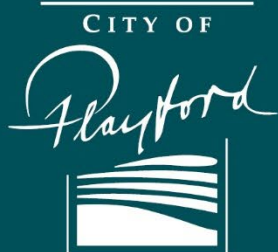




City of Playford

Annual Business Plan and Budget

2026/27



Acknowledgement of Country

The City of Playford acknowledges that we are situated on the traditional land of the Kaurna people and that we respect their spiritual relationship with their country.

The City of Playford would also like to pay respects to Elders past, present and emerging.



Recognition of Forebears

The City of Playford also acknowledges the people, our forebears, that have contributed to building and defending our great nation and way of life.

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Welcome



City of Playford

Mayor and CEO Foreword

We are pleased to present the City of Playford's 2026/27 Annual Business Plan and Budget - a plan that sets a steady and disciplined course for the year ahead and continues to deliver the services and infrastructure our community relies on.

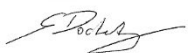
As the centre of growth in South Australia, we continue to welcome additional residents to Playford, bringing energy, diversity and opportunity to our city. With that growth comes increased demand on our roads, parks, services and infrastructure. Our responsibility is clear - to support both our growing and established communities, while planning carefully for the future.

This year's plan continues our strong focus on delivering the essential services that keep our city running day to day - from waste collection and road maintenance to libraries, parks and community programs. In 2026/27, we will invest more than \$134 million in services, alongside \$36.4 million in renewing and replacing infrastructure to ensure our assets remain safe, functional and fit for purpose.

We are also continuing to deliver the infrastructure our growing community needs, including improved roads and intersections, expanded sporting facilities, and upgrades to streetscapes and open spaces. Importantly, we remain focused on completing projects already underway while continuing to invest in the long-term infrastructure that supports our city's growth.

We recognise the increasing cost pressures facing households and local government alike. This budget takes a measured and responsible approach, balancing the need to maintain services and invest in our community while minimising the impact on ratepayers. Financial sustainability remains at the core of our decisions, ensuring we can continue to deliver for Playford both now and into the future.

We thank everyone who took the time to engage with us during this year's planning process. Your feedback helps guide our decisions, and we look forward to continuing to work together to shape Playford's future.

A handwritten signature in black ink, appearing to read "G. Docherty".

Glenn Docherty
Mayor

A handwritten signature in black ink, appearing to read "S. Green".

Sam Green
Chief Executive Officer

Executive Summary

Each year Council outlines the services and projects it will deliver to the community through its Annual Business Plan and Budget, Long Term Financial Plan and Strategic Asset Management Plan.

This **Annual Business Plan and Budget 2026/27** (ABP) has been developed in line with Council's Strategic Plan 2025-2028 and focuses on delivering the services and facilities our community relies on every day. This includes services that contribute to a happy and healthy community and help keep our city looking nice and operating safely. We are also committed to focusing on maximising opportunities for external funding and finishing what we have started, whilst always meeting our legislative requirements and legal obligations.

Playford is South Australia's fastest growing council, with an average of 10 new residents expected to call our city home every day until 2046. This growth increases demand on roads, parks, sporting facilities, stormwater infrastructure and community services.

Council is committed to balancing the needs of current residents while planning responsibly for the future. This means continuing to maintain existing services and assets, while also investing in infrastructure that supports a growing and diverse community.

In 2026/27 Council will continue to invest over \$134M in delivering its existing services. The City of Playford delivers 25 services to our community and further details can be found from page 29 onwards.

Council will also invest \$36.4M in renewing or replacing existing assets such as kerbs, footpaths, roads, playspaces and sporting facilities. These renewal works help ensure Council assets remain safe, functional and fit for purpose. Further details of these renewal projects can be found in Appendix 1, Proposed Infrastructure Renewal Works 2026/27.

Several major projects will continue to progress or be completed in 2026/27, including the Stebonheath Road upgrade at Eyre, Munno Para Sportsground Stage 2, Riverlea District Sportsground (North) Stage 1, and upgrades at Dwight Reserve.

As part of the joint delivery of Council's growth area infrastructure obligations (Infrastructure Deeds), planning and design for the Curtis Road/Frisby Road intersection and the upgrades of Chivell Road, Harris Road and Bubner Road will continue. Planning and design will also continue for McEvoy Road Basin and Culvert (Virginia Trunk Drainage System) and Ridley Reserve Softball Change and Clubrooms.

Council will also invest in new projects and services to meet community needs, including:

- Construction of Munno Para Sportsground Stage 3
- Construction of over 2.6 km of new footpaths
- Construction of *Disability Discrimination Act 1992* (DDA) compliant streetscape infrastructure (e.g. pram ramps)
- Installation of an emu crossing on Rollison Road
- Planning and design for Heaslip Road Streetscape Upgrade
- Traffic safety measure for Odgers Road and O'Loughlin Road
- Planning and design for the upgrade of Odgers Road and O'Loughlin Road

City of Playford

- Temporary sportsground facilities at Ridley Reserve West, Angle Vale Community Sports Centre and Argana Park.

Increased funding will support community grants that promote social inclusion, participation, and health and wellbeing, as well as ongoing Access and Inclusion programs.

Council will also begin the phased purchase of 650ML of unallocated groundwater over five years, improving water security and supporting the expansion of recycled water to help green the city.

Like many households, local government faces rising costs and inflationary pressures. Many of these cost pressures are outside Council's control, such as inflation, the increasing cost of waste and increased costs for animal management. This means that the cost of providing the same services in 2026/27 will be higher than last year. We have worked diligently to reduce the impact of these costs and inflationary pressures by only factoring in inflationary pressures where necessary. This approach helps minimise the impact on our ratepayers.

This ABP outlines how we will fund the inflationary costs for our existing services and the costs associated with new projects and services. These additional costs to our budget have been partially offset with \$1M of Continuous Improvement savings from Council's existing budget.

Financial sustainability, in line with Council's Finance Strategy, has been a focus in the development of this plan, ensuring Council has the means to fund the services and projects it provides to the community now and into the future.

The ABP includes a 3.5% increase in rate revenue for 2026/27. This increase supports essential services, new community projects, and Council's long-term financial sustainability.

Council remains focused on delivering the services residents value today, while making responsible decisions that will shape Playford's future.

Statement of amendments made to Draft Annual Business Plan and Budget

As per section 123(6a) of the *Local Government Act*, Council must include a statement in the adopted annual business plan which outlines any significant amendments from the draft (on which they undertook public consultation) and the reason for those amendments.

A number of changes have been made to the Annual Business Plan and Budget 2026/27 since the Draft Plan was released for public consultation from 30 April - 28 May 2026.

Rates from new rateable properties are estimated in the Draft Plan. As more information is received from the Valuer General the numbers are updated. This has resulted in an increase of commercial rate revenue as show in the table below.

Summary of Operating Expenditure Budget Movement	\$'000
Draft Annual Business Plan Operating Surplus	5,280
Adjustment Rates from New Commercial Ratepayers	464
Additional Rates from New Residential Dwellings	927
Operating Costs to Service New Residential Dwellings	(927)
Revised Annual Business Plan Operating Surplus	5,744

The Rates section (from page 55) has been updated to reflect these changes.

The Primary Financial Indicators (page 64) for the 2026/27 Budget and Projected 5 Year Averages have been updated to reflect these changes.

The Budgeted Financial Statements and Explanations (from page 68) have been updated to reflect these changes.

Further changes that have been incorporated in this Plan are the addition of the Mayor and CEO Foreword (page 5), and updated dates in the project milestones table (page 48).

Concept planning, and planning and design for the upgrade of Odgers Road and O'Loughlin Road, Virginia, has been added to the list of new projects for 2026/27. This change has been reflected on pages 6, 47, 49 and 55 as well as in all relevant financial tables and explanations.

Minor updates have been made to the road and footpath renewal program due to project reprioritisation, including postponements related to adjacent developments and coordination with other works. Appendix 1 Proposed Infrastructure Renewal Works 2026/27 and Appendix 2 Proposed Capital Works 2026/27 Suburb Maps have been updated to reflect these changes.

Our City

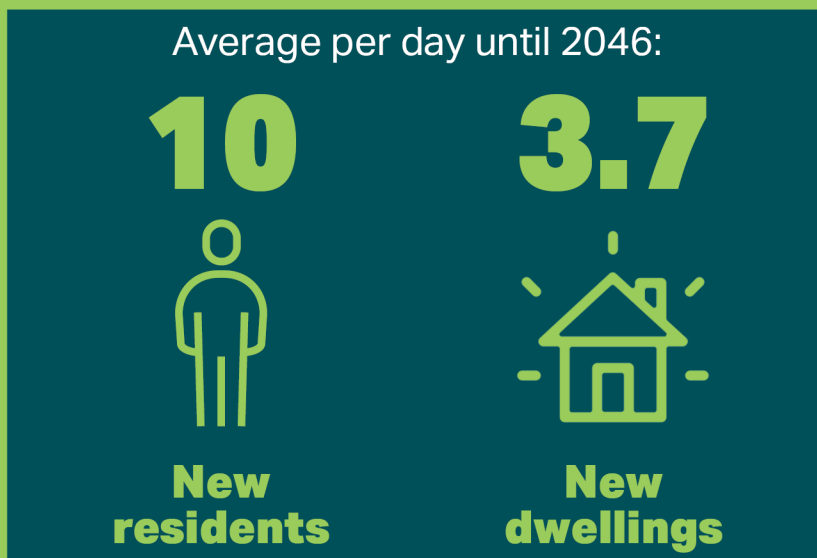
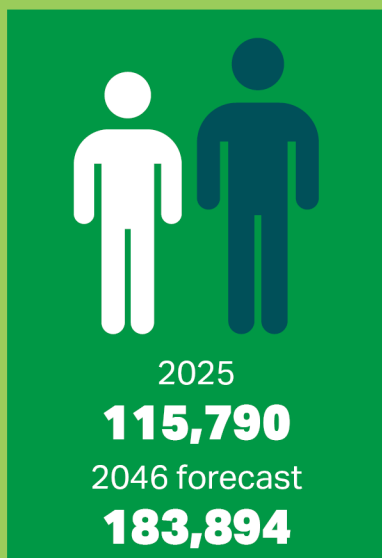
The City of Playford is a diverse city enriched by resilient communities living in new and established suburbs as well as semi-rural townships. Residential development is occurring at a rapid pace, with Playford the centre of growth in South Australia.



Prince George Plaza, Elizabeth.

Playford at a glance

Population → What this means for our city

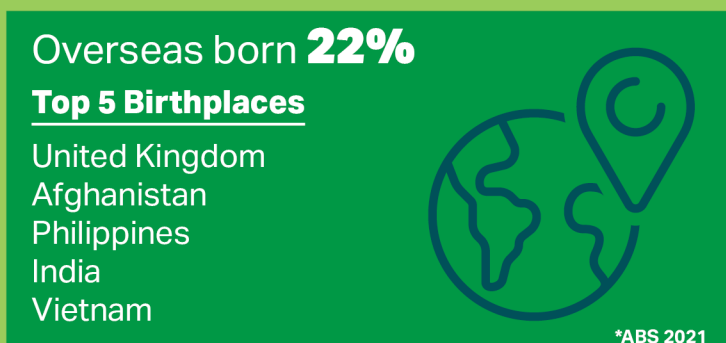
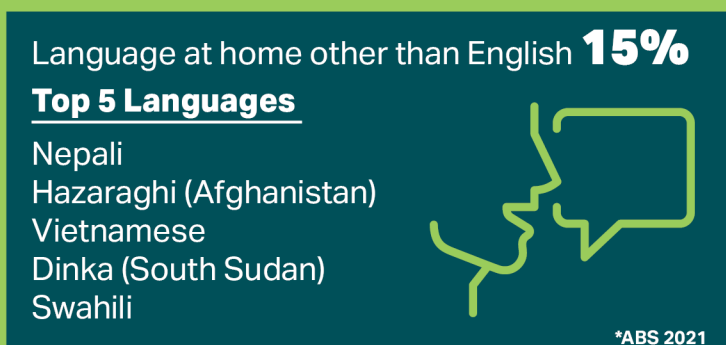


*ABS 2021

Residents living with a disability **8,373**

Aboriginal and Torres Strait Islander **4.2%**

Diversity



Employment

Health care and social assistance are our biggest employers. We also work in retail trade, education and training, as well as manufacturing.

345km²
Area

Covering the northern perimeter of metropolitan Adelaide



*ABS - Australian Bureau of Statistics

Existing assets

Council has a significant portfolio of assets, ranging from roads and footpaths, to parks, community buildings, stormwater and fleet.

Transport

MORE THAN
923KM

of sealed roads, plus ten Adelaide Ovals worth of carparks, as well as bridges, traffic islands and fencing



Footpaths & Signage



MORE THAN
904KM

of paths plus signage, bus pads and pram ramps

Parks & Sportsfields

OVER
1205

hectares of open space including 26 sportsfields and 107 playgrounds



Buildings

193

buildings including civic and corporate buildings, community centres, sports club rooms and halls



Stormwater

572KM

of stormwater pipes and drains plus 54km of network distributing recycled water to Council reserves, as well as schools and external customers



Fleet

243

assets including cars, van, utes, heavy machinery and mowers essential to delivering services to our community

Technology



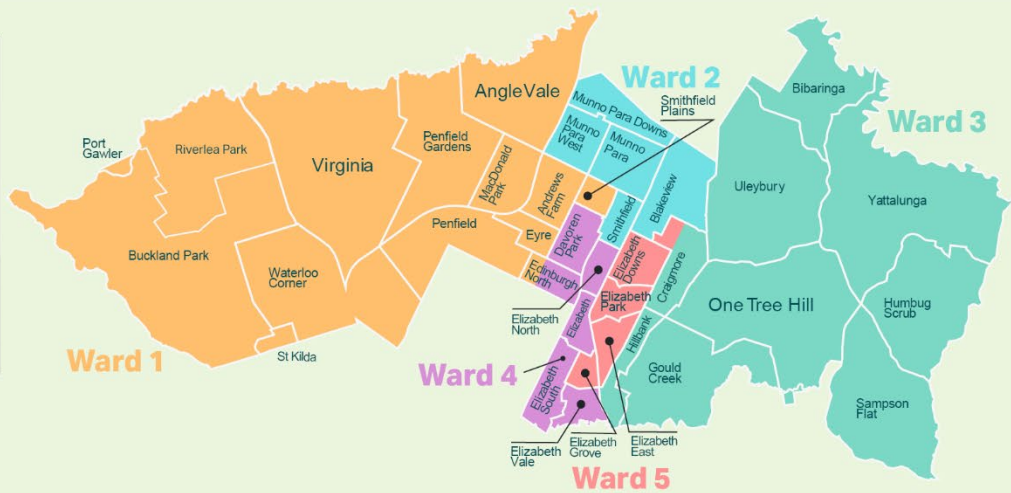
4,534

items of technology equipment including computers, mobile devices and community audio-visual equipment

Your Council



Mayor Glenn Docherty



Cr Peter Rentoulis



Cr Rebecca Vandeppear



Cr Clint Marsh

Ward 1 covers the suburbs of Angle Vale, Buckland Park, Virginia, Eyre, Penfield, Penfield Gardens, MacDonald Park, Andrews Farm, Riverlea Park and Smithfield Plains; and part of the suburbs of Edinburgh North and Waterloo Corner.



Cr Jane Onuzans



Cr Gay Smallwood-Smith



Cr Chantelle Karlsen

Ward 2 covers the suburbs of Munno Para Downs, Munno Para West, Munno Para, Smithfield and Blakeview.



Cr Andrew Craig



Cr Tanya Smiljanic



Cr David Kerrison

Ward 3 covers the suburbs of Hillbank, Gould Creek, One Tree Hill, Sampson Flat, Humbug Scrub, Uleybury, Yattalunga and Bibaringa; and part of the suburbs of Craigmore.



Cr Marilyn Baker



Cr Zahra Bayani

Katrina Tarr resigned from the role as Ward 4 councillor in January 2026.

A supplementary election will not be needed as the vacancy falls within 12 months of the November 2026 local government elections

Ward 4 covers the suburbs of Davoren Park, Elizabeth North, Elizabeth, Elizabeth South and Elizabeth Vale; and part of the suburb of Edinburgh North.



Cr Misty Norris



Cr Akram Arifi



Cr Shirley Halls

Ward 5 covers the suburbs of Elizabeth Downs, Elizabeth Park, Elizabeth East and Elizabeth Grove; and part of the suburb of Craigmore.

Strategic Planning Framework

Our Strategic Plan sits at the centre of our Strategic Planning Framework. It outlines Council's four-year goals for the city and provides direction for decision-making and how we prioritise the allocation of resources.



Saverio Reserve, Angle Vale.

Strategic Planning Framework



Strategic Plan

Our Strategic Plan is a roadmap that guides Council’s decision-making and aims to deliver on the long-term aspirations of liveability, prosperity and happiness outlined in the 2043 Playford Community Vision.

The City of Playford has taken a 12-year approach to planning, broken down into three 4-year strategic plans:



Strategic Planning Framework

The **Strategic Plan 2020-2024** focused on Community and City Foundations, addressing the foundational needs of the community and the critical social and physical building blocks for success.

The **Strategic Plan 2025-2028** will maintain and build on these foundations while bringing into focus connecting our people to each other and their local community.

The three phases of our Strategic Planning Framework

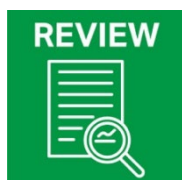


Our high-level plans guide our investment. **The Playford Community Vision 2043*** was developed in 2013 based on extensive community engagement and reflects the longer-term aspirations of the community, organised under the goals of Prosperity, Liveability and Happiness.

Our **City-wide Strategies** focus on a particular area such as open space or transport and help prioritise projects across the city. Our **Masterplans** outline our vision across a particular precinct or project area such as the Playford Health and Wellbeing Precinct and the Virginia, Angle Vale and One Tree Hill Townships.



We continue to invest in our growing community by undertaking new projects and delivering new services. The **Long Term Financial Plan*** ensures Council can deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner. The **Annual Business Plan and Budget*** is the 12-month plan to deliver the Strategic Plan and secure funding.



We are constantly reviewing our investment. **The Strategic Asset Management Plan*** ensures effective and comprehensive management of our asset portfolios. We complete a range of different **analyses and planning activities** such as the Public Health Plan and Disability Access and Inclusion Plan that continue to guide our investment in our existing services.

**These plans meet our obligations under Section 122 of the Local Government Act 1999, which states that a council must develop and adopt plans for the management of its area, to be called collectively the strategic management plans.*

Growth in focus



Newton Boulevard, Munno Para.

Growth in focus

Playford is experiencing significant growth, shaped not only by Council-led projects, but by major investment and planning decisions driven by the State and Federal Governments.

Long-term regional strategies, government investment programs and private developments are influencing where homes, jobs and services will be delivered across our city. Council plays a critical role in these processes by advocating for timely infrastructure, coordinating delivery and ensuring growth is well-planned, sustainable and responsive to community needs.

