - Section 177 - advises that rates imposed on land are a charge on the land
  - Section 178 - advises that liability for the rates charged on the land is the principal

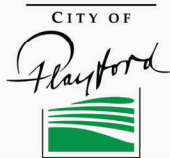
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## Commercial Rates Strategy

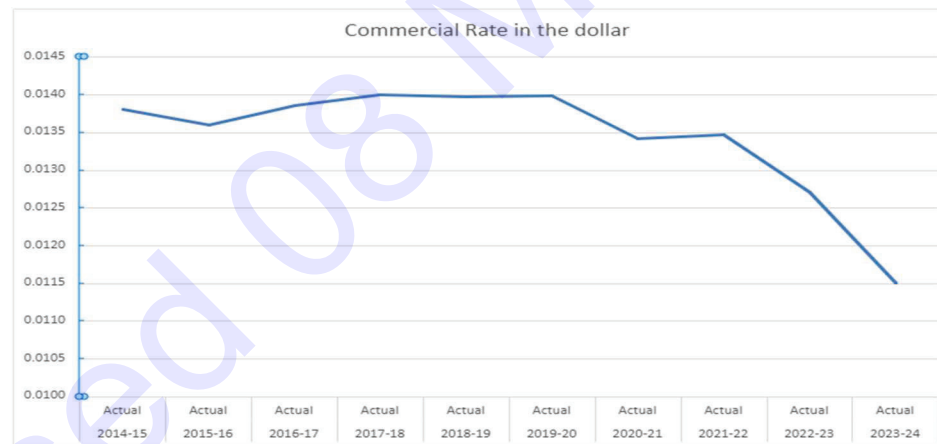
- Reduce share of rates paid per property value by the Commercial and industrial sector from 203% to 135%
- Commercial rate in the dollar (RID) to reduce by approximately 40%
- Invest \$5.5M of commercial rates growth to reduce commercial Rate in the Dollar over 13 years (commenced in 2014)
- 75% new commercial growth handed back to commercial rate payers when in a structural surplus position



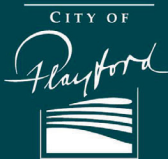


## Commercial Rates Strategy

- To date \$2.4M reinvested (2023/24)
- RID reduced 16.6%



- For 2024/25 propose not to apply as in structural deficit once taking into account cost pressures and CPI.



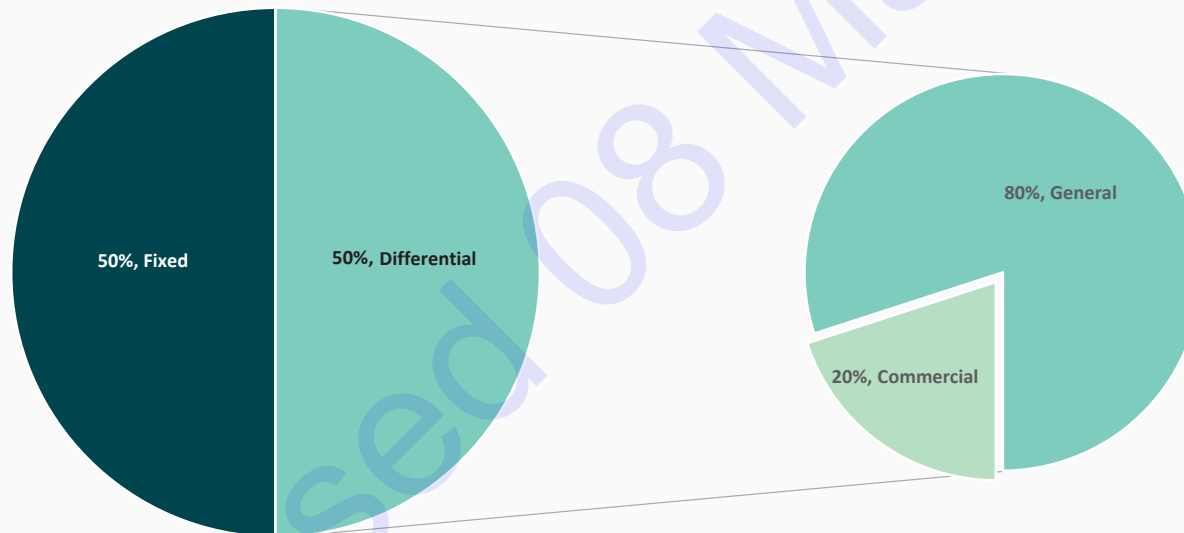
## Hardship Assistance

*Ratepayers who have the intention, but not the financial capacity to make required payments.*

### **Assistance can include:**

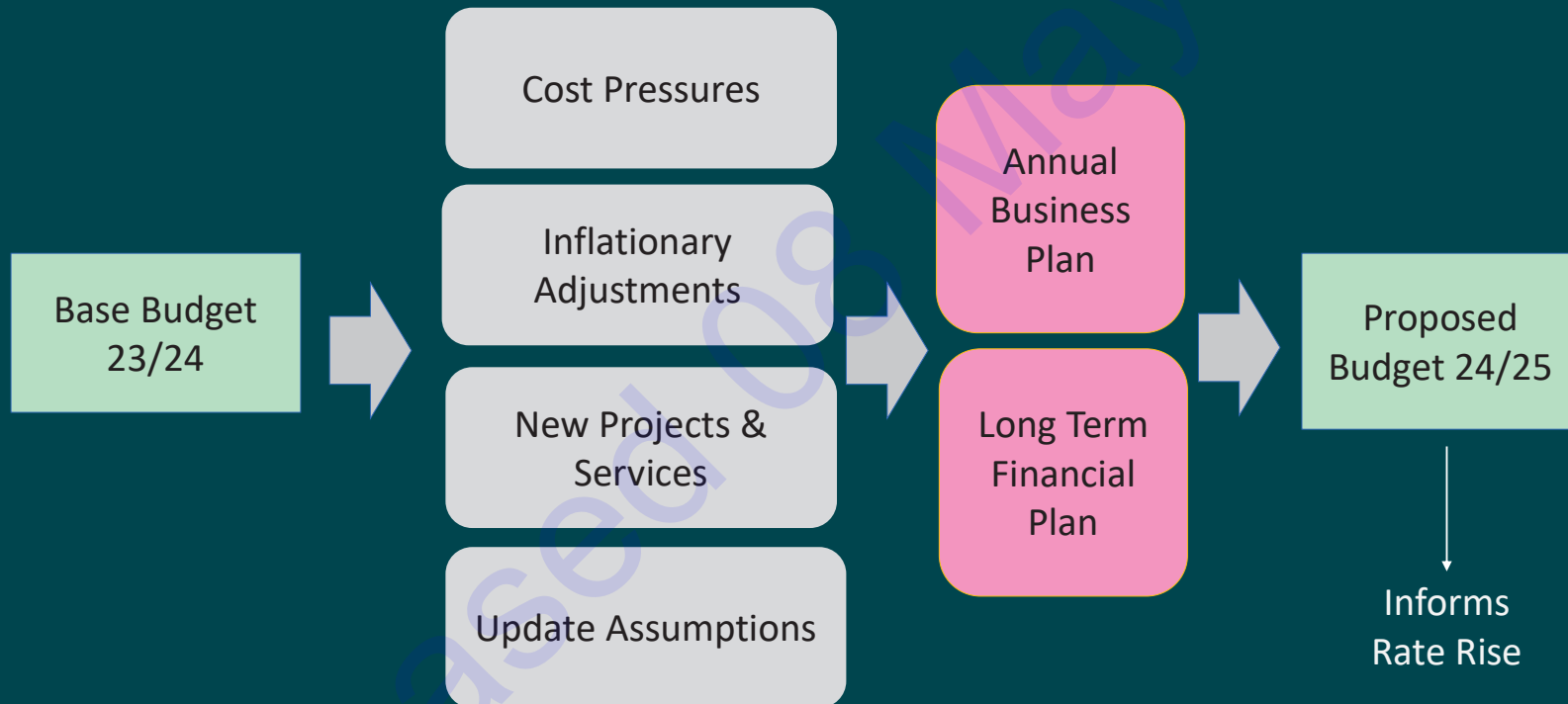
- Fair and reasonable Payment Plan – 262 ratepayers (0.68%)(Feb 24)
- Setting up Centrepay or Direct Debit
- Referral to accredited financial counsellor
- Protection from debt recovery
- Waiving of overdue fines where meet payment plan
- Seniors Rates Postponement – 25 ratepayers (0.06%) (Feb 24)

## Rates Distribution



## 24/25 Budget Breakdown

# Budget Approach



## New Capital Projects and Services

Asset Class	Capital Budget \$'000	Operating Budget \$'000
Footpaths	1,759	174
Stormwater	192	6
Sport & Recreation	16,307	1,726
Transport	652	58
Open Space	566	47
Stormwater Deeds	11,083	618
Road Deeds	953	59
Buildings	277	34
Corporate	1,149	31
New Services (Green Bins)*	174	229
<b>Total</b>	<b>33,112</b>	<b>2,982</b>