The following initiatives reflect the scale of growth underway and demonstrate how Council is actively contributing to shaping Playford's future, even where projects sit outside of our direct delivery role.

Planning with purpose: The Greater Adelaide Regional Plan (GARP)

The new 30-year Greater Adelaide Regional Plan (GARP) sets the direction for growth across the region and places Playford firmly in focus, recognising our role as a key service centre for the north and a driver of jobs for South Australia.

Key outcomes include:

- Greater Edinburgh Parks being formally identified as a National Employment Cluster, reinforcing its importance to job creation locally, statewide and nationally. Council's long-standing advocacy helped secure this recognition, strengthening our case for critical infrastructure investment.
- Elizabeth Centre being designated part of a State Significant Infill Area, with a State-led masterplan to be delivered over the next two years. This aligns with Council's vision to revitalise Elizabeth as a vibrant hub for services, shopping, business, and entertainment.
- The Playford Health and Wellbeing Precinct being designated a State Innovation Place, reflecting its role in health service delivery and its potential for growth in research and innovation, building on Council's foresight more than a decade ago.
- A further 1300 hectares of land identified as Future Greenfield Growth Areas within the City of Playford, which will be subject to investigations before they are unlocked for development over the 30 year planning horizon of the GARP.

The GARP also identifies an investigation area for a new rapid mass transit corridor to service northern growth area communities. The State Government has subsequently identified a 33km rail corridor linking to the existing metropolitan rail network at Dry Creek, travelling through Waterloo Corner and Riverlea, and terminating at Two Wells. The corridor will be preserved by an overlay in the Planning and Development Code.

Council welcomes the State Government's collaborative approach and is pleased to see its local insight and advocacy reflected in the Plan.

Greater Edinburgh Parks – supporting jobs growth in Northern Adelaide

Around 95 per cent of Greater Adelaide's future employment land is located in Northern Adelaide, with a majority within Greater Edinburgh Parks (GEP). As part of the National Employment Cluster (NEC) identified in the GARP, GEP is well positioned to support industries such as advanced manufacturing, renewable energy, defence and logistics. The development of these employment lands will provide jobs for the rapidly growing northern population and support economic development both locally and for the State.

Growth in focus

GEP benefits from strong access to critical road, rail, port and intermodal infrastructure and proximity to established agricultural, manufacturing and defence industries. Its location near key activity centres including Elizabeth and Salisbury, and Technology Park and Adelaide University at Mawson Lakes provides a strong foundation for supporting highly skilled, future-focused industries.

The demand for employment land is evident by four rezoning (Code Amendments) exercises at Waterloo Corner involving multiple landowners. The planning, coordination and funding for critical infrastructure including transport, stormwater and utilities is being led by the State Government.

This work will be supported by the development of an Employment Lands Roadmap, outlining where land will be released, when infrastructure will be delivered and how the State will meet the growing demand for industrial, logistics and advanced manufacturing precincts.

Northern Park Lands – a new open space network for the North

The Northern Park Lands is a major State Government initiative introduced through the GARP to establish a new network of public open spaces in Adelaide’s growing northern suburbs. Spanning up to 1000 hectares, the initiative will support population growth by delivering high-quality open space and landscape infrastructure adjacent to existing and emerging communities.

Over time, the Northern Park Lands will include areas for:

- active recreation and sporting facilities
- walking and cycling connections
- passive open space and landscape experiences
- revegetation, biodiversity habitat and waterway enhancement
- gathering spaces and destinations
- community and visitor facilities that support activation and sustainability

The GARP identifies preparation of a Northern Park Lands Master Plan as a key implementation action, guiding delivery through a staged approach.

Angle Vale Infrastructure Scheme

The State Government has announced it will investigate a new Infrastructure Scheme for Angle Vale. Council welcomes this as a step toward a more equitable and transparent system that gives our community greater certainty about who funds infrastructure, when it will be delivered, and how it will keep pace with the State’s growth agenda.

Council sees potential for the proposed Infrastructure Scheme to be part of a better system that delivers facilities when new residents need them most, and supports sustainable, well-serviced communities from the start.

Federal and State support for Curtis Road

We are seeing strong, coordinated progress through partnership across Curtis Road, with governments and developers working together to deliver on-the-ground improvements.

At the eastern end of the road, the State and Federal Governments are progressing a \$250 million project to remove the railway level crossing on Curtis Road. While the level crossing is not the sole cause of congestion along Curtis Road, its removal is an important first step following sustained advocacy from Council. The project will improve safety and traffic flow at this section of the road and help ensure it does not become a choke point as improvements are delivered along the rest of the road.

Growth in focus

To the west, the Curtis Road and Heaslip Road intersection upgrade is being delivered as a joint State and Federal project, with a new dual-lane roundabout to improve capacity and efficiency. This upgrade is also being part funded through landowner contributions as part of the Growth Area Road Infrastructure Deed for Angle Vale.

In Munno Para West, Council has been working closely with the State Government and developer to progress a solution for the Curtis Road and Andrews Road intersection. This will include realignment of the intersection, installation of traffic signals, and dual-lane approaches to support growing traffic demand. Importantly, this project is being delivered through a shared funding model, with contributions from Council, the State Government and landowner contributions.

While this progress is significant, Council remains committed to working in partnership with all stakeholders to deliver a long-term, whole-of-road solution for Curtis Road. We want to ensure future investment is targeted, coordinated and delivers the best outcomes for the community.

In 2023, the State Government commissioned a traffic study to inform this broader solution. Council looks forward to reviewing this work and continuing to collaborate on the next stages of planning and investment.

Smithfield Regeneration Code Amendment

The State Government approved a Code Amendment for Smithfield in March 2026 that is focused on the former Smithfield barracks site and surrounding area. Council provided a formal submission during public consultation in late 2025, advocating for development that is well-planned, contributes to liveable communities and is supported by appropriately funded infrastructure.

Council continues to call for a coordinated approach regarding road upgrades, managing the interface with the Munno Para Shopping Centre, access across the Gawler Rail Line, provision of open space, and provision of essential services like stormwater, water and sewer.

State transport and infrastructure strategies

The State Government has released two major long-term strategies—the 30-Year Transport Strategy and the 20-Year State Infrastructure Strategy—to guide South Australia’s growth. While no Playford-specific projects are identified, both strategies emphasise improving connectivity, sustainability, and support for growing communities.

For northern Adelaide, key priorities include exploring new water supply solutions and reviewing wastewater capacity to support future growth.

The State Government is also developing a North Adelaide Transport Study to inform future transport planning and investment in the region. A Public Transport Strategy is also being developed to help deliver a more accessible public transport network. Council has provided feedback as part of the consultation process for both initiatives.

Water and sewer infrastructure – SA Water

SA Water is delivering major upgrades to water and sewer infrastructure across northern Adelaide to support housing growth and ensure reliable services for existing communities. These large-scale works include new pipelines and network upgrades across multiple locations, helping unlock new neighbourhoods while strengthening the network that supports current residents.

These upgrades will continue over the coming years, reflecting the scale of growth in our region and the long-term investment required to support it.

Growth in focus

Riverlea District Sportsground

Construction is underway on Stage 1 of the Riverlea District Sportsground. Delivered through a partnership between Council, Walker Corporation and Catholic Education South Australia, the 15.35 hectare precinct will provide a central multi-purpose oval for AFL, soccer and cricket, a dedicated soccer pitch, cricket nets, and supporting infrastructure including lighting, car parking and pedestrian connections.

The sportsground forms part of a broader recreation and education hub at the heart of Riverlea, with three quarters of the site dedicated to community sport and shared with the adjacent Xavier College Riverlea Park campus. As the population grows, future stages will expand the precinct into a major sporting destination, supporting local jobs, active lifestyles and strong community connections.

Eyre Secondary School

The State Government has committed to a new \$155 million public school at Eyre to support forecast population growth in the northern suburbs. The Year 7-12 school will be located on a 10 hectare site, directly opposite the Eyre Development, at the south-western corner of Petherton and Andrews Roads. Construction is forecast to commence in mid-2026 and the school is expected to open in 2028, providing capacity for up to 1300 students.

Elizabeth CBD – a growing civic and commercial centre

The Elizabeth CBD is evolving as the vibrant civic, commercial and cultural heart of northern Adelaide, supporting a rapidly growing community and creating a central place for connection, business and everyday life. As more people choose to call Playford home, the CBD is being shaped through strong planning and partnerships to deliver a contemporary regional centre that reflects both the character and future of the north.

Key projects are now progressing, with construction underway on the Playford Commercial Hub and planning approvals in place for a serviced apartments development and a sport and entertainment venue. Together, these projects represent important steps in building a more active, connected and economically strong CBD. As growth continues, Council will keep working with partners to ensure the right mix of development is delivered – creating long-term value and a centre that meets the needs of the community now and into the future.

In developing the 2026/27 ABP, Council has considered the broader growth context shaping Playford, including major State and Federal Government strategies, investments and planning initiatives. Through advocacy, collaboration and partnerships, Council continues to play an active role in supporting well-planned growth and helping to ensure development responds to the needs of our growing community.

Budget Summary

The Annual Business Plan and Budget focuses on the services and projects to be delivered in the next 12 months, while ensuring the decisions we make this year do not undermine our long-term financial sustainability.



Aerial view of new homes at Riverlea Park.

Budget Summary

Capital and Operating Budgets

Each year Council develops a capital and an operating budget.

- The **capital** budget is Council’s expenditure on projects that will create or renew long-term assets.
- The **operating** budget incorporates all costs associated with delivering our existing services, including maintaining our community assets. The budget is adjusted for inflation and cost pressures for existing services, and for the introduction of new projects and services.
- Our four-year planning horizon ensures the decisions we make within a specific budget year do not undermine our long-term strategic direction and financial sustainability.

Capital budget summary 2026/27

	Capital Budget \$M
Asset Management Plans – Capital Renewal	36.4
Multi-year projects commenced in prior years	60.9
New capital projects 2026/27	13.7
Council expenditure – Sub Total	111.0
Donated Assets	75.3
	185.3

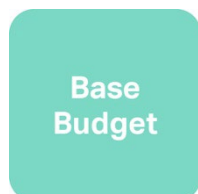
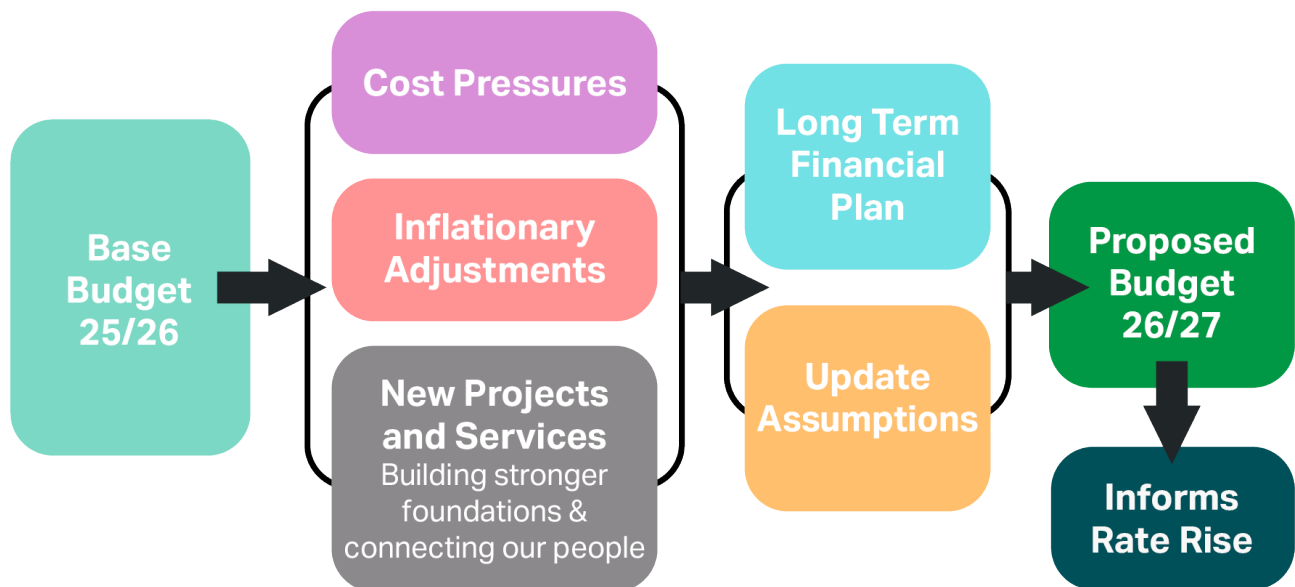
The above will result in an increase in Council capital assets of \$149.8M

Operating budget summary 2026/27

	Operating Budget \$M
Operating Income	173.9
Operating Expenditure	168.2
Operating Surplus/(Deficit)	5.7

Budget Summary

How we develop the budget



BASE BUDGET

Council's existing 25 services make up most of our base budget. Service Standards articulate the service Council delivers and the benefits the community can expect to receive.



COST PRESSURES

Our costs may be impacted by increases above inflation due to external pressures such as the increasing cost of waste and animal management.



INFLATIONARY ADJUSTMENTS

Inflation relates to increases in the cost of doing business. To ensure the budget is sufficient to cover inflationary pressures we reference the Consumer Price Index (CPI) and Council's Enterprise Agreement on wages.

Budget Summary

New Projects and Services

NEW PROJECTS AND SERVICES

Council's Strategic Plan 2025-2028 outlines the decision-making filters and themes we use to decide on any new projects or services to be introduced to the community each year.

This year's Annual Business Plan focuses on investing in the completion of multi-year projects to meet the needs of our growing and diverse community. We will also make some adjustments to ensure we continue delivering the services our community wants and needs.

Long Term Financial Plan

LONG TERM FINANCIAL PLAN (LTFP)

The LTFP provides information on Council's long-term financial sustainability. It is the key tool used by Council to assess the long-term financial implications of decisions.

Update Assumptions

UPDATE ASSUMPTIONS

Each year Council reviews the assumptions used to form the budget. These include interest rates, asset disposals, developer contributions and growth.

Proposed Budget 26/27

PROPOSED BUDGET 2026/27

After considering the above, Council can see how much budget it needs to fund services and any new projects/services for the coming year.

Informs Rate Rise

INFORMS RATE RISE

Rates are a financially sustainable funding pathway to pay for Council services. Council uses the proposed budget to inform any required rate rise, and this ensures that we only rate the community for what is needed.

Budget Summary

2026/27 BUDGET

As a result of the budget process, Council intends to fund the following changes to the 2026/27 budget:

	\$'000	Rate Rise Equivalent %
Inflationary Costs	3,729	3.07%
Delayed Operating Expenses	982	0.81%
Cost Pressures	1,854	1.53%
New Services/Assets	413	0.34%
New Services/Assets – Growth	1,244	1.03%
Growth Existing Services	4,028	3.32%
Total Additional Costs	12,250	10.10%

Council’s commitment to financial sustainability

The City of Playford’s Finance Strategy outlines our commitment to financial sustainability. Developed in 2017/18, the strategy aims to achieve long-term financial sustainability while enabling Council to deliver planned services, responsibly manage debt and promote the growth of the city, both now and into the future.

When considering our financial sustainability, we reference our operating and structural position. The difference between these terms is explained below:

The **operating position** shows Council’s income compared to the operating costs required to deliver services to the community. Where income exceeds expenses, Council would be in an operating surplus and where income is less than expenses, Council would be in an operating deficit.

The **structural position** reflects our operating position, **without** the inclusion of once-off grants and developer contributions. Grants and developer contributions are committed to be spent in future years. They do not form part of our ongoing sustainable base budget for delivering day-to-day services in any given financial year.

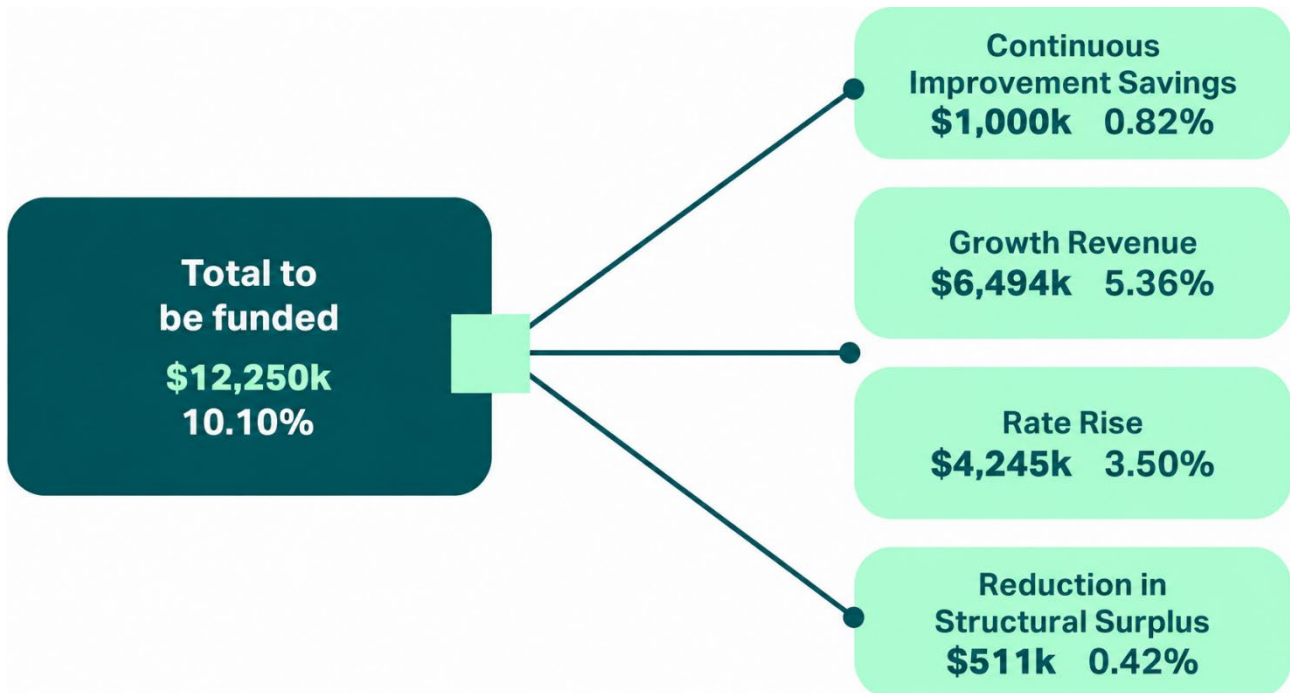
Maintaining operating and structural surplus positions over the long-term ensures Council can meet current and long-term commitments and be financially sustainable.

To ensure Council remains financially sustainable, we monitor our budgets and our performance against an operating surplus ratio and a structural surplus ratio. Council has endorsed a target range of 1% to 10% for the operating surplus and 1% to 4% for the structural surplus.

Budget Summary

Budget Funding Pathways

This Annual Business Plan details how we will fund the inflationary costs for our existing services, new projects and services, and meet our commitment to financial sustainability. The budget increase will be funded as follows:



Continuous Improvement Savings

Council's focus on continuous improvement has resulted in savings of over \$19.4M since 2011, including \$1.0M as part of the 2026/27 budget process.