\* Not all new services have a capital costs

## Existing Assets (AMP)



*\*Budget figures are subject to change up until the adoption of the LTFP and ABP.*




Asset Class	Budget \$'000
Transport	12,097
Stormwater	294
Streetscape	4,099
Buildings	2,127
Water Delivery	766
Fleet	2,810
Minor Plant	155
Playford Alive	1,295
Technology and Office	1,622
Parks & Sportsfields	3,618
<b>Total</b>	<b>28,883</b>

## Capital Budget

New Capital Projects for 2024/25	\$33.1M
Asset Management Plans - capital renewal	\$28.9M
Projects continuing in 2024/25	\$33.1M
Council Expenditure - 2024/25	\$95.1M
Multiyear Projects carrying out to 2025/26 (Estimate)	(\$31.0M)
Total Estimated Capital 2024/25	\$64.1M
Donated Assets	\$39.5M



## Financial Assumptions 2024/25

- Consumer Price Index 
- Last year applied 7.9% 2023/24 budget
  - Dec 23 forecast 4.8% applied 2024/25 budget
- Wage Price Index 
- Last year applied 2.5% as per EA 2023/24 budget
  - Feb 23 based on current EA negotiation 5% 2024/25 budget
- Interest Rates 
- Existing fixed debt at existing rates
  - Variable debt 6.15% compared to 4.97% this time last year

## Cost Pressures – Estimates

Item	Description	\$'000
Civic Events - Carols, Australia Day, Anzac Day, Citizenship Ceremony, General Events	Additional costs to deliver existing events	98
Depreciation	Adjusting for 2023/24 revaluation higher than budget Indexation 4%	796
Electricity	Alignment of electricity budget to current market prices	275
Insurance Premiums	Increase of approx. 25% based on current market condition	317
Superannuation	Half percent increase to meet legislative obligations	202
Maintenance & Contractors	Increase in contract costs for maintenance on Exeloo	134
<b>TOTAL</b>		<b>1,822</b>

## Funding Challenge

	\$'000	Rate Rise % equivalent
Base Budget	735	0.73%
Cost Pressures	1,822	1.82%
CPI	2,547	2.54%
New Services/Assets	2,177	2.18%
New Services/Assets - Growth	806	0.81%
Growth Existing Services	1,918	1.92%
Overall	10,005	10.00%

## **Sustainable Finance & Rate Rise**

## Finance Strategy

### **A Commitment to Financial Sustainability:**

- Council has the means to fund the services and projects it provides to the community now and into the future.
- Council has a long-term financial position that enables us to manage debt and support growth of the city.

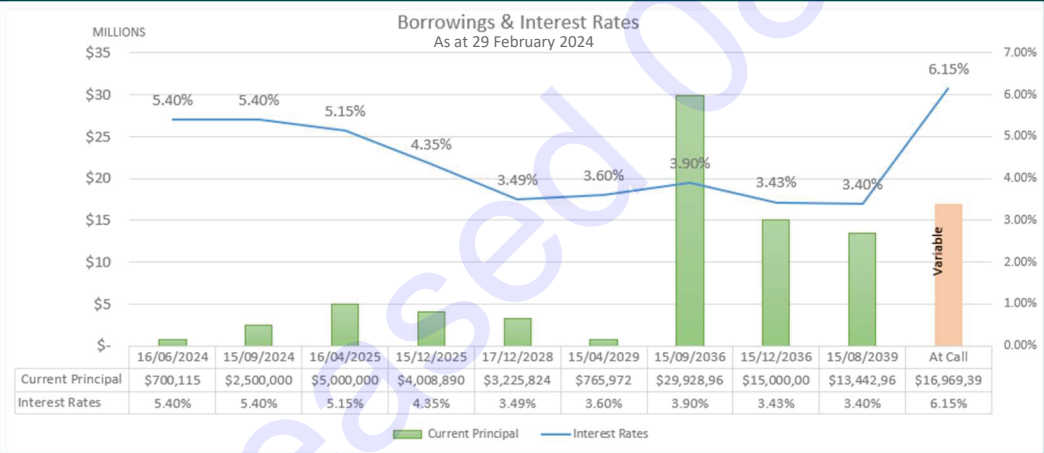
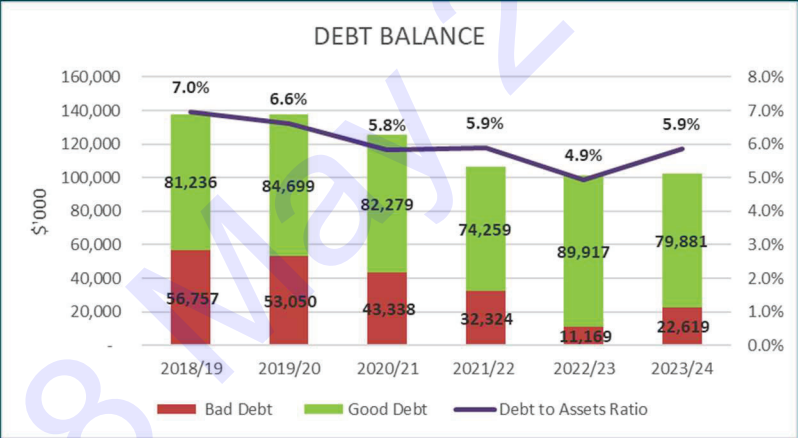
### **Three Key Actions:**

1. No more debt from deficits
2. Reduce bad debt through surpluses and asset repurposing
3. Invest in good debt to ensure inter-generational equity

## Monitoring our Strategy

Item	Endorsed Ratio	Mandated/ Discretionary	External/ Internal	Target Range
Financial Performance	Operating Surplus Ratio	Mandated	External	Between 1% and 10%
	Structural Surplus Ratio	Discretionary	External	Between 1% and 4%
Debt Management	Net Financial Liabilities Ratio	Mandated	External	Between 50% and 160%
	Interest Expense Ratio	Discretionary	External	Between 0% and 8%
Asset Management	Asset Renewal Funding Ratio	Mandated	External	Between 90% and 110%
	Cash Flow from Operations	Discretionary	External	Between 90% and 110%

Debt



## Long Term Financial Plan (Adopted)

LTFP Forecast Operating Result 2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Result - Surplus (Deficit)	7,805	5,163	5,200	5,025	5,101	5,072	4,896	4,877	4,863	4,852
Non-Structural Items	6,343	3,723	3,743	3,570	3,527	3,455	3,200	3,182	3,060	3,051
Structural Operating Surplus/(Deficit)	1,461	1,440	1,457	1,455	1,574	1,618	1,696	1,695	1,803	1,801
Operating Surplus/(Deficit) Ratio (1-10%)	5.6%	3.7%	3.5%	3.3%	3.2%	3.1%	2.9%	2.7%	2.6%	2.5%
Structural Surplus Ratio (1-4%)	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

## Updated for BR1

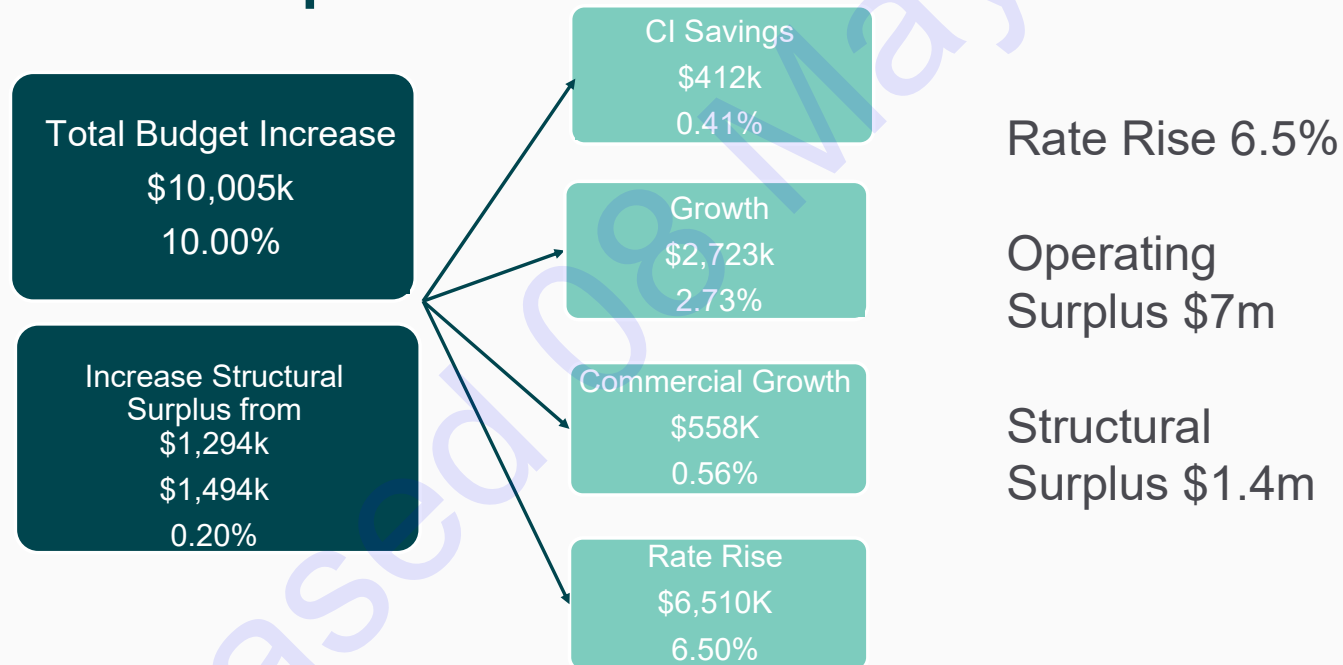
LTFP Forecast Operating Result 2023/24	2023/24 \$'000
Operating Result - Surplus (Deficit)	10,022
Non-Structural Items	7,961
Structural Operating Surplus/(Deficit)	2,060
Operating Surplus/(Deficit) Ratio (1-10%)	7.1%
Structural Surplus Ratio (1-4%)	1.5%