The savings have either been:

- allocated to services to reduce the rate burden of providing new services and assets to the community; or
- used to ensure that Council is operating within its means and not using debt to fund its operations.

Growth Revenue

Council receives new rate revenue from new dwellings and commercial properties. This is used to fund the additional services required in a growing community.

Rate Rise

Council's primary revenue stream comes from raising and collecting rate revenue. Council will need to increase rates to fund the remainder of the budget unable to be funded by Continuous Improvement savings and Growth revenue as outlined above. As a result, there will be a 3.5% increase in rate revenue for 2026/27. The increase funds new projects and services that the community has asked for while covering rising costs due to inflation and meeting budget goals that support long-term financial sustainability.

Delivering for our Community

The City of Playford provides a wide range of services, programs and infrastructure to meet the needs of our community and to fulfil our legislative requirements under the *Local Government Act (1999)*.



Northern Adelaide Jobs and Careers Expo.

Delivering for our community

What makes up our 2026/27 budget



Existing Services Operating Budget

Council has 25 core services it delivers to the community annually. Each of these services is delivered to its own specific standard to ensure the same level of service across the city from year-to-year.

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Existing Assets Capital Budget

Council has a significant portfolio of assets, ranging from roads and footpaths to parks and community buildings. Council manages these assets through regular maintenance and renewal programs.

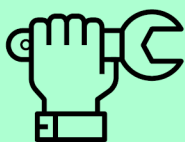
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Projects Capital Budget & Operating Budget

This includes projects that commenced in prior years and will continue in 2026/27 as well as new projects that will start in the coming year.

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New or Adjusted Services

Operating Budget

These are new and adjusted services that will be introduced in 2026/27.

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Rising Costs Operating Budget

Rising costs and inflationary pressures in 2026/27 mean that it will cost Council more to deliver the services we offer to the community..

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Funding Pathways

Capital Budget & Operating Budget

This section details the costs and funding pathways for the new projects and services.

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Delivering Existing Services in 2026/27

Community Facilities, Programs and Events

Club Development and Access to Sporting Facilities

The Sports Development Team supports more than 80 sporting clubs across the city, providing access to facilities for both training and competition. The team works closely with clubs and associations to strengthen administration, operations, participation growth, ground allocation, project communications, and compliance, while ensuring that Council-owned facilities are well-utilised, safe, and accessible for the broader community.

Community Development and Health Initiatives

Community Development services support knowledge, skills development and capacity building for people at all stages of life. Services are delivered at several sites including the Grenville Hub, John McVeity Centre, The Precinct, the Healthy Food Co, Marni Waiendi, Playford Libraries and the Elizabeth Rise Community Centre.

These initiatives support the community in various ways, such as access to services, providing volunteer opportunities, advocacy and the provision of a range of social and educational activities.



Community Inclusion

Council's Community Inclusion services provide education, information and support to assist older and vulnerable people to remain independent and connected within the community. Inclusion programs are run at sites including the Grenville Hub as well as outreach programs in One Tree Hill and Virginia. The programs also support people living with disability through the National Disability Insurance Scheme (NDIS) and Council funded social and capacity building supports. Broader initiatives and projects are also supported by Council's Disability Access and Inclusion Plan.

Community Venues

A broad range of facilities and venues are available for the community to access for events and experiences.

The Shedley Theatre is the northern suburbs' premier theatre venue, hosting a calendar of high-profile, professional artists, as well as supporting local amateur groups and school events.

The Function Room at the Playford Civic Centre provides a high-quality venue space for use by business and community groups.

The Uley Road Hall, Spruance Hall and Virginia Institute also provide high-quality space for the community to utilise.

The Northern Sound System (NSS) is the state's leading youth music facility, engaging young people through music and creative industries. An extensive range of programs build the capacity of young people, while also offering a live music venue, rehearsal spaces and recording studio.



Customer Contact

Council's Customer Contact service provides prompt, helpful and accurate information and transactional services to our community. Our Customer Contact staff are the first point of contact for many of our residents, rate payers, businesses and visitors at one of Council's sites. Your website, email and phone queries are handled by our knowledgeable team members who are happy to action requests for service and connect you with the right people across Council.

Library Services

Library Services provide access to information, technology, educational programs, cultural engagement, local history, social interaction, entertainment and leisure for our community. Branches at the Civic Centre and Stretton Centre are supported by the Mobile and Home Library Services.



Existing Services Operating Budget



Event Management

Council delivers a range of community and civic events across the city to create interesting and fun ways for our community to come together and connect. Where appropriate, Council looks to partner with others to extend the range of events on offer. These events celebrate the community and promote a sense of connection.

Volunteer Development

Volunteers extend and enhance the services and programs delivered by Council, sharing their time, energy and skills to benefit the community. Volunteers receive many opportunities to develop new skills and knowledge, connect with others and enjoy a sense of accomplishment.





Existing Services Operating Budget

City Maintenance

Parks and Reserves

Council maintains some 785 reserves throughout the city. This includes parks which provide amenities such as welcoming outdoor spaces, accessible play spaces, park furniture and green open space to encourage sporting activities and recreation. Wetlands, buffer reserves and natural areas also provide natural open space for our community to enjoy.

Rapid Response

Council provides a rapid response team to attend to urgent situations and help reduce risk to our community. The primary objective is to make the situation safe, with additional work then referred to other Council services.

Rural Streetscapes

Regular road maintenance is undertaken in our rural areas, with a programmed and proactive approach based on risk. This service enables a safe and connected community for our rural residents.

Sportsfield Maintenance

The maintenance of Council's many sporting facilities, such as natural turf fields and hard courts (e.g. tennis and netball), provides important spaces for individuals, families, groups and clubs to come together for leisure or competition. We strive to provide a diverse range of well-maintained sporting facility options to ensure our community can actively engage and participate in the many sporting activities available across our city.

Stormwater Network

Council maintains a wide range of civil infrastructure assets, including stormwater systems, roads, footpaths and bridges. Ongoing maintenance of these assets ensures our community remains safe, accessible and well connected.

Tree Services

Our tree team plant and maintain trees on community land, which contributes to the look and feel of the city, as well as positively impacting on the environment, local wildlife and the health and wellbeing of Playford residents and visitors.

Urban Streetscapes

This service provides safe pedestrian access, a safe and orderly urban road network, and improved appearance of street frontages. This service contributes towards the character of our places, neighbourhoods and to overall city presentation.

Graffiti Operations

The graffiti team provides a quick and timely response to the removal of graffiti from Council assets, leading to a clean and attractive city with a reduction in overall visible graffiti.



Existing Services Operating Budget

Waste and Recycling

Kerbside Waste

The kerbside waste management service includes household waste, recycling, green organics and hard waste. Diverting waste away from landfill, through recycling, reduction in contamination rates, and uptake of the green organics service are a focus of this service.

Illegal Dumping

This service manages the collection and disposal of illegally dumped rubbish throughout the city, as well as supporting compliance with illegal dumping regulations. Illegally dumped rubbish can create safety hazards and detract from the amenity of our neighbourhoods. Council also provides important waste education services to help reduce the occurrence of illegal dumping.

Public Health, Regulatory and Environment

Environmental Health

This service seeks to protect the community from environmental public health risks by managing statutory responsibilities. Council's commitment to a healthy and safe community means that we also prioritise education and promotion of public health, food safety and wastewater standards.

Environmental Sustainability

In collaboration with our community and interested stakeholders, we enhance our local environment with resident education and engagement initiatives such as plant distribution programs, projects to improve our urban and rural biodiversity, and targeted biodiversity management on rural roadsides.





Existing Services Operating Budget

Immunisation

Our immunisation service seeks to minimise the incidence of vaccine-preventable diseases. Services undertaken include early childhood immunisation, secondary school programs, New Arrival Refugee Immunisation (NARI) program and public and business programs, including education.

Regulatory Services

We provide comprehensive regulatory services including animal management, parking compliance, fire prevention, and compliance with by-laws to promote community resilience, understanding and improve the safety, appearance and accessibility of our city.

Development Services

This service facilitates safe and desired city development by coordinating and managing growth, assessing development applications, providing advice and ensuring that development is constructed in accordance with the relevant legislation.

Local Business Support

Business Support and Industry Development

This service fosters business growth and supports and facilitates the creation of local jobs. Our modern co-working facility at the Stretton Centre provides cost-effective office space and one-to-one business support. Support is also provided at an industry level through specific projects, advocacy and connection, as well as through the Virginia Horticulture Centre.





Existing Services Operating Budget

Service Standard	2026/27 Net Operating Budget \$'000
Business Support and Industry Development	1,396
Club Development and Access to Sporting Facilities	1,030
Community Development	3,613
Community Inclusion	2,042
Community Venues	1,531
Customer Contact	4,080
Development Services	6,028
Environmental Health	1,180
Environmental Sustainability	765
Event Management	1,804
Graffiti Operations	470
Health Initiatives and Healthy Food Co.	639
Illegal Dumping	1,778
Immunisation	225
Kerbside Waste	20,880
Library Services	3,250
Parks and Reserves	15,098
Rapid Response	1,625
Regulatory Services	1,360
Rural Streetscape	6,755
Sportsfield Maintenance	5,604
Stormwater Network	8,308
Tree Services	5,571
Urban Streetscapes	38,937
Volunteer Strategy and Development	244

NB The cost of service delivery is calculated based on both direct and indirect costs of delivering the services.

Direct costs such as materials, contract fees and salaries that are directly attributable to delivering the service form the base of these service costs. Indirect costs such as corporate overheads and depreciation are spread proportionately across all service areas and are included in the net cost of each service. Costs are also net of any direct revenues in the form of grants, user charges and fees earned during the course of service provision.



Existing Assets Capital Budget



Existing Assets

Each year, Council spends a large proportion of its budget on the renewal program for existing assets. This involves replacing our existing assets that have either reached the end of their useful life or are no longer able to provide a service to the community at the required standard. A summary of the renewal program is included below, and further details on asset management planning can be found in the Strategic Asset Management Plan.

Transport

Transport assets such as roads, kerbing, car parks and traffic islands degrade over time due to age, increasing vehicle loads, soil movement, tree roots and drainage problems. Transport assets are regularly inspected and given a condition rating which informs our renewal plans.

Bridges

Bridge assets include road bridges, pedestrian bridges and major culverts. These are formally inspected every four years, supplemented by minor inspections annually to identify required works.

Stormwater

Stormwater assets are essential to reducing the risk of flooding. Most of our stormwater network is underground, out of sight and has a long lifespan. Each year a sample of Council's underground stormwater pipe network is inspected using CCTV cameras to inform our renewal plans.



Existing Assets Capital Budget

Streetscapes

Footpaths are an important way for our community to access our city. Footpaths fail over time due to age and can also be damaged by soil movement, tree roots and construction traffic. Just like transport assets, footpath assets are regularly inspected and given a condition rating which informs our renewal plans.

Footpath Widening – AMP Supplementary

Council's Urban Design Guidelines (UDG) recommend that footpaths on roads that attract higher pedestrian activity e.g. proximity to community amenities, bus routes or open space, be considered for widening to 1.8m when they are renewed.

Sections of the following footpaths have been identified for widening in 2026/27:

- Broadmeadows Road, Elizabeth North
- Ifould Road, Elizabeth Park
- Hanson Road, Elizabeth Downs
- Zurich Road, Craigmore

Shared Use Path Widening – AMP Supplementary

This project will widen existing footpaths that are due for renewal from their current width to shared use path width. This supports Council's Transport Strategy 2025 action to invest in constructing and upgrading shared paths, cycle paths and footpaths.

Sections of the following footpath have been identified for widening in 2026/27:

- Yorktown Road, Elizabeth Park



New footpath along Adams Road, Craigmore.



Existing Assets Capital Budget

Parks and Sportsfields

Council manages an extensive number of parks and sportsfields throughout the city for our community to enjoy. The assets within these spaces – such as irrigation systems, fencing, park furniture, playground equipment and sporting surfaces – are inspected regularly to meet safety standards as well as helping to inform our renewal plans.



Playground upgrade at Virgo Street Reserve, Elizabeth South.



Existing Assets Capital Budget

Buildings

Council provides a number of buildings and spaces to support our community to thrive. Building renewals are triggered by inspections, safety standards, compliance requirements and data such as expected life and maintenance expenditure.

Water Delivery – Playford Water

Playford Water provides a sustainable alternative to mains water for irrigating sportsfields, parks, and reserves. To ensure reliability and efficiency, its assets are proactively renewed before failure based on inspections, condition assessments, and performance monitoring. By addressing aging or deteriorating components before they fail, this approach minimises disruptions, reduces maintenance costs, and ensures long-term service continuity for the community.

Fleet, Minor Plant, and Technology & Office

Council's fleet of vehicles, plant and equipment is critical to ensuring our services can be delivered reliably, efficiently, and safely. By renewing these assets proactively, we minimise the chances of physical injury to staff and community members, infrastructure damage and excessive downtime for repairs.

Asset Category	AMP	Supplementary	Total Budget
	\$'000	\$'000	\$'000
Transport (including bridges)	13,388	-	13,388
Stormwater	895	-	895
Streetscapes	6,760	478	7,238
Parks and Sportsfields	1,899	-	1,899
Water Delivery	1,473	-	1,473
Buildings	6,288	-	6,288
Minor Plant	76	-	76
Fleet	4,031	-	4,031
Technology and Office	1,639	-	1,639
Grand Total	36,449	478	36,927

NB: The tables in Appendix 1, Proposed Infrastructure Renewal Works 2026/27 provide further detail on the specific assets scheduled for renewal across the city in 2026/27. Also see Appendix 2, Proposed Capital Works 2026/27 – Suburb Maps.



Kinkaid Road, Elizabeth East.

Projects

In addition to the annual renewal program and ongoing services, Council works on a variety of infrastructure and community projects each year.

These projects serve to meet current and future community needs, expectations or interests. Where possible and appropriate, Council will seek to partner with others to reduce the financial burden of projects on our community. The projects in 2026/27 include the execution phase of some large-scale initiatives that take several years to complete.

We have a process in place to carry over funding from one year to the next, ensuring we can continue work on projects that extend across multiple years.

New projects are identified through the decision-making filters and themes outlined in our Strategic Plan 2025-2028 - *Building Stronger Foundations & Connecting Our People*, ensuring we focus on what matters most to our community.

The Lifecycle of our Projects

The lifecycle of our projects includes everything from feasibility studies, planning and design to community engagement, procurement, and construction. Many things need to happen, some behind the scenes, before a project is brought to life and the community starts to see activity on the ground.

The phases of a project lifecycle are explained below, including what we as Council will be working on and what the community can expect at each phase. Council aims to have projects across each phase included in each Annual Business Plan and Budget, ensuring project planning is proactive, considered, sustainable and addresses current and future needs. This enables a continuous pipeline of outcomes for our community.



Definition

**This phase:**

Includes defining what is and is not included, feasibility studies, concept planning, community engagement and seeking Council approval to proceed with delivery of the project.

Community experience:

The community may be asked to share thoughts about initial plans and designs through a community engagement process.

Planning and Design

**This phase:**

Includes activities such as engaging a designer, undertaking site investigations, and producing detailed design drawings or designing the outcome for a project (depending on if it is capital or operational in nature).

Community experience:

Council is busy working behind the scenes on finalising detailed designs based on the concept planning in the previous stage.

Execution

**This phase:**

Includes the delivery tender process and construction of the project. At the end of this phase the project is commissioned into service.

Community experience:

For operating projects, the commencement of the Execution phase is likely to be experienced by our community through service changes and improvements.

For capital projects, construction work commences in this phase and access may be restricted to the project site. There may be fencing, signage, traffic alterations, and increased noise and dust in the area. However, once completed, the outcome will be available to the community and enhance the liveability of our city.

Council will communicate changes across both operating and capital projects. Information on projects at various stages may be provided through Council reports or publications such as *Playford News*.



Projects Capital & Operating Budget

The following section outlines the projects that will continue from prior years as well as the new projects planned for 2026/27.

Projects in the Execution Phase are listed first, as these are the ones where the community will begin to see physical work on the ground or new amenities completed and ready for use.



Execution

The following projects will be in Execution Phase in 2026/27.

Infrastructure Projects Continuing from Previous Years

The information below provides a summary of the work that is forecast to continue into 2026/27. The proposed carry-in budget for 2026/27 is \$60.9M.

Munno Para Sportsground Stage 2

Munno Para Sportsground is identified as a priority growth area project in Council's Sports Facility Strategy. Elizabeth Grove Soccer Club has been selected as the tenant club for the new facility. Stage 2 includes a FIFA-quality synthetic pitch, a natural turf oval, changerooms, function room and associated facilities.

This project is part funded by a \$0.75M State Government grant.

Dwight Reserve – Clubrooms and Car Park

Construction of clubrooms at Dwight Reserve will replace the current clubrooms that are no longer fit for purpose. A new car park will alleviate traffic and pedestrian movement issues experienced by the Eastern Park Football and Cricket Club patrons. The car park will also leverage off the Department for Infrastructure and Transport's (DIT) upgrade of the Yorktown Road and Adams Road intersection, creating a new entry to the Dwight Reserve Sportsground.

This project is part funded by a \$0.5M State Government grant and \$0.3M from the South Australia Football Facilities Fund.

Riverlea District Sportsground (North) – Stage 1

Riverlea District Sportsground (North) is a high-priority new facility outlined in Council's Sports Facility Strategy. It will promote active lifestyles and strengthen social connections within the growing Riverlea development. Stage 1 construction will include a soccer pitch, a multi-purpose oval, and supporting infrastructure, which will be shared with the new Catholic school opening in 2027.

This project will be delivered by the developer in consultation with Council as a contributing party.



Projects Capital & Operating Budget

Stebonheath Road, Eyre Upgrade (Petherton Road to Womma Road)

This project will deliver additional kerb and footpath infrastructure to ensure appropriate connectivity between Council's existing network and the upgraded Stebonheath Road. The project will also deliver landscaping upgrades to improve the amenity and aesthetics of the area.

This project will be delivered by a developer in consultation with Council as a contributing party.

Playford Water Business Expansion

This project will expand Council's "Playford Water" recycled water network, reducing reliance on potable water for irrigation of green spaces.

Key components include:

- Expanding the Aquifer Storage and Recovery (ASR) at Stebonheath Park (Andrews Farm Wetlands) and connecting to an additional 18 new locations.
- Upgrading Mofflin Pump Station to meet increased demand in the south of the city and ensure reliable water delivery to the Playford Health Precinct and Philip Highway medians.
- Increasing Stebonheath Park Wetlands stormwater capture by 50 megalitres annually, enabling more stormwater harvesting.

PNE 1, 1a, 2 & 3 Curtis Road/Andrews Road Intersection

This project is identified as the first priority within Council's Transport Strategy 2025. It will deliver a signalised intersection at the realigned intersection of Curtis Road and Andrews Road, with limitations in access (left in and left out only) to the existing Andrews Road alignment.