## Updated for BR2

LTFP Forecast Operating Result 2023/24	2023/24 \$'000
Operating Result - Surplus (Deficit)	9,256
Non-Structural Items	7,961
Structural Operating Surplus/(Deficit)	1,294
Operating Surplus/(Deficit) Ratio (1-10%)	6.5%
Structural Surplus Ratio (1-4%)	1.0%



## Proposed Funding Pathway – Option 1 Structural Surplus 1%



## Draft LTFP – Option 1

### Structural Surplus Target 2023/24

LTFP Forecast Operating Result 2023/24	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Operating Result - Surplus (Deficit)	9,254	7,023	6,322	6,940	6,807	6,785	6,718	6,602	6,555	6,310	6,627
Non-Structural Items	7,961	5,529	4,733	5,332	5,138	5,044	4,953	4,805	4,586	4,231	4,406
Structural Operating Surplus/(Deficit)	1,293	1,494	1,589	1,607	1,669	1,742	1,766	1,797	1,969	2,080	2,220
Operating Surplus/(Deficit) Ratio (1-10%)	6.5%	4.7%	4.0%	4.2%	4.0%	3.8%	3.6%	3.4%	3.3%	3.0%	3.0%
Structural Surplus Ratio (1-4%)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

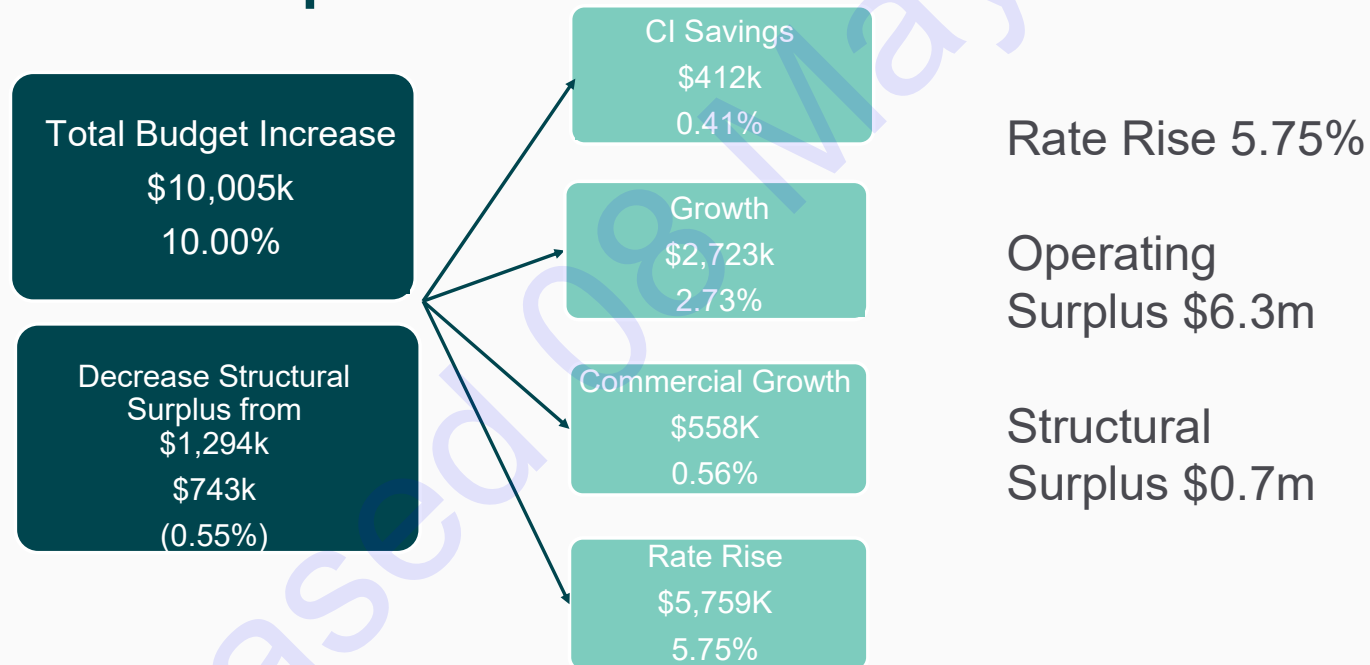
Rate Rise 6.50%

Increase per Average Rates bill p.a. \$118.32, \$2.28 per week

## Financial Ratios – Option 1

Ratio	Target Range	24/25 Budget
Operating Surplus Ratio	Between 1% - 10%	4.7%