The works to the Curtis/Andrews Road intersection will align with the developer's (Tudor Vale) retail precinct and realignment of Andrews Road. This work has ensured alignment with the Curtis Road Study design. The retail precinct is anticipated to be completed by the end of 2026, with this intersection being critical to appropriate traffic movements.

This project will be delivered by the developer in consultation with Council as a contributing party.

New Projects for 2026/27

The following new projects are set to enter the Execution Phase during 2026/27. Planning and Design is either already complete or will take place in the first quarter/half of the year, with construction beginning later in the year. For estimated timelines of each phase, please refer to the table on page 48.

Munno Para Sportsground Stage 3

Munno Para Sportsground is identified as a priority growth area project in Council's Sports Facility Strategy. Stage 3 of this project will deliver:

- One additional synthetic senior soccer pitch
- Sportsground lighting
- Training area
- Community play space
- Carpark
- Public toilets
- Footpath connectivity

This project is part funded by a \$3.3M State Government contribution.



New Footpaths 26-27

This project will provide approximately 2.6km of new footpaths to address some of the safety and connectivity issues across the city. Footpaths will be constructed on:

- Silk Road, Andrews Farm
- Edward Avenue, Craigmore
- Enmore Drive, Craigmore
- Tatura Court, Craigmore
- Whatley Way, Craigmore
- Zurich Road, Craigmore
- Gillingham Road, Elizabeth
- Goodman Road, Elizabeth
- Barton Road, Elizabeth Downs
- Stratton Reserve, Elizabeth Downs
- Homington Road, Elizabeth North
- Trimmer Road, Elizabeth South
- Anthony Drive, Hillbank
- Christine Avenue, Hillbank
- Chellaston Road, Munno Para West
- Sasha Drive, Munno Para West

DDA Streetscape Infrastructure 26-27

Pram ramp infrastructure that is non-compliant with the *Disability Discrimination Act 1992* (DDA) will be upgraded across areas of the city where there is a high percentage of the community that reported the need for assistance, specifically targeting areas that are not forecast to be renewed in the near future.

The 2026/27 program will deliver approximately 50 ramps prioritised from the list of non-compliant and non-existent ramps in those locations.

Traffic Management Minor Projects 26-27

This project aims to improve road, pedestrian, and traffic safety within the city through the delivery of crossing upgrades. The following location is identified for 2026/27:

- Rollison Road, Elizabeth Vale – installation of an Emu crossing directly adjacent to Elizabeth Vale Primary School.

Odgers Road and O'Loughlin Road safety measure

This project will deliver short- to medium-term safety improvements on Odgers Road and O'Loughlin Road, Virginia, to be developed in consultation with the community.

Temporary Sportsground Facilities

This project will deliver transportable amenities, including changerooms, storage and canteen facilities, to meet high-priority, short-term sport and recreation needs. The facilities will support increased demand, temporary site requirements and club relocations, while improving utilisation of existing sportsgrounds.



The facilities will initially be provided at Ridley Reserve West, Angle Vale Community Sports Centre and Argana Park. They will be relocated to other sites as required on a rolling basis to maximise ongoing utilisation and minimise disruption to community sports organisations during facility renewal/upgrades.



Planning & Design

The following projects will be in the Planning & Design Phase in 2026/27.

Infrastructure Projects Continuing from Previous Years

These projects were also funded in prior years, and planning and design will continue in 2026/27.

Ridley Reserve Softball Change and Clubrooms

Ridley Reserve West, part of the Playford Sports Precinct, is a regional-level facility and the Softball Hub of the north. Detailed design will continue for upgrades to the facility to provide a fit-for-purpose building, allowing the Central District Softball Association and Northern Area Men's Softball Association to co-locate and run competitions.

Kalara Reserve Former Clubrooms Upgrade

The building in the northwest corner of Kalara Reserve, formerly occupied by the Andrews Farm Soccer Club, is being repurposed as a community space.

Over the past 12 months, an Expression of Interest process has been undertaken, with a new tenant now confirmed. Engagement with the incoming tenant has identified the fit-out requirements necessary to support the delivery of the services and programs they intend to provide to the community.

Infrastructure Deeds

Infrastructure Deeds are legal agreements between landowners, Council and the State Government covering social, transport and stormwater infrastructure in the Playford Growth Areas. They spread the cost of infrastructure more evenly among interested parties.

Deeds are executed when land developments achieve certain sales numbers, or when the population increases to a specific level. When these triggers are met, parties involved in the deeds need to fulfil their obligations to fund or construct infrastructure. In 2026/27, Council will contribute to the following projects through its Infrastructure Deed agreements:



AV21 Curtis Road/Frisby Road Intersection

This project will provide the detailed design for the intersection of Curtis Road and Frisby Road, including its connection to the Northern Expressway interchange, and requires significant input from the Department for Infrastructure and Transport (DIT).

This project forms part of the Angle Vale Growth Area Road Infrastructure Deed.

AV29 Chivell Road Upgrade, AV30 Harris Road Upgrade and AV32 Bubner Road Upgrade

These local roads north of Angle Vale Road provide access to the northern growth area of Angle Vale. Each road needs to be upgraded to urban standards, including the conversion of roadside swales to pit and pipe drainage systems and the installation of kerb and footpaths. This project will produce a detailed design for all three roads as a unified package, ensuring a consistent design approach across all of them.

This project forms part of the Angle Vale Growth Area Road Infrastructure Deed.

AV34 Fradd Road Upgrade (Heaslip Road to Frisby Road) – Road and Stormwater

This project will deliver detailed design for the upgrade of Fradd Road within the Angle Vale Township. The design will include upgrade of the kerbing and footpaths to an urban standard. A pit and pipe stormwater system is also included that will replace the existing roadside open swale drainage.

This project forms part of the Angle Vale Growth Area Road Infrastructure Deed.

McEvoy Road Basin and Culvert (Virginia Trunk Drainage System)

Detailed design for McEvoy Road basin and associated drainage infrastructure is required as part of the need to move increased stormwater flows generated by urban growth. Flows will be captured and directed under Port Wakefield Highway and ultimately discharged into Smith Creek.

This project forms part of the Virginia Interim Stormwater Infrastructure Deed.

New Projects for 2026/27

Planning and Design will commence for the following new project in 2026/27:

Heaslip Road Streetscape Upgrade

This project responds to the Angle Vale Urban Design Framework (2010) and community concerns about safety. The project will involve detailed design to inform streetscape uplift opportunities in partnership with required Angle Vale Road Infrastructure Deed works.

Odgers Road and O'Loughlin Road Upgrade

This project will involve the planning and design stage for the upgrade of these roads from a rural to an urban standard, including the conversion of roadside swales to pit and pipe drainage system and the installation of kerbs and footpaths.



Projects Capital & Operating Budget

Project Milestones

The table below shows the indicative milestones, by quarter, for both continuing and new projects that are in the Planning and Design and/or Execution Phases for 2026/27.

Project		2026/27			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Planning & Design	Execution				
Riverlea District Sportsground (North) – Stage 1		External delivery			
PNE1, 1a, 2 & 3 Curtis Road/Andrews Road Intersection		External delivery			
Stebonheath Road, Eyre Upgrade		External delivery			
Munno Para Sportsground Stage 2					
Dwight Reserve – Changerooms & Car Park*					
Playford Water Business Expansion					
Kalara Reserve Former Clubrooms Upgrade					
McEvoy Road Basin & Culvert (Virginia Trunk Drainage System)*					
AV29 Chivell Road, AV30 Harris Road & AV32 Bubner Road Upgrades*					
AV21 Curtis Road/Frisby Road Intersection					
AV34 Fradd Road Upgrade (Heaslip Road to Frisby Road) – Road and Stormwater*					
Ridley Reserve Softball Change and Clubrooms*					
Munno Para Sportsground Stage 3					
New Footpaths 26-27					
DDA Streetscape Infrastructure 26-27					
Traffic Management Minor Projects 26-27					



Projects Capital & Operating Budget

Project	2026/27			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Odgers Road and O'Loughlin Road safety measure				
Odgers Road and O'Loughlin Road upgrade				
Temporary Sportsground Facilities				
Heaslip Road Streetscape Upgrade*				

*Multi-year project – will continue into 2027/28.

See Appendix 2, Proposed Capital Works 2026/27 – Suburb Maps, for further details of where these projects will be undertaken.



Definition

The following projects will be in the Definition Phase in 2026/27.

Each year we budget for the planning work that needs to be done to support future projects. This work includes strategic projects where we develop concept plans for projects that are in Definition phase, as well as partnerships and investigations for projects that will be delivered in future years. This is part of Council's long-term approach to planning and is important to ensure projects are not viewed in isolation from year to year.

The budget for strategic projects in 2026/27 is \$600k.

Strategic Projects

One Tree Hill Streetscape Upgrade (continuing)

The streetscape upgrade aligns with the One Tree Hill Urban Design Framework (2010) to enhance the main street as a hub for activity, shopping, socialising, and town character. It aims to improve the area's identity, pedestrian experience, traffic safety, and parking convenience. This project will deliver concept planning for Blacktop Road, One Tree Hill.

A walkability study will also support the streetscape project by reviewing walkability more holistically through the township, rather than just creating 'islands' of pedestrian access at specific locations.



Midway Road Corridor (continuing)

This project is classified as high ranking in Council's Transport Strategy 2025. High traffic volumes and speed environment, along with generous geometry and lane widths are contributing to poor road safety outcomes. A corridor study will be undertaken to improve road safety and efficiency for all road users and transport modes.

Windbreaks Planning

This project aligns with the Playford Gateways Masterplan and the stormwater management plans for Adams Creek and Helps Drain, and Smith Creek. It aims to improve gateway presentation, reduce flood risk and enhance safety outcomes for public infrastructure. An assessment will evaluate the site's flood mitigation capacity and explore landscaping options, while considering its role as a gateway to the city. These findings will inform high-level concept plans, led by either Council or State.

PN15 Andrews Road (Curtis Road-Fradd Road) and PN16 Andrews Road (Fradd Road-Angle Vale Road)

This project will undertake concept planning ahead of developer works to ensure a coordinated approach to the upgrade of the road corridor. It aims to achieve a consistent outcome whilst working with the development industry to deliver the upgrade in line with adjacent land divisions.

Stebonheath Regional Park

This project will deliver concept planning and explore improvements for Stebonheath Reserve, including features like a bespoke playground, an additional dog park and the location of the BMX track, all aimed at reflecting its status as a regional park.

Dauntsey Reserve Upgrade

Dauntsey Reserve is the top priority in Council's Sports Facility Strategy. Given its proximity to Ramsey and Womma Park, a master plan is being developed to assess the needs and opportunities of these sites collectively, focusing on infrastructure improvements to better support their sporting activities and the needs across the community.

This project will progress the master plan and deliver a concept plan for Dauntsey Reserve which will include a new shared use building comprising clubrooms, meeting rooms, changerooms and storage areas, on site carparking, and oval configuration.

Argana Park Netball Courts

This project will deliver concept planning for the upgrade of the netball courts as part of the Argana Park Masterplan, subject to confirmation of a \$2.5 million State Government election commitment.

Odgers Road and O'Loughlin Road Upgrade

This project will involve the concept planning for the upgrade of these roads from a rural to an urban standard, including the conversion of roadside swales to pit and pipe drainage system and the installation of kerbs and footpaths.

Investigations and partnerships

Greater Adelaide Regional Plan (GARP) – Infrastructure Planning

This project will deliver studies and investigations relevant to the City of Playford to inform Council or State-led Code Amendments as part of implementing the directions of the GARP.



Northern Adelaide Plains Food Cluster

This is a continuation of funds for a partnership arrangement with the Northern Adelaide Plains Food Cluster. This work will underpin the delivery of a suite of activities that will support the growth of the local food industry.

Road Network Safety Plans and School Road Network Safety Plan

This project will involve approximately 15 manual traffic and pedestrian counts, along with other investigations, to inform the development of Road Network Safety Plans and a School Road Network Safety Plan. Outcomes include reduced speeds around schools during pick-up and drop-off times, and an increased percentage of children walking and cycling to and from school.



New or Adjusted Services

In addition to the existing services outlined on page 29, the following new or adjusted services will be delivered in 2026/27.

Access and Inclusion Services

A funding increase for these services ensures the ongoing delivery, as well as broader community access, for Council's access and inclusion programs including:

- Positive Futures Expo
- International Day of People with Disability – Celebration of Ability
- B Bops monthly disco
- Club Unity monthly disco

Community Support and Grant Program

An expanded Financial Support Program will offer financial support to eligible local community organisations with a project that aims to increase social inclusion and participation and promote health and wellbeing outcomes for Playford residents. This may include start-up funding, financial support for day-to-day operations of a service, or funding for a new program within a current service.



New or Adjusted Services Operating Budget

Playford Water – Unallocated Groundwater Purchase

The purchase of 650ML of unallocated groundwater, phased over five years, offers a unique opportunity to enhance water security, deliver higher-quality water, and support the expansion of Council's recycled water network to promote greening the city.

Access to this water will significantly strengthen Playford Water's ability to provide fit-for-purpose irrigation for public open space, align with the State Government's urban greening priorities and maintain high-quality community sports infrastructure.



Stebonheath Boardwalk, Andrews Farm.



Rising Costs

Like much of the community, local government is facing rising costs and inflationary pressures in 2026/27. This means it will cost us more to deliver the services we offer to the community.

Waste

Increase in rate above CPI as advised by the Northern Adelaide Waste Management Authority (NAWMA) due to market driven cost increases.

The impact for 2026/27 is \$1,295k.

Animal Welfare League (AWL)

Increase in service delivery costs due to a new service agreement with the AWL.

The impact for 2026/27 is \$482k.

Gawler River Floodplain Management Authority (GRFMA)

Increase in Council's share of the GRFMA.

The impact for 2026/27 is \$35k.

Valuation Roll Rates

Fee for supply of valuation roll based on total capital value, which has increased by 26% from 2025/26 as set by the Valuer General.

The impact for 2026/27 is \$42k.



Funding Pathways

2026/27 FUNDING PATHWAYS	Total Capital Budget	Capital Tied Funding	Operating Grant Funding	Reserves Allocation	Council Debt Funding	Contributions	Total Operating Budget	Other Funding	Growth
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Munno Para Sportsground Stage 3	8,460	-	-	-	5,160	3,300	1,000	-	1,000
Heaslip Road Streetscape Upgrade	416	-	-	-	416	-	25	-	25
New Footpaths 26-27	1,850	-	-	-	1,850	-	116	116	-
DDA Streetscape Infrastructure 26-27	497	-	-	-	497	-	29	29	-
Traffic Management Minor Projects	50	-	-	-	50	-	4	4	-
Odgers Road & O'Loughlin Road Safety Measure	5	-	-	-	5	-	1	1	-
Odgers Road & O'Loughlin Road Upgrade	390				390		32		32
Temporary Sportsground Facilities	1,481	-	-	-	1,481	-	188	-	188
Playford Water - Unallocated Groundwater Purchase	-	-	-	-	-	-	372*	372	-
Access and Inclusion Services	-	-	-	-	-	-	120	120	-
Community Support & Grant Program – Financial Support Grant	-	-	-	-	-	-	100	100	-
Grand Total	13,149	-	-	-	9,849	3,300	1,987	742	1,245

* Once off operating expense

Rates

Council is committed to maintaining a financially sustainable budget whilst keeping rates as low as possible. Balancing the need to fund new infrastructure in both established and growth areas with fairness and equity in the distribution of rates.



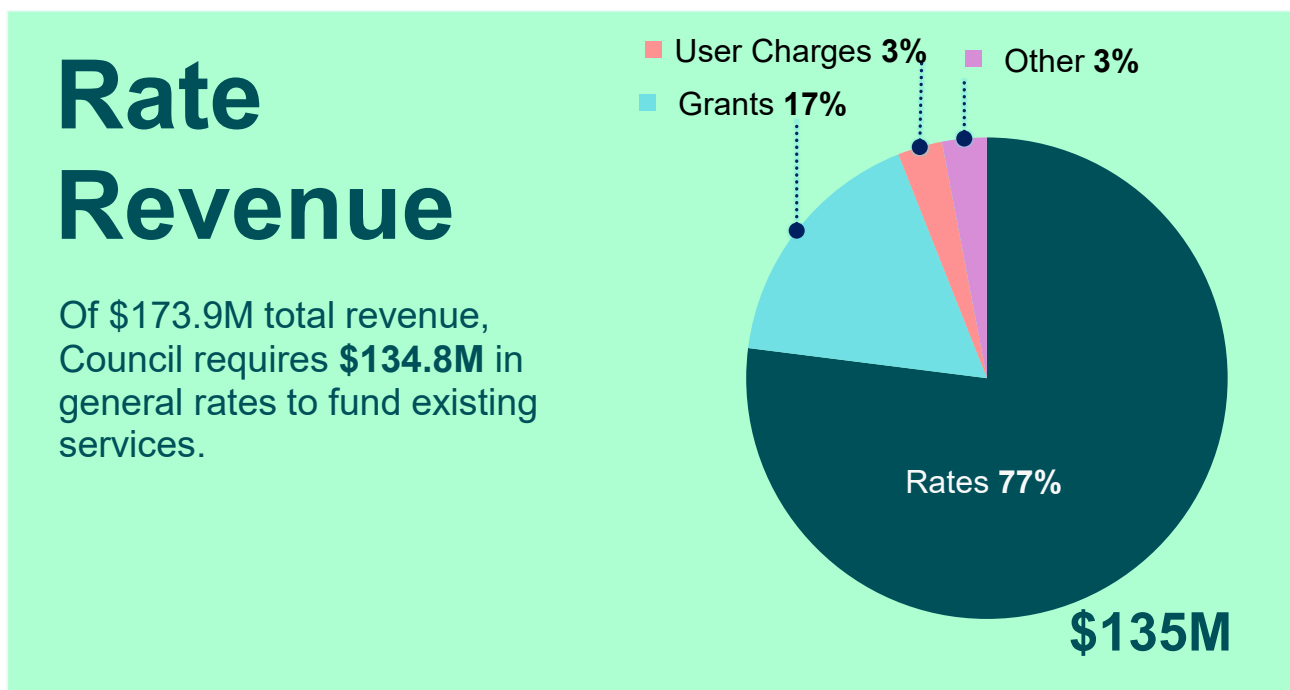
Rates

Rates

Why are rates important?

Rates are the primary source of revenue for Council. Rates are used to deliver Council services and to maintain community infrastructure.

This Annual Business Plan provides details of how we will continue to fund and deliver our existing services, as well as new services, projects and cost pressures. Just like members of our community, Council is facing increasing costs and seeks to cover these costs while minimising the impact on ratepayers. The additional costs to our budget have been partially offset with \$1.0M of continuous improvement savings and through new ratepayer revenue. However, to ensure Council maintains a financially sustainable budget, we also need to raise rates to keep pace with the budgetary impacts. As a result, the Annual Business Plan includes a 3.5% increase in rate revenue for 2026/27. This increase funds new projects and services that the community has asked for, while covering rising costs due to inflation and meeting budget goals that support long-term financial sustainability.