Structural Surplus Ratio	Between 1% - 4%	1.0%
Interest Expense Ratio	Between 0% - 8%	5.7%
Net Financial Liabilities Ratio	Between 50% - 160%	105.2%
Asset Renewal Funding Ratio	Between 90% - 110%	118.1%
Cashflow from Operations	Between 90% - 110%	117.3%

## Proposed Funding Pathway – Option 2 Structural Surplus 0.5%



## Draft LTFP – Option 2

### Structural Surplus Target 2024/25

LTFP Forecast Operating Result 2023/24	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Operating Result - Surplus (Deficit)	9,254	6,272	6,189	6,920	6,788	6,768	6,703	6,730	6,543	6,298	6,614
Non-Structural Items	7,961	5,529	4,733	5,332	5,138	5,044	4,953	4,805	4,586	4,231	4,406
Structural Operating Surplus/(Deficit)	1,293	744	1,456	1,587	1,649	1,724	1,750	1,925	1,957	2,067	2,208
Operating Surplus/(Deficit) Ratio (1-10%)	6.5%	4.2%	4.0%	4.2%	4.0%	3.8%	3.6%	3.5%	3.3%	3.0%	3.0%
Structural Surplus Ratio (1-4%)	1.0%	0.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Rate Rise 5.75%

Increase per Average Rates bill p.a. \$104.68, \$2.01 per week

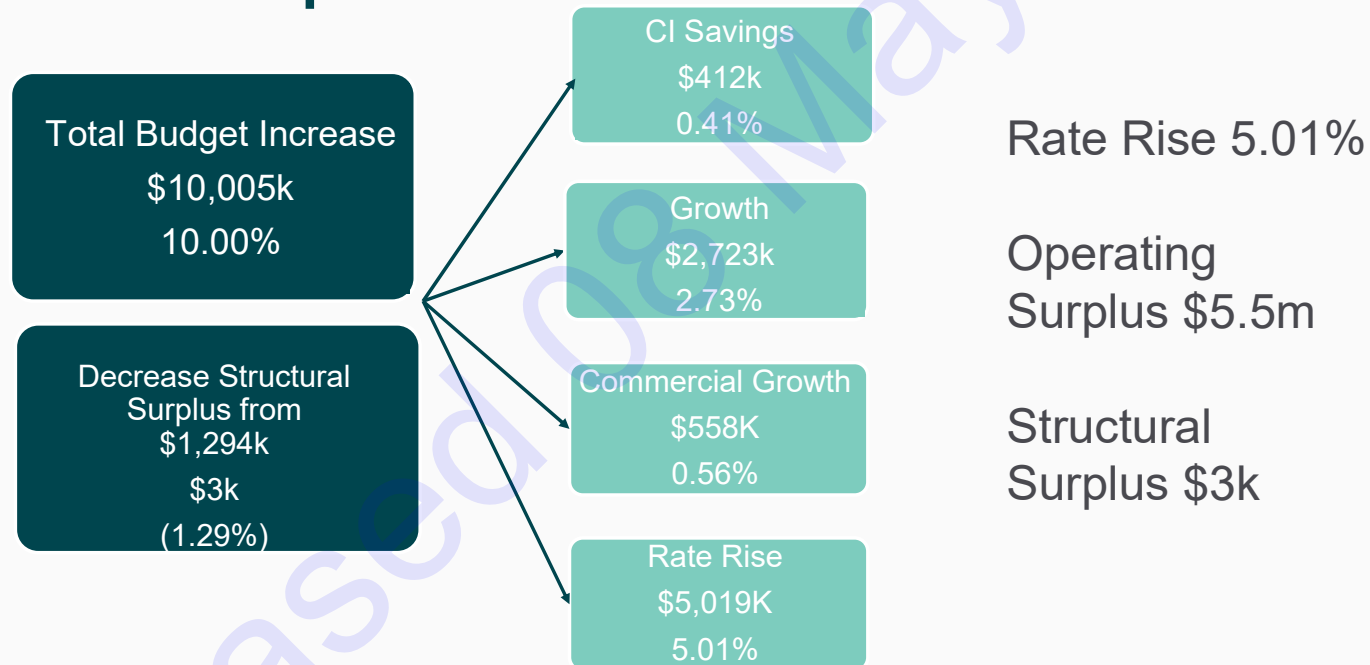
Difference per Average Rates bill p.a. \$13.64, 27cents per week  
from 6.5% Rate Rise

## Financial Ratios – Option 2

Ratio	Target Range	24/25 Budget
Operating Surplus Ratio	Between 1% - 10%	4.2%
Structural Surplus Ratio	Between 1% - 4%	0.5%
Interest Expense Ratio	Between 0% - 8%	5.8%
Net Financial Liabilities Ratio	Between 50% - 160%	106.2%
Asset Renewal Funding Ratio	Between 90% - 110%	118.1%
Cashflow from Operations	Between 90% - 110%	115.0%

## Proposed Funding Pathway – Option 3

### Structural Surplus 0%



## Draft LTFP – Option 3

### Structural Surplus Target 2024/25

LTFP Forecast Operating Result 2023/24	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
Operating Result - Surplus (Deficit)	9,254	5,532	6,280	6,902	6,771	6,752	6,688	6,716	6,528	6,284	6,600
Non-Structural Items	7,961	5,529	4,733	5,332	5,138	5,044	4,953	4,805	4,586	4,231	4,406
Structural Operating Surplus/(Deficit)	1,293	3	1,547	1,569	1,632	1,708	1,735	1,911	1,942	2,053	2,193
Operating Surplus/(Deficit) Ratio (1-10%)	6.5%	3.7%	4.0%	4.2%	4.0%	3.8%	3.6%	3.5%	3.3%	3.0%	3.0%
Structural Surplus Ratio (1-4%)	1.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Rate Rise 5.01%

Increase per Average Rates bill p.a. \$91.22, \$1.75 per week

Difference per Average Rates bill p.a. \$27.10, 53cents per week  
from 6.5% Rate Rise



## Financial Ratios – Option 3

Ratio	Target Range	24/25 Budget
Operating Surplus Ratio	Between 1% - 10%	3.7%
Structural Surplus Ratio	Between 1% - 4%	0%
Interest Expense Ratio	Between 0% - 8%	5.8%
Net Financial Liabilities Ratio	Between 50% - 160%	107.2%
Asset Renewal Funding Ratio	Between 90% - 110%	118.1%
Cashflow from Operations	Between 90% - 110%	112.7%

# **ESCOSA**

## **Local Government Advice**

- Tranche 2 – 2023/24 plans reviewed
- 10 years of actuals plus 10 years of LTFP
- ABP, SAMP and LTFP all reviewed
- Submitted to ESCOSA on 27<sup>th</sup> September 2023
- Advice from ESCOSA received 28<sup>th</sup> February 2024
- Required to publish advice in each ABP until next scheduled review.

# ESCOSA Local Government Advice

On 30 April 2022, amendments to the Local Government Act 1999 came into operation and introduced an advisory scheme that aims to give ratepayers confidence that the rates they pay are set at the level necessary for their council to provide the services they value. The Essential Services Commission SA (ESCOSA) is the advisory body. The State's 68 councils are subject to the scheme and were allocated across four tranches to be reviewed over a four-year cycle.