How we distribute our rates

Once our budget has been finalised, Council needs to determine how rates will be distributed amongst our community.

Our Rating Policy explains how rates are distributed across the community and why. Our Rate Rebate Policy explains how and why Council approves rebates. Rating policies are all underpinned by the principles of fairness and equity.

Rates

About Our Rate Revenue

The table below summarises information on how general rate revenue has increased from 2025/26 to 2026/27.

Rate Revenue	2025/26	2026/27	% Movement in Total Rate Revenue
General Rates (existing properties)	122,188,634	131,825,454	
General Rates (new properties)	5,369,636	6,493,995	
General Rates (gross)	127,558,270	138,319,449	8.44%
Less: Mandatory Rebates	-5,245,908	-5,571,007	
General Rates (After Mandatory Rebates)	122,312,362	132,748,442	8.53%
Less: Discretionary Rebates	-741,442	-729,110	
General Rates (After Discretionary Rebates)	121,570,921	132,019,332	8.59%

Note the table above does not take into account other rates collected such as the Regional Landscape Levy (net of rebates) of \$2.0M (collected on behalf of State Government) or other charges of \$0.8M.

The 8.59% increase in total general rate revenue (after rebates) includes both the increase in rates from existing ratepayers and new rates from new properties. See below table for breakdown:

Rate Revenue Source	Average % change in Rate Revenue
Rate revenue from existing ratepayers	3.50%
Rate revenue from new properties	5.09%
Total	8.59%

Rates

Fixed Charge

City of Playford’s rating structure allows for a maximum of 50% of Council’s total general rate revenue to come from a fixed charge. It is expected that \$67.6M in fixed rates will be levied in 2026/27. Rebates will be applied to this amount bringing the collected general fixed rate revenue equal to 50% of General Rates after rebates.

In 2025/26, the fixed charge was \$1,248.50. The fixed charge to apply in 2026/27 is \$1,304.30.

Differential Charge

As per Council’s Rating Policy, the remaining 50% of General Rates (after rebates) is collected from a differential charge. The amount payable per property is based on a rate in the dollar applied to the capital value of your property. City of Playford has two rate types declared, commercial and general. The table below provides indicative information on how rate revenue from each rate type is expected to increase from 2025/26 to 2026/27 and will be updated prior to final adoption by Council.

Expected Differential Revenue and Properties¹

Differential Charge	Differential Rate Revenue			Rateable properties		Average per rateable property		
	2025/26	2026/27	Change	2025/26	2026/27	2025/26	2026/27	Change
Rate Type	\$'000s	\$'000s	%	#	#	\$	\$	\$
General	38,964	42,378	8.76%	49,169	51,229	792	827	35
Commercial	26,240	28,317	7.92%	720	769	36,444	36,823	379
Total	65,204	70,695	8.42%	49,889	51,998			

¹ Table presented as gross revenue. Due to the impact of rate rebates gross rate revenue does not present as 50% of total gross revenue.

Rates



Aerial view of the Riverlea Park entrance.

Our Growing City

As one of South Australia's fastest growing council areas, the population of the City of Playford is estimated to increase from 115,790 to over 183,000 by 2046.

In 2025/26, City of Playford had 49,889 rateable properties. This is expected to increase to 51,998 in 2026/27, representing 4.23% growth in the number of rateable properties.

Measures and Targets

A range of performance measures and financial targets help track our progress as we deliver against the Annual Business Plan and Budget.

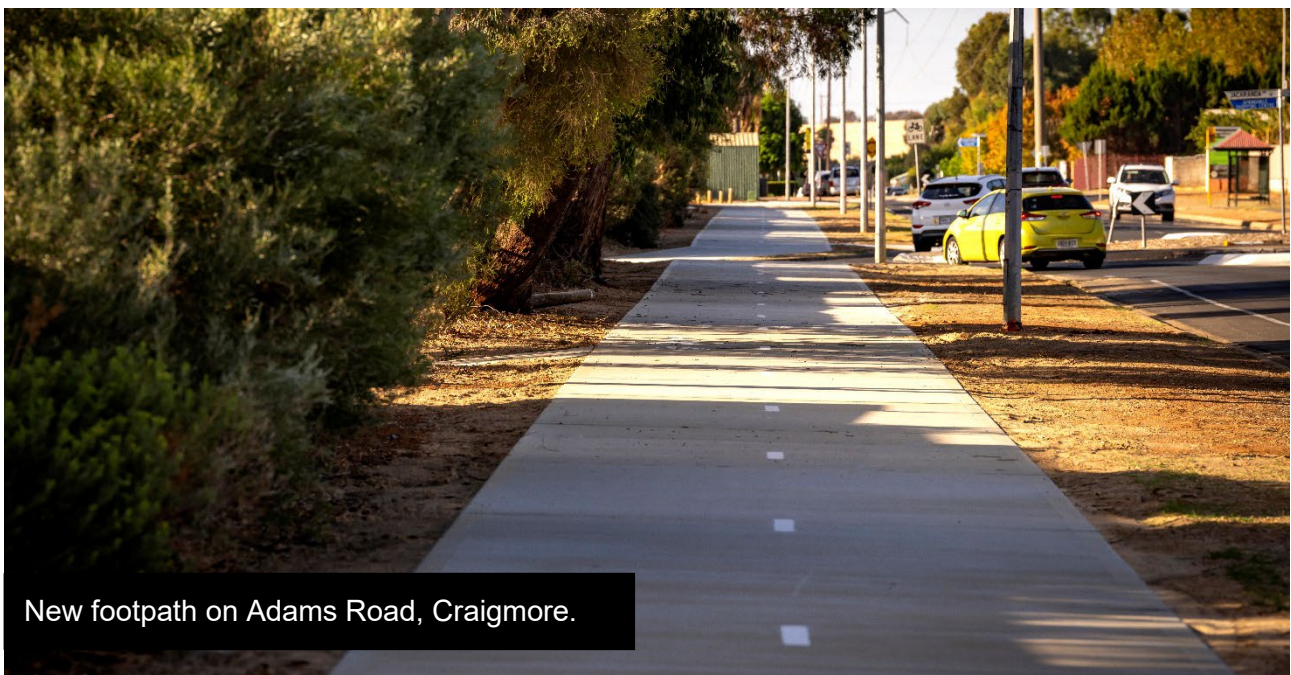


Aerial shot of Virginia Grove, Virginia.

Measures and Targets



Playground at Burdell Reserve, Elizabeth



New footpath on Adams Road, Craigmore.

Measures and Targets

Section 123 of the *Local Government Act 1999* states that the Annual Business Plan must include “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”.

Council has a strong focus on engaging our community and customers to understand their experience of us and gather feedback and insights to help measure our performance and improve service delivery. Council will monitor its performance in several ways to ensure we are on track to meet the objectives of our Strategic Plan.

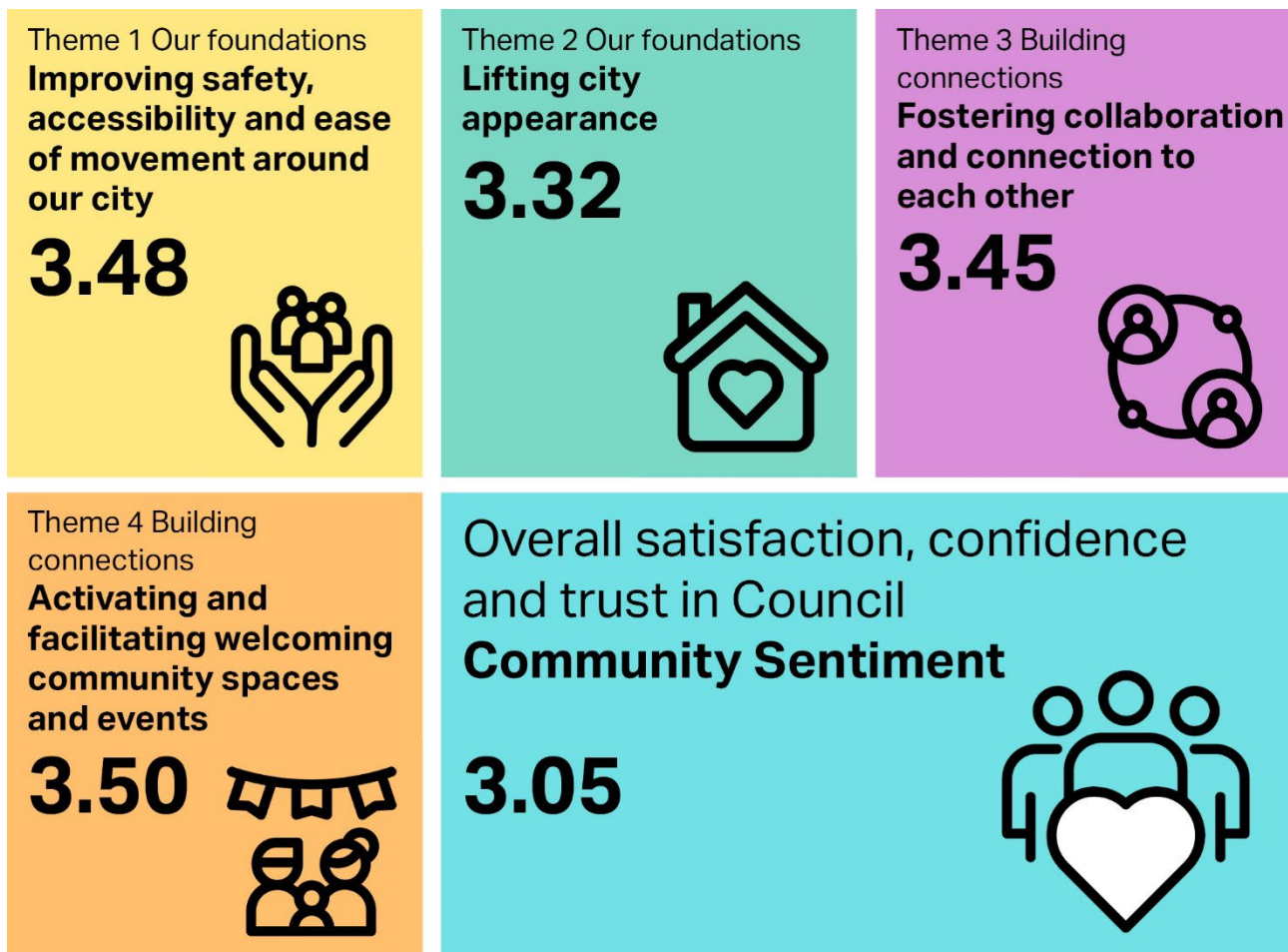
Measures and Targets

Playford Community Survey

Each year, Council undertakes a survey to better understand the views of our community. This annual community survey aligns to the Strategic Plan themes to capture sentiment, perception, and performance of Council’s delivery against strategic objectives. Questions are focused on what it is like to live in or experience Playford.

In August 2025, more than 1500 members of the Playford community shared their thoughts and experiences. The graphics below show the average rating out of five for each of the four new Strategic Plan 2025-2028 Themes. The average Community Sentiment score is also shown, representing trust and confidence in Council, as well as satisfaction over the past 12 months.

We use the decision-making filters and Themes in the Strategic Plan to inform the development of the annual budget and to ensure we are working towards our longer-term objectives. The results of the Community Survey also guide our decision-making around priorities for the budget to ensure up-to-date feedback from the community is considered as part of our planning.



Note: Ratings are out of 5

Measures and Targets

Financial Indicators

Financial sustainability is achieved when Council can deliver the services it provides to the community at an agreed and consistent standard across a long period, without the need for significant rate increases above inflation or significant service reductions, whilst maintaining inter-generational equity.

Financial sustainability enables Council to:

- Deliver and maintain inter-generational equity
- Maintain a solid and healthy financial position
- Maintain a degree of stability and predictability for future rate increases
- Manage its debt levels

Council has six financial indicators used to measure its financial sustainability:

- Operating surplus ratio
- Structural surplus ratio
- Cashflow from operations ratio
- Asset renewal funding ratio
- Net financial liabilities ratio
- Interest expense ratio



Measures and Targets

Primary Financial Indicators

Financial Indicator	Explanation	Target	2025/26 Revised Budget	2026/27 Budget	Projected 5 Year Average
Operating Surplus Ratio	This ratio gives an indication of Council's ability to service its operations from expected income, while maintaining long-term financial sustainability.	Between 1% and 10%	6.7%	3.3%	4.0%
Structural Surplus Ratio	This ratio gives an indication of Council's ability to service its operations from expected income excluding one-off items that are not recurrent in nature, while maintaining long-term financial sustainability.	Between 1% and 4%	1.1%	0.7%	0.9%
Cashflow from Operations Ratio	This ratio measures whether Council is generating enough cash from its operations to cover the replacement of assets over time.	Between 90% and 110%	115.8%	124.4%	143.3%
Asset Renewal Funding Ratio	This ratio shows whether or not Council is replacing assets at the rate as required in the Asset Management Plan.	Between 90% and 110%	111.4%	116.5%	103.3%
Net Financial Liabilities Ratio	This ratio shows the extent to which Council is managing its debt.	Between 50% and 160%	69.4%	89.3%	69.2%
Interest Expense Ratio	This ratio shows how much discretionary income is used to pay interest on borrowings	Between 0% and 8%	5.0%	3.5%	2.5%

Operating Surplus Ratio

Performance against this ratio has decreased to 3.3% from 6.7% as at the 2025/26 revised budget. Although the ratio for 2026/27 remains within the target range, the reduction is primarily due to higher depreciation expenses following the revaluation of certain asset classes, which has increased operating expenses. In addition, one-off operating grants and contributions have reduced in 2026/27, further contributing to the decrease in the operating surplus ratio.

Structural Surplus Ratio

The structural surplus excludes one-off operating grants/contributions which will need to be spent on future infrastructure projects. Meeting the target range for this measure ensures Council remains financially sustainable. For 2026/27, the structural surplus falls short of the target range as Council absorbs the impact of increased depreciation and other cost pressures, while maintaining

Measures and Targets

a moderate rate increase to avoid a sudden burden on ratepayers. The structural surplus is projected to recover to 1% in the following year, in line with the Long Term Financial Plan, supporting Council's ongoing financial sustainability.

Cashflow from Operations Ratio

The 2026/27 ratio is above Council's target range at 124.4%. While it may appear that Council has "extra money", this is not the case. Cashflows from operations is in excess of the short-term funding requirements for the Asset Management Plan replacement annuity asset. These funds are committed to replacing assets which will come to end of their life over the next 20 to 50 years. Smoothing the requirement to fund the renewal over time ensures intergenerational equity – the idea that each generation pays their fair share for use of an asset or resource.

Asset Renewal Ratio

The ratio for 2026/27 is above the target range at 116.5% indicating Council is replacing assets at the rate as required in the Asset Management Plan.

Net Financial Liabilities Ratios

The ratio sits within the target range in 2026/27. The forecasted debt for 2026/27 remains relatively stable and this is primarily due to Council's ongoing commitment to achieving a financially sustainable surplus and effective debt management.

Interest Expense Ratio

Notwithstanding the significant investment in the city, the ratio is within the target range due to Council's commitment to achieving a financially sustainable surplus and effective debt and interest rate risk management.



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. This 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 2.

Budgeted Financial Statements

Council is committed to delivering long-term financial sustainability with a focus on producing a sustainable operational surplus position, effectively managing debt and sustainably growing assets and services.



Budgeted Financial Statements

Budgeted Financial Statements & Explanations

Financial Summary

	Operating Budget \$M
Operating Income	173.9
Operating Expenditure	168.2
Operating Surplus/(Deficit)	5.7

Council continues to be committed to maintaining an operating surplus as a key strategy of the Council’s long-term financial sustainability.

Council’s budget provides an operating surplus of \$5.7M. This budgeted operating surplus includes developer contributions and grants associated with future capital spend that does not form part of our ongoing sustainable structural position.

Council continues to be committed to maintaining an operating surplus as a key strategy of the Council’s long-term financial sustainability.



Budgeted Financial Statements

Statement of Comprehensive Income

Resource Group	Revised Budget 2025/26 \$'000's	Budget 2026/27 \$'000s	Increase (Decrease) \$'000
Rates	123,772	134,782	11,010
Statutory Charges	3,443	3,804	361
User Charges	4,518	4,571	53
Investment Income	89	71	(18)
Reimbursements	663	763	100
Other Income	258	269	11
Grants, Subsidies and Contributions - Operating	24,564	23,946	(618)
Grants, Subsidies and Contributions - Capital	9,103	5,084	(4,019)
Net Gain – Joint Ventures & Associates	635	635	-
Revenue Total	167,045	173,925	6,880

Rates Income – \$134.8M

Increases in Council rates allow Council to meet the community service delivery expectations and achieve Long Term Financial Plan objectives. The 2026/27 Budget includes the following:

- A rate revenue increase of 3.50% for existing ratepayers
- Additional rate income of \$6.5M from new developments in the city
- The Landscape Levy collected on behalf of the Green Adelaide Board of \$2.0M. Once collected this is paid to the Green Adelaide Board with no impact on the bottom line
- Penalties and Legal recoveries \$0.8M

Statutory Charges – \$3.8M

Statutory charges are fees for the provision of regulatory services. They are associated with the granting of a permit or licence or with the regulation of an activity, including the *Planning, Development and Infrastructure Act (2016)*, fees, parking fines and dog registration fees.

Most fees are set by State Government legislation and administered by Council.

Council is notified of the fee amounts in late June of each year and these will be adopted by Council to apply from July 2026.

Budgeted Financial Statements

User Charges – \$4.6M

User charges income is received from individuals, sporting groups and various other bodies that utilise user-pay services and hire or lease Council owned property.

Council also receives commercial activity income from the operation of the theatres, café, function centre and the Northern Sound System, with a minor amount coming from the hiring of Council facilities for functions or meetings.

User charges for 2026/27 have increased as a result of increased demand for user-paid services and to take into account inflationary cost pressures.

Reimbursement – \$0.8M

Reimbursement income consists of all reimbursements paid to Council by insurance companies, ratepayers, developers, and other tiers of government.

Reimbursements have increased slightly compared with the 2025/26 budget.

Other Income – \$0.3M

Other income is comprised of donations, sponsorships, and other miscellaneous receipts, which varies from year to year.

Grants, Subsidies and Contributions – Operating – \$23.9M

Grants, subsidies, and contributions received from Federal and State Governments specifically to fund operations. Income is budgeted to decrease, mainly due to completion of grants in 2025/26.

Grants, Subsidies and Contributions – Capital – \$5.1M

Grants, subsidies, and contributions that are untied received from Federal and State Governments specifically to fund the construction or purchase of new or upgraded assets, in addition to contributions from developers for future capital investment. The budgeted decrease is mainly due to a reduction in grant allocation for 2026/27.

Net Gain – Joint Ventures & Associates – \$0.6M

Council's share of the Northern Adelaide Waste Management Authority (NAWMA) will result in a net profit of \$0.6M in 2026/27, based on advice from the Authority and improved operating position.

Budgeted Financial Statements

Operating expense by category

Resource Group	Revised Budget 2025/26 \$'000	Budget 2026/27 \$'000	Increase (Decrease) \$'000
Employee Costs	55,998	58,865	2,867
Contracts, Material and Other	56,234	60,089	3,855
Finance Costs	6,238	4,671	(1,567)
Depreciation	37,266	44,278	7,012
Share of Equity Loss on Associates and Joint Ventures	196	278	82
Expense Total	155,932	168,181	12,249

Employee Costs – \$58.9M

Employee costs include base salary and all relevant on-costs, such as superannuation and work cover, as well as agency labour costs. The budget covers recurrent labour, project labour and externally funded labour.

The budgeted increase in employee costs is the result of estimated salary increases based on the Enterprise Agreement.

Materials, Contracts and Other Expenses – \$60.1M

Materials covers many different expenses of Council including utility payments for water and electricity, library books and consumable materials.

Contracts covers costs such as contractors, waste collection, equipment hire, software licence fees and consultants.

Other expenditure includes audit and legal fees, contributions, communication expenses, insurance and registration, levies paid to other organisations, Elected Member allowances, advertising, fringe benefits tax, training, and travel expenses.

The budget increase reflects cost pressures in the market largely related to waste, AWL service delivery costs and general inflation.

Finance Costs – \$4.7M

Finance costs include interest payable on borrowings and finance leases, and other banking charges.

Council is budgeting for a decrease in finance costs due to lower costs arising from reduced new capital spend during 2026/27.

Budgeted Financial Statements

Depreciation – \$44.3M

Depreciation is a non-cash expense that recognises the systematic allocation of the service potential, (cost or replacement value) of an asset over its useful life. Over the long-term, depreciation represents the minimum amount which, on average, Council needs to allocate each year towards asset replacement. This is a different concept from maintenance expenditure, which is the amount Council needs to spend each year to ensure that its assets last as long as planned.

Depreciation is increasing in 2026/27, largely due to the increase in asset values resulting from the revaluation of assets and new assets to service our growing community.

Loss on Associates and Joint Ventures – \$0.3M

Council's share of the Gawler River Floodplain Management Authority (GRFMA) will result in a net loss of \$0.3M in 2026/27, based on advice from the Authority.

Financial Statements

Cashflow Statement

The cashflow statement shows the cash movement reflective of Council's operating position and investment decisions for 2026/27.

Cashflow from operating activities increases by \$6.2M reflecting additional rates revenue and increase in User charges and Statutory charges offset by higher operating costs.

Cash used for investment activities increases by \$24.7M due to capital spend on new and existing infrastructure.

The overall impact in cashflow results in increased borrowing requirements for 2026/27.

Balance Sheet

Total Non-Current Assets are projected to rise to \$3,030M in 2026/27, an increase of \$248M. This increase arises from the capital expenditure program, contributed assets and revaluation of assets.

Total borrowings are projected to increase to \$139M by 30 June 2027. This is a result of a higher debt funded capital program. The level of borrowings is within the target range. Please see the financial indicator section for more information.

Budgeted Financial Statements

Uniform Presentation of Finances

Operating Surplus / (deficit)

The operating surplus or deficit indicates the extent to which income is sufficient, or insufficient, to fund the cost of services. A surplus indicates Council is raising enough operating income to cover its operating expenses, whereas a deficit indicates it is not.

Net Outlays on Existing Assets

This is expenditure that returns the service potential of existing assets back towards their original level. Consistent negative outlays on existing assets indicate that, overall, existing assets may be deteriorating as expenditure on their renewal or replacement is less than the rate of depreciation.

Net Outlays on New and Upgraded Assets

Outlays on new and upgraded assets indicate the net cost to Council of acquiring or creating new assets. Outlays on new or upgraded assets will increase depreciation and maintenance expenses in future periods.

Net Lending / (borrowing) for Financial Year

Net lending, if a positive result, indicates that Council will reduce its level of borrowings over the period. Net borrowings, if a negative result, means Council is required to borrow additional funds increasing the level of net borrowings over the period.

Budgeted Financial Statements



City of Playford
Statement of Comprehensive Income
For the year ended 30 June 2027

2024/25 Actual \$000's		2025/26 Original Budget \$000's	2025/26 Revised Budget \$000's	2026/27 Original Budget \$000's
	INCOME			
113,073	Rates	123,772	123,772	134,782
4,011	Statutory Charges	3,443	3,443	3,804
4,634	User Charges	4,518	4,518	4,571
199	Investment Income	89	89	71
1,353	Reimbursements	663	663	763
542	Other Income	258	258	269
31,570	Grants, Subsidies and Contributions - operating	23,574	24,564	23,946
6,719	Grants, Subsidies and Contributions - capital	8,383	9,103	5,084
-	Net Gain - Equity Accounted Council Businesses	635	635	635
162,101	TOTAL INCOME	165,335	167,045	173,925
	EXPENSES			
50,877	Employee costs	55,998	55,998	58,865
50,040	Materials, Contracts & Other Expenses	54,402	56,234	60,089
2,739	Finance costs	6,692	6,238	4,671
34,074	Depreciation, Amortisation and Impairment	37,365	37,266	44,278
2,599	Net Loss - Equity Accounted Council Businesses	196	196	278
140,329	TOTAL EXPENSES	154,653	155,932	168,181
21,772	Operating Surplus / (Deficit)	10,682	11,113	5,744
(4,867)	Asset Disposal & Fair Value Adjustments	-	(1,250)	-
9,527	Amounts Received Specifically for New or Upgraded Assets	11,480	7,539	9,559
53,977	Physical Resources Received Free of Charge	39,460	39,460	75,300
80,409	NET SURPLUS / (DEFICIT)	61,622	56,862	90,603
	Other Comprehensive Income			
262,554	Changes in Revaluation Surplus - I,PP&E	53,489	417,945	110,789
-	Share of Other Comprehensive Income - Equity Accounted Council Businesses	-	-	-
(269)	Other Equity Adjustments - Equity Accounted Council Businesses	-	-	-
-	Impairment (Expense) / Recoupments Offset to Asset Revaluation	-	-	-
262,285	Total Other Comprehensive Income	53,489	417,945	110,789
342,694	TOTAL COMPREHENSIVE INCOME	115,111	474,807	201,392

Budgeted Financial Statements

City of Playford
 Year End Balance Sheet
 For the year ended 30 June 2027

2024/25 Actual \$000's		2025/26 Original Budget \$000's	2025/26 Revised Budget \$000's	2026/27 Original Budget \$000's
	CURRENT ASSETS			
2,871	Cash & Cash Equivalents	1,500	1,500	1,500
7,734	Trade & Other Receivables	8,143	8,298	8,877
223	Inventories	286	304	324
27	Other Financial Assets	29	29	30
1,280	Other current assets	1,128	1,316	1,406
362	Non-current assets classified as Held for Sale	4,387	12,557	4,662
12,497	TOTAL CURRENT ASSETS	15,473	24,004	16,799
	NON-CURRENT ASSETS			
196	Financial Assets	167	167	137
16,492	Equity Accounted Investments in Council Businesses	16,810	16,931	17,289
2,242,831	Infrastructure, Property, Plant & Equipment	2,422,301	2,728,348	2,976,513
35,815	Other Non-Current Assets	30,683	35,815	35,815
2,295,334	TOTAL NON-CURRENT ASSETS	2,469,961	2,781,261	3,029,754
2,307,831	TOTAL ASSETS	2,485,434	2,805,265	3,046,553
	CURRENT LIABILITIES			
19,639	Trade & Other Payables	16,653	20,530	18,860
4,559	Borrowings	3,559	3,616	3,700
6,376	Provisions	6,739	6,704	6,931
30,574	TOTAL CURRENT LIABILITIES	26,951	30,850	29,491
	NON-CURRENT LIABILITIES			
71,351	Long Term Borrowings	140,856	93,767	134,975
1,441	Long Term Provisions	1,364	1,376	1,423
72,792	TOTAL NON-CURRENT LIABILITIES	142,220	95,143	136,398
103,366	TOTAL LIABILITIES	169,171	125,993	165,889
2,204,465	NET ASSETS	2,316,263	2,679,272	2,880,664
	EQUITY			
580,781	Accumulated Surplus	634,081	635,109	722,437
1,606,478	Asset Revaluation Reserves	1,664,648	2,024,423	2,135,212
17,206	Other Reserves	17,534	19,740	23,015
2,204,465	TOTAL EQUITY	2,316,263	2,679,272	2,880,664

Budgeted Financial Statements



2024/25 Actual \$000's		2025/26 Original Budget \$000's	2025/26 Revised Budget \$000's	2026/27 Original Budget \$000's
Inflows / (Outflows)		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES			
	Receipts			
113,126	Rates Receipts	123,379	123,289	134,295
4,011	Statutory Charges	3,406	3,297	3,758
4,952	User Charges	4,501	4,281	4,564
32,842	Grants, Subsidies and Contributions	23,583	24,331	23,941
199	Investment Receipts	89	91	72
1,456	Reimbursements	664	658	752
11,086	Other Receipts	354	256	269
	Payments			
(51,089)	Payments to Employees	(55,735)	(55,735)	(58,591)
(56,077)	Payments for Materials, Contracts & Other Expenses	(53,353)	(55,117)	(59,097)
(2,739)	Finance Payments	(6,691)	(6,237)	(4,670)
57,767	NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	40,197	39,114	45,293
	CASH FLOWS FROM FINANCING ACTIVITIES			
	Receipts			
60,427	Proceeds from Borrowings	72,605	64,501	83,508
26	Proceeds from Bonds & Deposits	-	-	-
	Payments			
(75,918)	Repayments of Borrowings	(34,413)	(43,013)	(42,105)
	Repayment of bonds and deposits			
(163)	Repayment of Finance Lease Liabilities	(112)	(187)	(111)
(15,628)	NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	38,080	21,301	41,292
	CASH FLOWS FROM INVESTMENT ACTIVITIES			
	Receipts			
1,104	Sale of Replaced Assets	-	-	-
780	Sale of Surplus Assets	18,560	1,562	12,557
7,110	Amounts Received Specifically for New/Upgraded Assets	11,415	7,596	7,979
3,905	Grants utilised for capital purposes	8,445	9,307	3,866
26	Repayments of Loans by Community Groups	27	27	29
	Payments			
(23,618)	Expenditure on Renewal/Replacement of Assets	(41,401)	(42,793)	(42,470)
(30,326)	Expenditure on New/Upgraded Assets	(75,323)	(37,485)	(68,546)
(41,019)	NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES	(78,277)	(61,786)	(86,585)
1,120	NET INCREASE (DECREASE) IN CASH HELD	-	(1,371)	-
1,751	CASH AT BEGINNING OF REPORTING PERIOD	1,500	2,871	1,500
2,871	CASH AT END OF REPORTING PERIOD	1,500	1,500	1,500

Budgeted Financial Statements

For the year ended 30 June 2027

2024/25 Actual \$000's		2025/26 Original Budget \$000's	2025/26 Revised Budget \$000's	2026/27 Original Budget \$000's
	ACCUMULATED SURPLUS			
495,110	Balance at end of previous reporting period	575,780	580,781	635,109
80,409	Net Surplus / (Deficit) for Year	61,622	56,862	90,603
	- Adjustments (Correction of Prior Period Errors)	-	-	-
(269)	Other Equity Adjustments - Equity Accounted Council Businesses	-	-	-
6,874	Transfer to Accumulated Surplus on Sale of I,PP&E	-	-	-
(1,343)	Transfers between Reserves	(3,321)	(2,534)	(3,275)
580,781	Balance at end of reporting period	634,081	635,109	722,437
	ASSET REVALUATION RESERVE			
1,350,798	Balance at end of previous reporting period	1,611,159	1,606,478	2,024,423
	- Other Comprehensive Income	-	-	-
262,554	Gain(Loss) on revaluation of infrastructure, property, plant &	53,489	417,945	110,789
	- Impairment (expense) / recoupments offset to asset revaluation	-	-	-
(6,874)	Transfers to accumulated surplus	-	-	-
	- Transfers between Reserves	-	-	-
1,606,478	Balance at end of reporting period	1,664,648	2,024,423	2,135,212
	OTHER RESERVES			
15,863	Balance at end of previous reporting period	14,213	17,206	19,740
	- Transfers to accumulated surplus	3,321	2,534	3,275
	- Transfers from accumulated surplus	-	-	-
1,343	Transfer between Reserves	-	-	-
17,206	Balance at end of reporting period	17,534	19,740	23,015
2,204,465	TOTAL EQUITY AT END OF REPORTING PERIOD	2,316,263	2,679,272	2,880,664
580,781	Accumulated Surplus	634,081	635,109	722,437
1,623,684	Reserves	1,682,182	2,044,163	2,158,227
2,204,465	TOTAL EQUITY AT END OF REPORTING PERIOD	2,316,263	2,679,272	2,880,664

Budgeted Financial Statements

City of Playford
Uniform Presentation of Finances
For the year ended 30 June 2027

2024/25 Actual \$000's		2025/26 Original Budget \$000's	2025/26 Revised Budget \$000's	2026/27 Original Budget \$000's
	INCOME			
113,073	Rates	123,772	123,772	134,782
4,011	Statutory Charges	3,443	3,443	3,804
4,634	User Charges	4,518	4,518	4,571
199	Investment Income	89	89	71
1,353	Reimbursements	663	663	763
542	Other Income	258	258	269
6,719	Grants, Subsidies and Contributions - capital	8,383	9,103	5,084
31,570	Grants, Subsidies and Contributions - operating	23,574	24,564	23,946
-	Net Gain - Equity Accounted Council Businesses	635	635	635
162,101	TOTAL INCOME	165,335	167,045	173,925
	EXPENSES			
50,877	Employee costs	55,998	55,998	58,865
50,040	Materials, Contracts & Other Expenses	54,402	56,234	60,089
2,739	Finance costs	6,692	6,237	4,670
34,074	Depreciation, Amortisation and Impairment	37,365	37,266	44,279
2,599	Net Loss - Equity Accounted Council Businesses	196	196	278
140,329	TOTAL EXPENSES	154,653	155,931	168,181
21,772	Operating Surplus / (Deficit)	10,682	11,114	5,744
(9,181)	Net timing adjustment for general purpose grant funding	-	-	-
(6,719)	Less: grants, subsidies and contributions - capital	(8,383)	(9,103)	(5,084)
5,872	Adjusted Operating surplus/ (deficit)	2,299	2,011	661
	Net outlays on existing assets			
(23,618)	Capital expenditure on renewal and replacement of existing assets	(41,401)	(42,793)	(42,470)
(116)	Finance lease payments for right of use assets on existing assets	(121)	(201)	(123)
34,074	add back Depreciation, Amortisation and Impairment	37,365	37,266	44,278
-	add back Proceeds from Sale of Replaced Assets	-	-	-
10,340	Net Outlays on Existing Assets	(4,157)	(5,728)	1,685
	Net outlays on new and upgraded assets			
(30,326)	Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(75,323)	(37,485)	(68,546)
(62)	Finance lease payments for right of use assets for new and upgraded assets	-	-	-
6,719	add back Grants, subsidies and contributions – Capital	8,383	9,103	7,650
7,110	add back Amounts Received Specifically for New and Upgraded	11,415	7,596	7,980
780	add back Proceeds from Sale of Surplus Assets : (including Investment Property, Real Estate Developments & non- current assets held for sale)	18,560	1,562	12,557
(15,779)	Outlays on New and Upgraded Assets	(36,965)	(19,224)	(40,359)
433	NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(38,823)	(22,941)	(38,013)

Appendix I

Proposed Infrastructure Renewal Works 2026/27



Aerial view of Dwight Reserve North, Elizabeth Downs.

Proposed Infrastructure Renewal Works 2026/27



Transport Renewals

Suburb	Location
Roads	
Andrews Farm	Springdale Avenue
Angle Vale	Burgundy Avenue (design only)
Blakeview	Eucalypt Circuit
Craigmore	Carob Crescent Chowilla Court* Edward Avenue Jenkins Court Nicholas Court Phillip Avenue Reginald Parade (incl Batcombe Ave cul-de-sac) Stuart Drive Sydney Court Whatley Way
Davoren Park	Chaser Street Lambrook Street Petherton Road
Elizabeth East	Fuller Crescent Grayling Street Lewis Court Northampton Crescent Paginton Crescent Pipkin Road Talbot Street Thornton Street
Elizabeth Grove, Elizabeth South	Hogarth Road#
Elizabeth Grove	Patney Street
Elizabeth South	Hannan Street Kettering Road
Elizabeth Vale	Handley Street Mofflin Road Poulshot Crescent
Hillbank	Brooker Drive Hilltop Boulevard Rhodes Court
Munno Para	Amanda Court Coventry Road* Louise Place Shaun Court
Munno Para Downs	Dalkeith Road

Proposed Infrastructure Renewal Works 2026/27

Suburb	Location
Penfield	Pellew Road (design only)
Waterloo Corner	Brown Road (design only)

**Potential multi-year projects*

#Multi-year project

Suburb	Location
Kerbs	
Blakeview	Eucalypt Circuit
Craigmore	California Avenue Chowilla Court*
Davoren Park	Lambrook Street
Elizabeth East	Grayling Street Northampton Crescent
Elizabeth Grove	Hogarth Road
Elizabeth Vale	Handley Street Poulshot Crescent
Bridges	
Blakeview	Castle Court – Footbridge* (design only) Village Terrace – Arch Road bridge* (design only)

**Potential multi-year projects*

Proposed Infrastructure Renewal Works 2026/27



Streetscape Renewals

Suburb	Location
Footpaths	
Andrews Farm	Davoren Road Springdale Avenue
Craigmore	Bentley Walk California Avenue Ironbark Avenue Zurich Road#
Davoren Park	Davoren Road Kingsbury Street Neagle Road Peacemarsh Road Walpole Street
Elizabeth Downs	Barton Road Douglas Street Halifax Court Hanson Road# Lancaster Court McKenzie Road Midway Road Wellington Court
Elizabeth East	Halsey Road Lewis Court Nautilus Road Northampton Crescent Thornton Street
Elizabeth North	Broadmeadows Road# Woodgreen Street Reserve
Elizabeth Park	Ifould Road Windbreak# Peterswool Road (Removal) Yorktown Road#
Elizabeth South	Harvey Road
Hillbank	Cambridge Terrace
Munno Para	Alawoona Road Maltarra Road Shaun Court

#Sections of these roads have budget allocated for widening

Pram Ramps	
Streetscape	x 121

Proposed Infrastructure Renewal Works 2026/27



Transport	x 196
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Proposed Infrastructure Renewal Works 2026/27