# ESCOSA Local Government Advice



Council is obliged under the Local Government Act 1999 to publish ESCOSA's advice and its response, if applicable, in its 2024/25 annual business plan and subsequent plans until the next cycle of the scheme. Note that Council is not compelled under the Local Government Act to follow the advice.

A summary of ESCOSA's findings is provided below.

## Financial Performance

The Essential Services Commission finds the City of Playford's current and projected financial performance is **sustainable** taking into account the council's average expected growth in properties of 2.3% p. a. over the next 10 years, and the planned average rate increases of 2.2% p. a. per property over this period.

## Continue

- ✔ Monitoring average rate rises annually
- ✔ Reviewing rateable property growth forecasts annually
- ✔ Focusing on selling and disposing of assets to help reduce debt
- ✔ Reporting any actual and projected cost savings in its annual budget and long term financial plan

## Risks Impacting Sustainability

- ⚠ Forecast growth in rateable properties is lower than anticipated and not realised by Council
- ⚠ Failure to reduce its exposure to debt

## Commission's Recommendations

- Reduce its level of net financial liabilities, as forecast in its latest long-term financial plan, and continue to focus on asset sales or disposals as one of its strategies to help reduce debt.
- Improve transparency on borrowing assumptions, including loan facilities and loan terms, in its long-term financial plan.
- Include efficiency goals and projected cost savings in its long-term financial plan, to provide further evidence of projected cost growth constraint and efficiencies across its operations and service deliveries.

## Council Response

Council's sustainable financial position is a result of many years of prudent financial management consistent with its Finance Strategy that seeks to ensure the Council has adequate funding to support the needs of a growing community. Supporting the Finance Strategy is a suite of policies, procedures, and reporting arrangements that ensure that Council decision making considers the ongoing financial sustainability of the Council when considering current and future service provision.

The full advice provided by ESCOSA can be found as Appendix X.

## Council Response

Council's sustainable financial position is a result of many years of prudent financial management consistent with its Finance Strategy that seeks to ensure the Council has adequate funding to support the needs of a growing community. Supporting the Finance Strategy is a suite of policies, procedures, and reporting arrangements that ensure that Council decision making considers the ongoing financial sustainability of the Council when considering current and future service provision.

**Discussion & feedback**

**Next steps**

## Annual Business Plan 2024/25

Date	Meeting Type	Item
<b>PHASE 1 – Shape the ABP and SAMP (discuss the new projects and services + renewal program)</b>		
5 December 2023	Info Session	Overview of Year 1 of Four Year Delivery Plan (4YDP) and proposed new projects/services for 2024/25 ABP
16 January 2024	Info Session	Feedback on Year 1 of 4YDP + Strategic Projects + Overview of Years 2-4 of 4YDP
20 February 2024	Info Session	Asset Renewal program overview + budget impacts
<b>PHASE 2 - draft the ABP, budget, LTFP and SAMP</b>		
19 March 2024	Info Session	24/25 Budget + funding pathways + LTFP
2 April 2024	CGC	Overview of draft ABP, LTFP and SAMP
16 April 2024	Info Session	Overview of draft ABP, LTFP and SAMP + feedback from CGC
23 April 2024	Council	Draft Plans endorsed for public consultation (Ordinary Council only)
<b>PHASE 3 – consultation on the ABP, budget, LTFP and SAMP</b>		
April/May 2024	Council	28-day public consultation period, including public hearing at Ordinary Council Meeting
<b>PHASE 4 – adoption of the ABP, budget, LTFP and SAMP</b>		
11/25 June 2024	SSC & Council	Adoption of ABP and Budget, LTFP and SAMP
July 2024		Post adoption activities – rates summary flyer, website, social media, Playford News

**Thank you**

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**C. COMMITTEE TO DECIDE HOW LONG ITEM 8.1 IS TO BE KEPT IN CONFIDENCE**

**PURPOSE**

To resolve how long agenda item 8.1 is to be kept confidential.

**STAFF RECOMMENDATION**

Pursuant to Section 91(7) of the *Local Government Act 1999*, the Committee orders that the following aspects of Item 8.1 be kept confidential in accordance with Committee's reasons to deal with this item in confidence pursuant to Section 90(3)(b) of the *Local Government Act 1999*:

- Report for Item 8.1
- Attachment(s) for Item 8.1
- Minutes for Item 8.1

This order shall operate until the 2024/25 Annual Business Plan and Long Term Financial Plan are endorsed by Council or will be reviewed and determined as part of the annual review by Council in accordance with Section 91(9)(a) of the *Local Government Act 1999*, whichever comes first.