Parks and Sportsfield Renewals

Suburb	Location	Item
Blakeview	Blakes Crossing Adventure Playground	Rubber softfall
Craigmore	Marena Reserve	Rubber & organic softfall
Elizabeth East	Pipkin Reserve Spruance Reserve	Rock mound & rubber softfall Rubber softfall
Elizabeth Park	Dwight Reserve Fremont Park Jubilee Reserve	Cricket nets, irrigation, backstop fencing Liberty swing, gym equipment, rubber softfall and playground 2 renewal Rubber softfall
Hillbank	Jo Gapper Reserve Honeysuckle Reserve	Design and planning for renewal Irrigation controller
Smithfield	Smithfield Oval	Playground & rubber softfall
Smithfield Plains	John McVeity outdoor gym	Rubber softfall
Munno Para	Curtis Rd Wetlands	Single play piece renewal

Buildings Renewals

Suburb	Location	Item
Davoren Park	Playford Operations Centre	Internal fitout including office furniture
Edinburgh North	Ramsay Park (Rugby)	LED lighting
Elizabeth	Aquadome	Structural assessment & design, pool blankets, change beds
Elizabeth	Civic Centre	Soft furnishings, function room entrance, fire panel, air conditioning, BMS integration
Elizabeth	Elizabeth Oval	Entrance & DDA ramp
Elizabeth	Northern Sound System	Carpets, HVAC
Elizabeth Downs	Argana Park	Change room & amenities, exterior recladding
Elizabeth Downs	Uley Road Reserve	Changeroom refurbishment
Elizabeth Park	Fremont Park	Shed
Eyre	Eyre Sports Park	LED lighting
One Tree Hill	McGilp Oval - Clubrooms	Roof
One Tree Hill	McGilp Reserve	LED lighting
Virginia	Virginia Institute	Amenities & kitchen

Proposed Infrastructure Renewal Works 2026/27



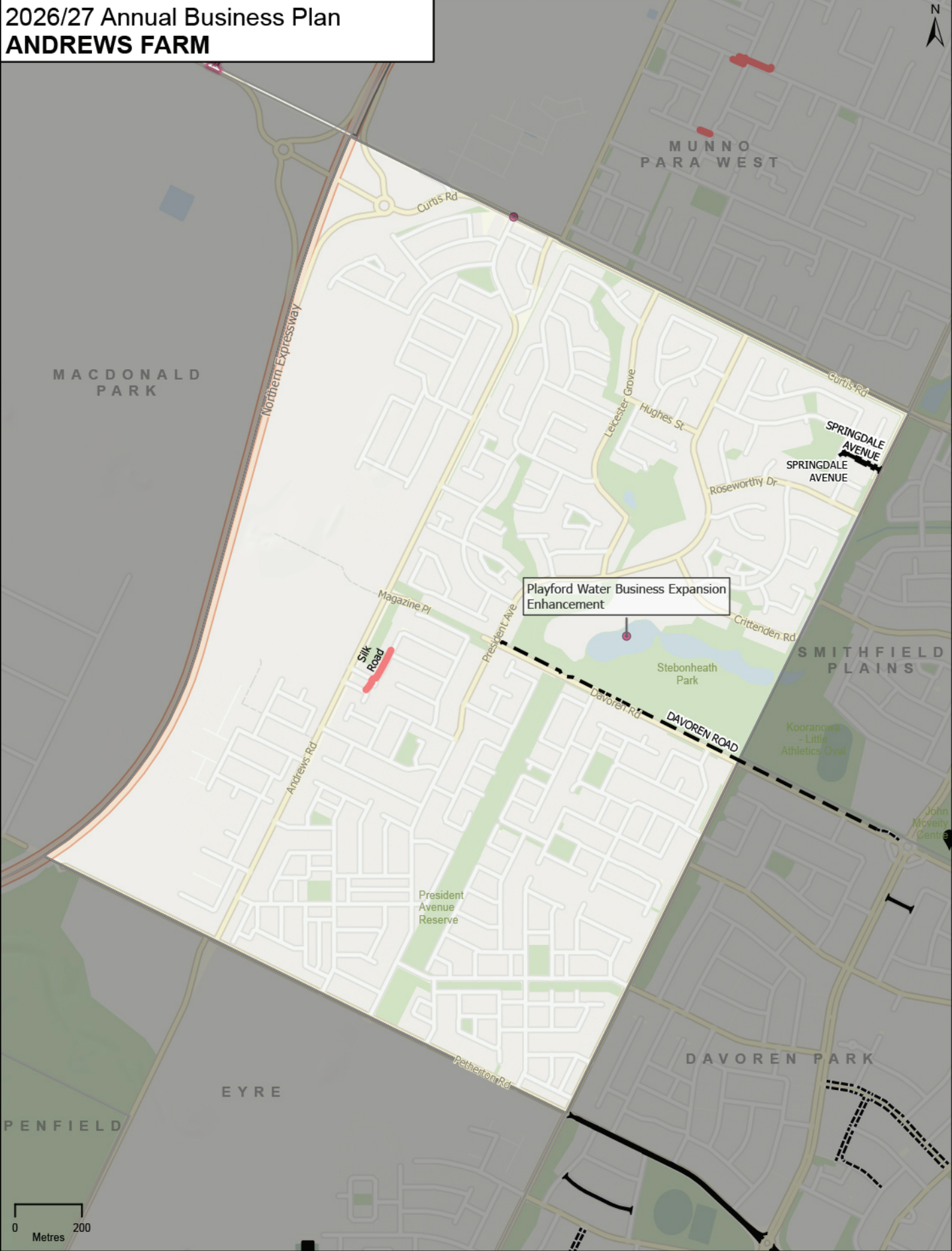
Water Delivery Renewals

Facility	Item
Stebonheath Davoren Wetlands	Shed, irrigation, control panels, gates, pump & tank
Main Terrace	Water meter, pressure reducing valve & filter
Woodford Road	Water meter, pressure reducing valve & filter
Stratton Reserve	Water meter, pressure reducing valve & filter
Fairfield Road	Water meter, pressure reducing valve & filter
Broadmeadows Oval	Water meter, pressure reducing valve & filter
Dwight Reserve	Water meter, pressure reducing valve & filter
Philip Highway	Median irrigation
Duncan Anderson & Mofflin Reserve	Distribution VSD pump, manifold, valving and electrical
Munno Para Wetlands	Gabion
North Lakes Community Golf	Pump shed electrical and control board upgrade, replace bore
Town Park	Waterplay at playground
Smithfield Oval	Water meter, pressure reducing valve & filter
Kooranowa Reserve	Water meter, pressure reducing valve & filter

Proposed Capital Works 2026/27 – Suburb Maps



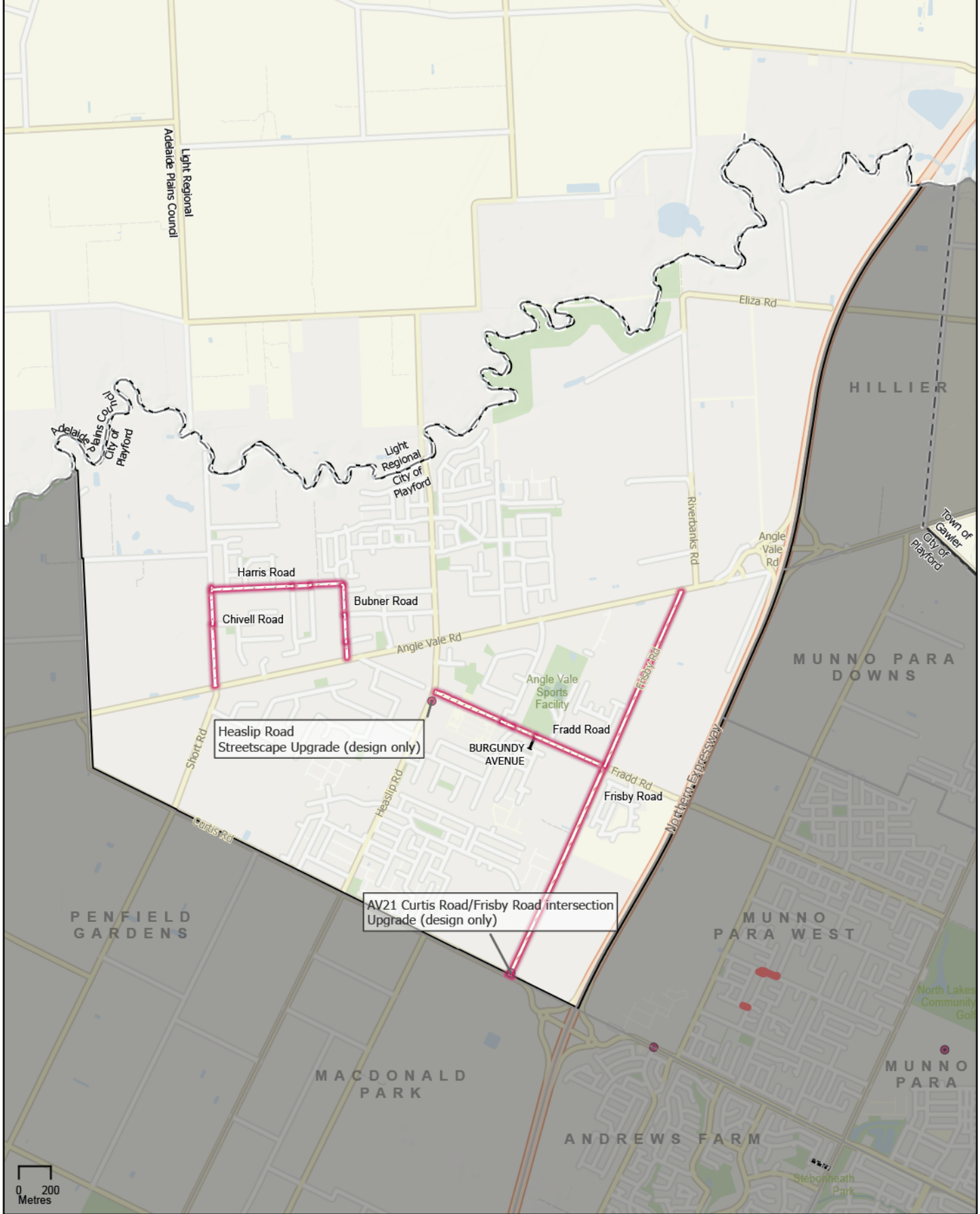
2026/27 Annual Business Plan
ANDREWS FARM



- New Assets and Upgrades
- Footpath - New
- Renewal - Footpath
- Road - Renewal

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2026/27 Annual Business Plan ANGLE VALE



Heaslip Road
Streetscape Upgrade (design only)

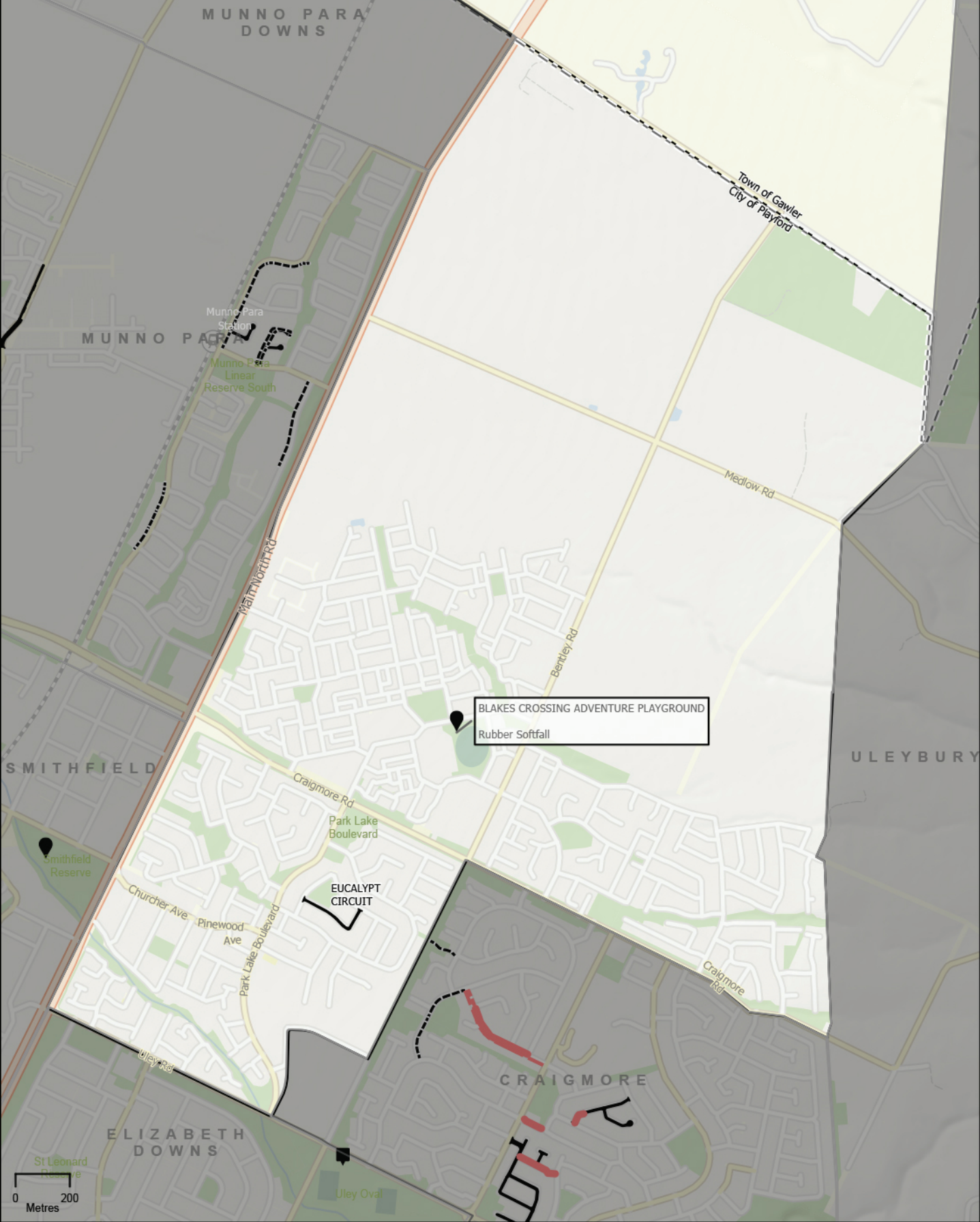
AV21 Curtis Road/Frisby Road intersection
Upgrade (design only)





- New Assets and Upgrades
- Road - Upgrade (design only)
- Road - Renewal

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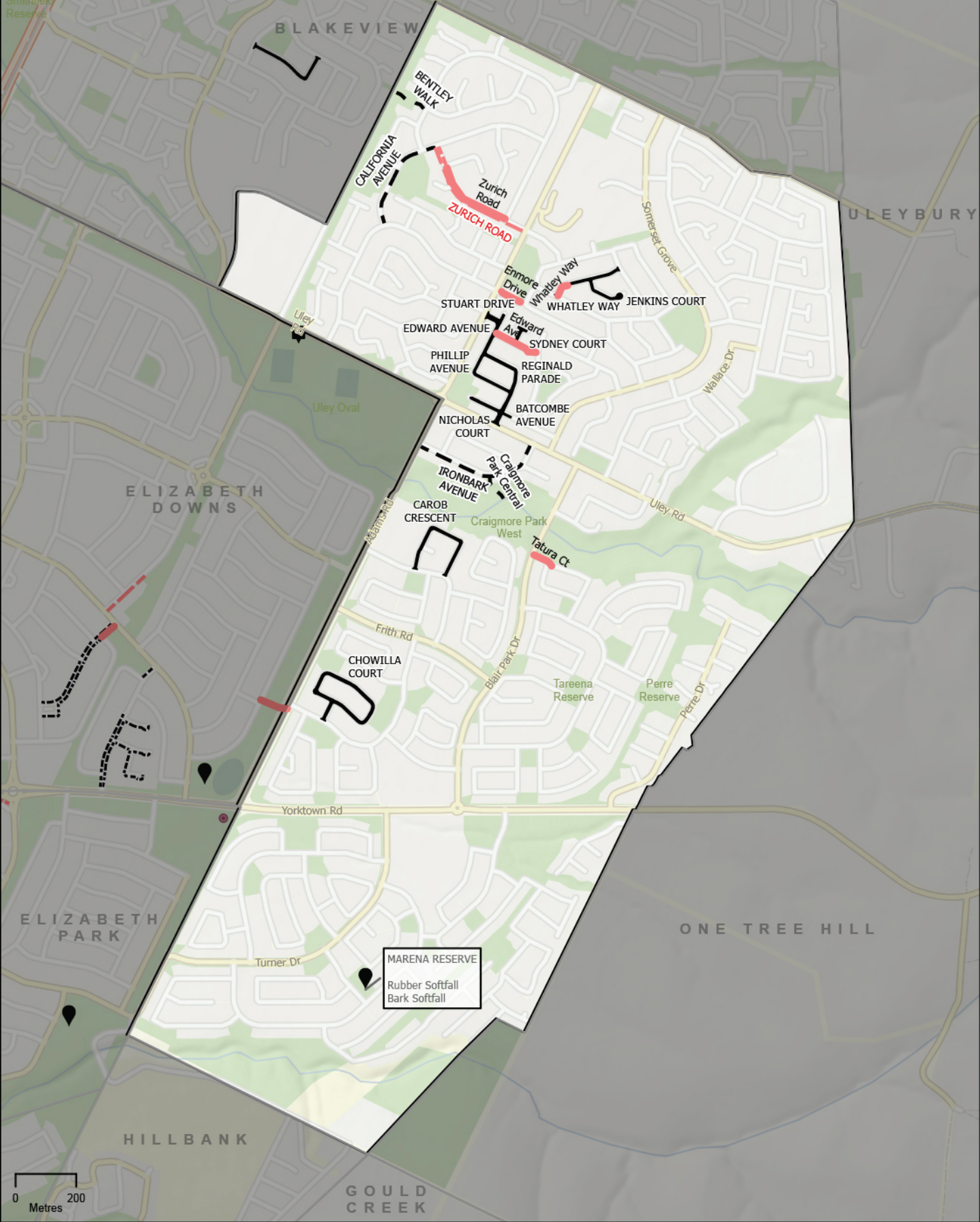
2026/27 Annual Business Plan BLAKEVIEW



-  Parks - Renewal
-  Road - Renewal

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2026/27 Annual Business Plan CRAIGMORE



- Footpath - New
- - - Footpath - Upgrade
- - - Renewal - Footpath
- Road - Renewal
- Parks - Renewal

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2026/27 Annual Business Plan DAVOREN PARK






PLAYFORD OPERATIONS CENTRE
Internal fit out
Trestle tables/chairs

Playford Operations

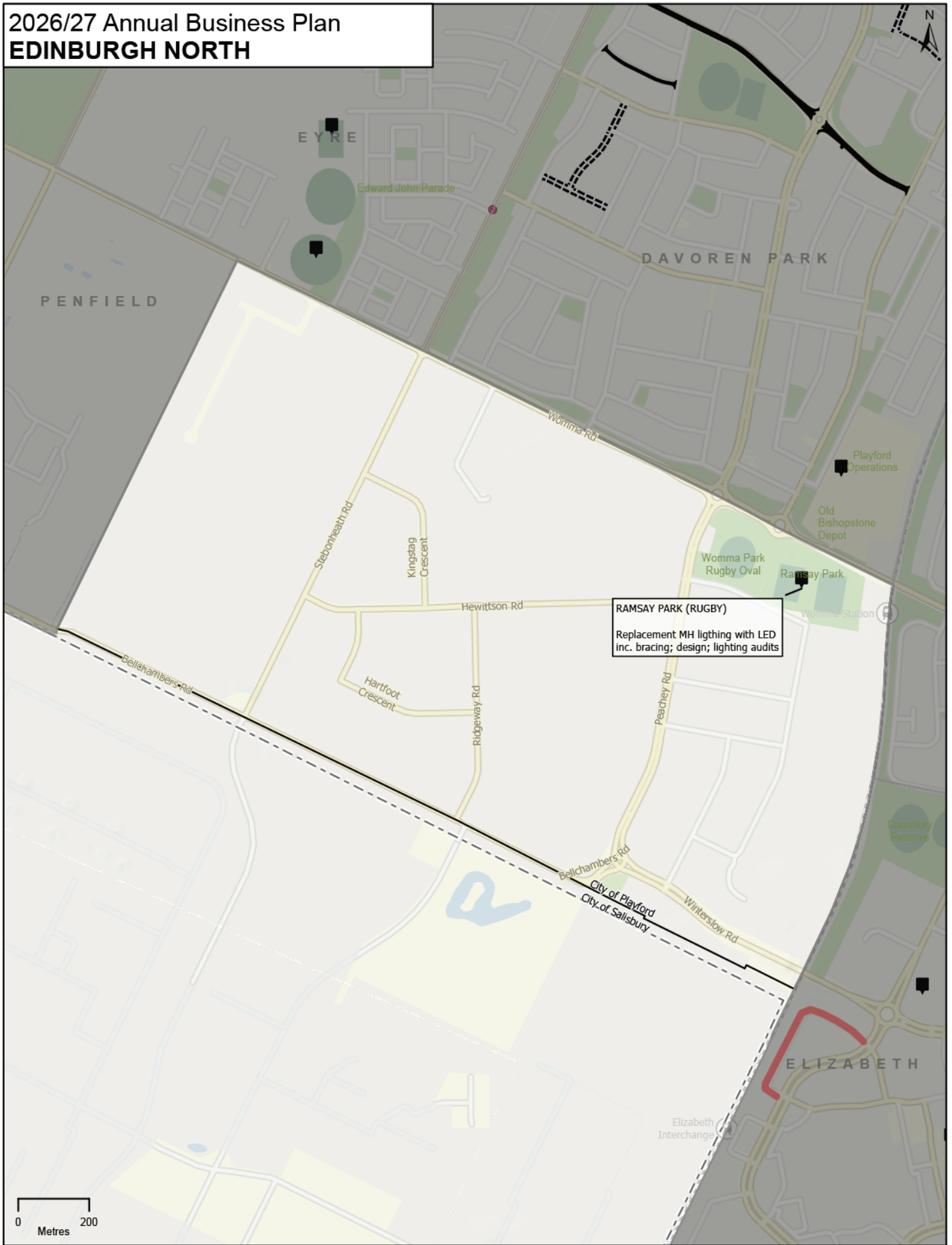
Old Bishopstone Depot



-  Buildings - Renewal
-  Renewal - Footpath
-  Road - Renewal

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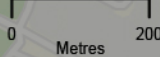
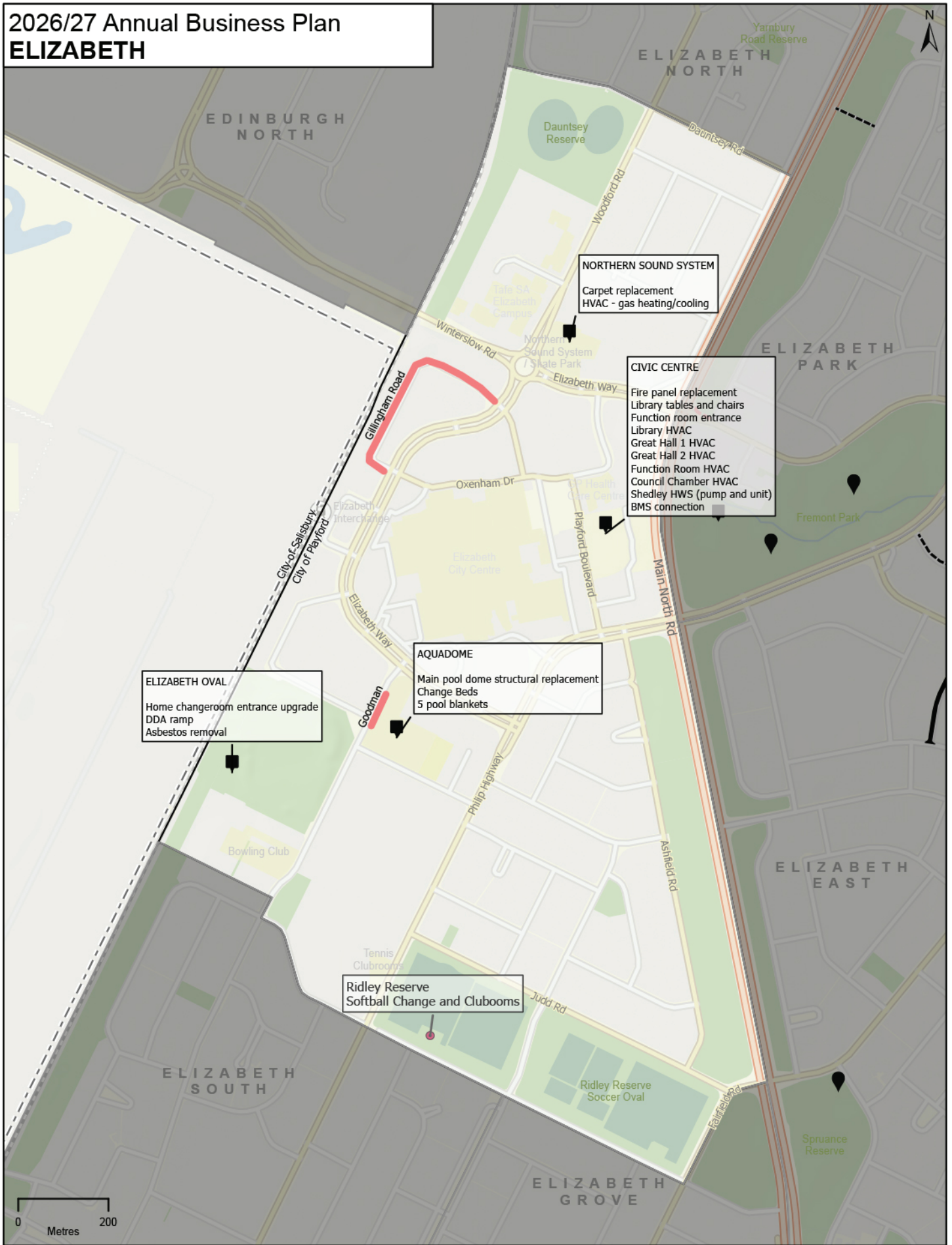
2026/27 Annual Business Plan EDINBURGH NORTH



■ Buildings - Renewal

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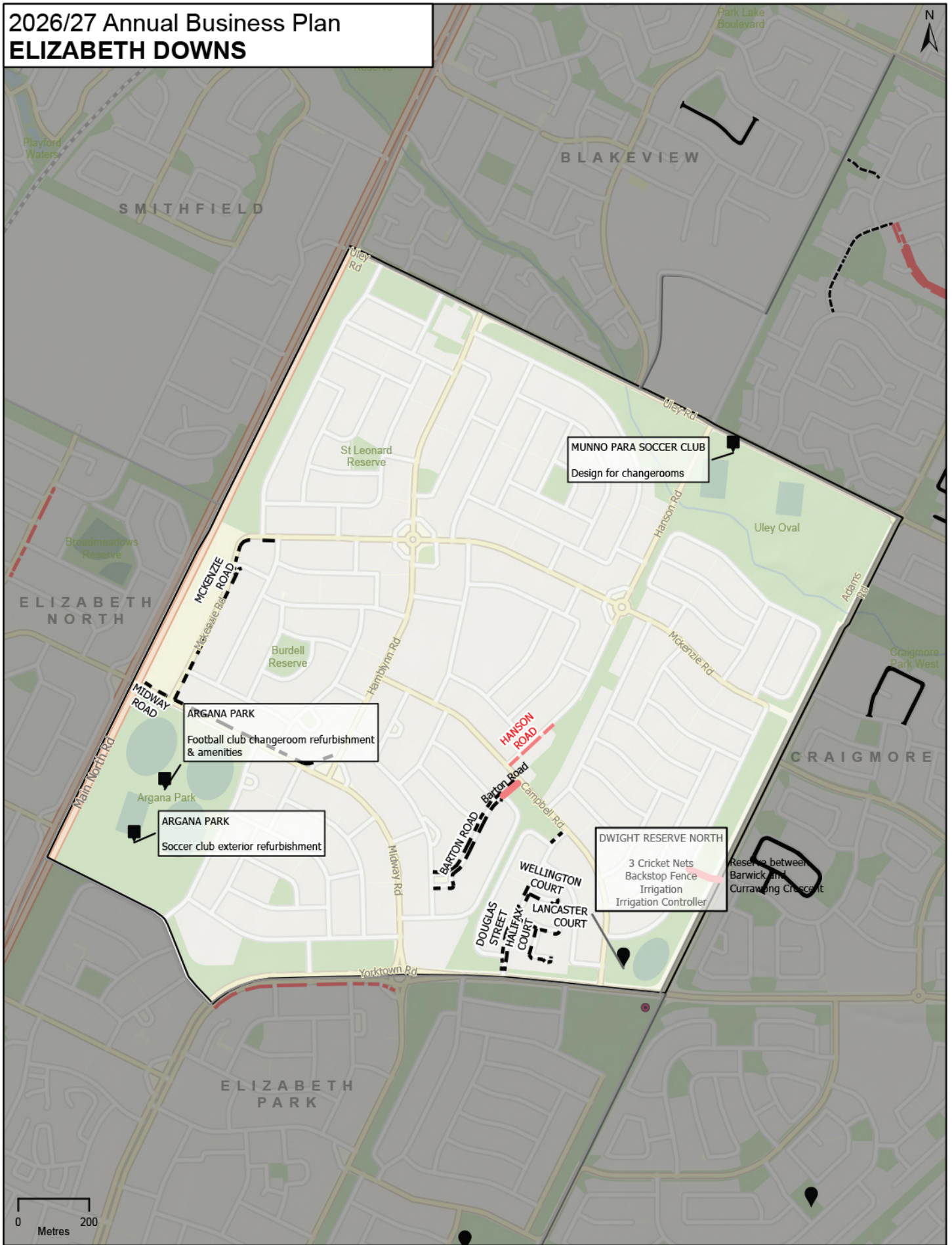
2026/27 Annual Business Plan ELIZABETH



- New Assets and Upgrades
- Footpath - New
- Buildings - Renewal

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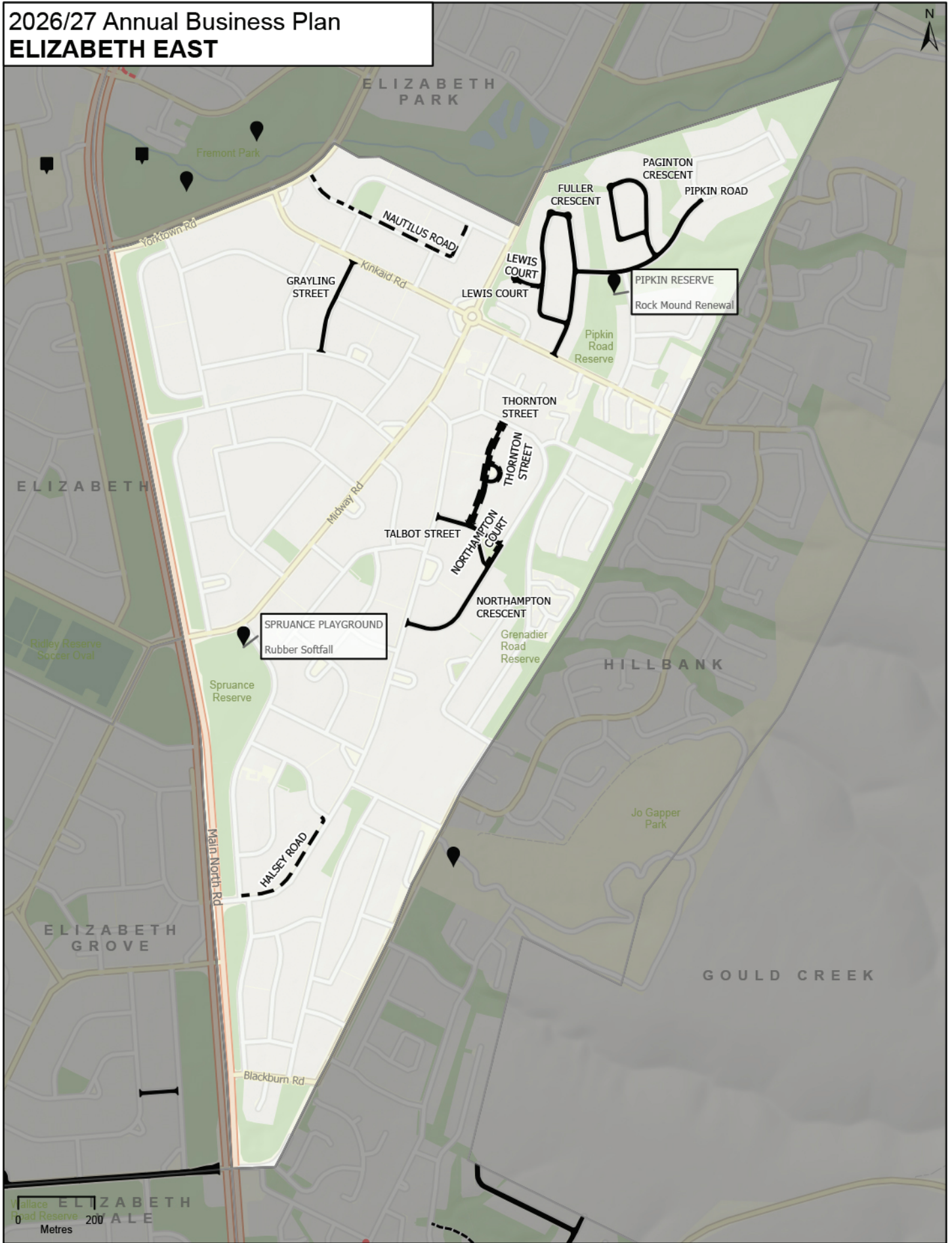
2026/27 Annual Business Plan ELIZABETH DOWNS






- Footpath - New
- Footpath - Upgrade
- Parks - Renewal
- Buildings - Renewal
- Renewal - Footpath

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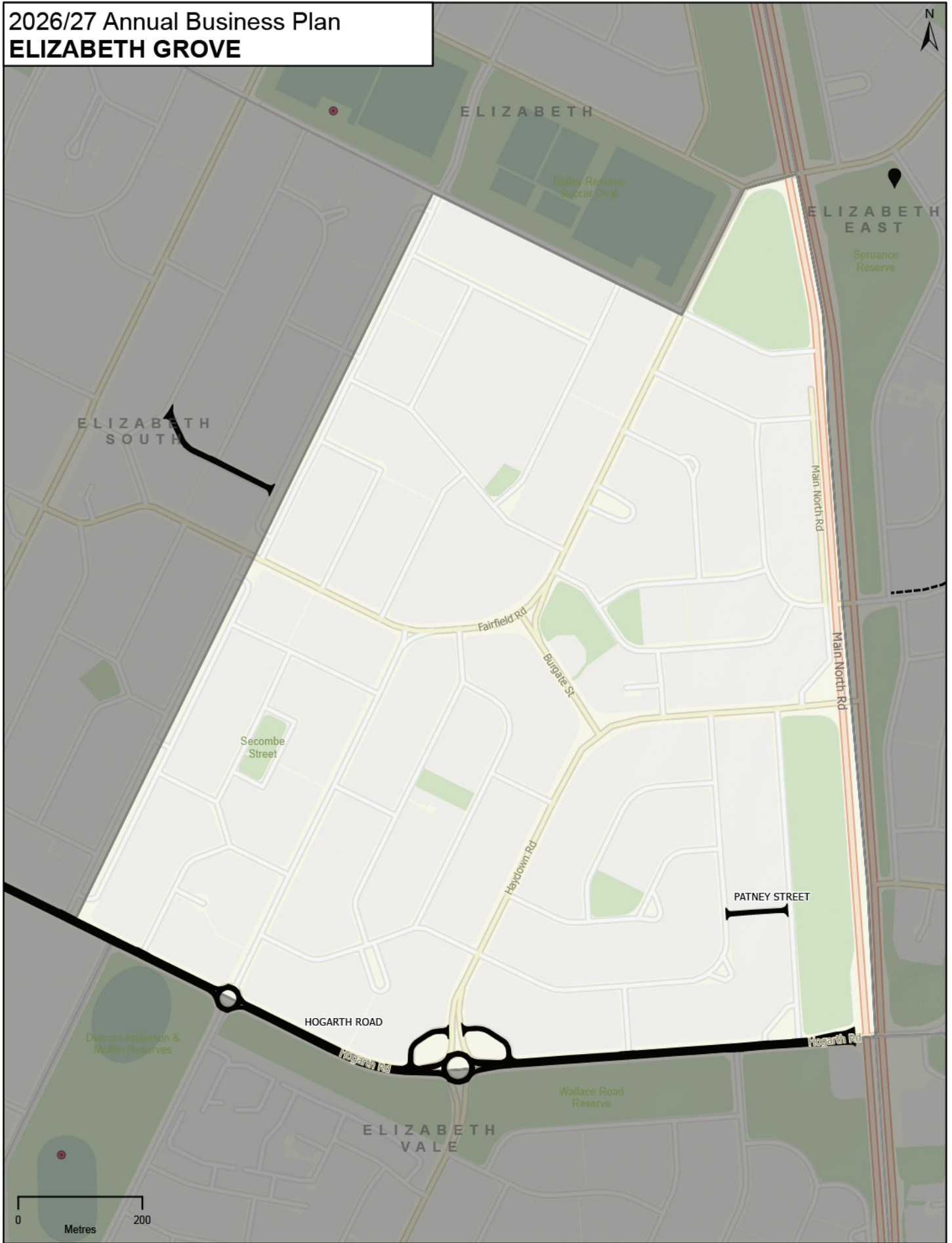
2026/27 Annual Business Plan ELIZABETH EAST




-  Parks - Renewal
-  Renewal - Footpath
-  Road - Renewal

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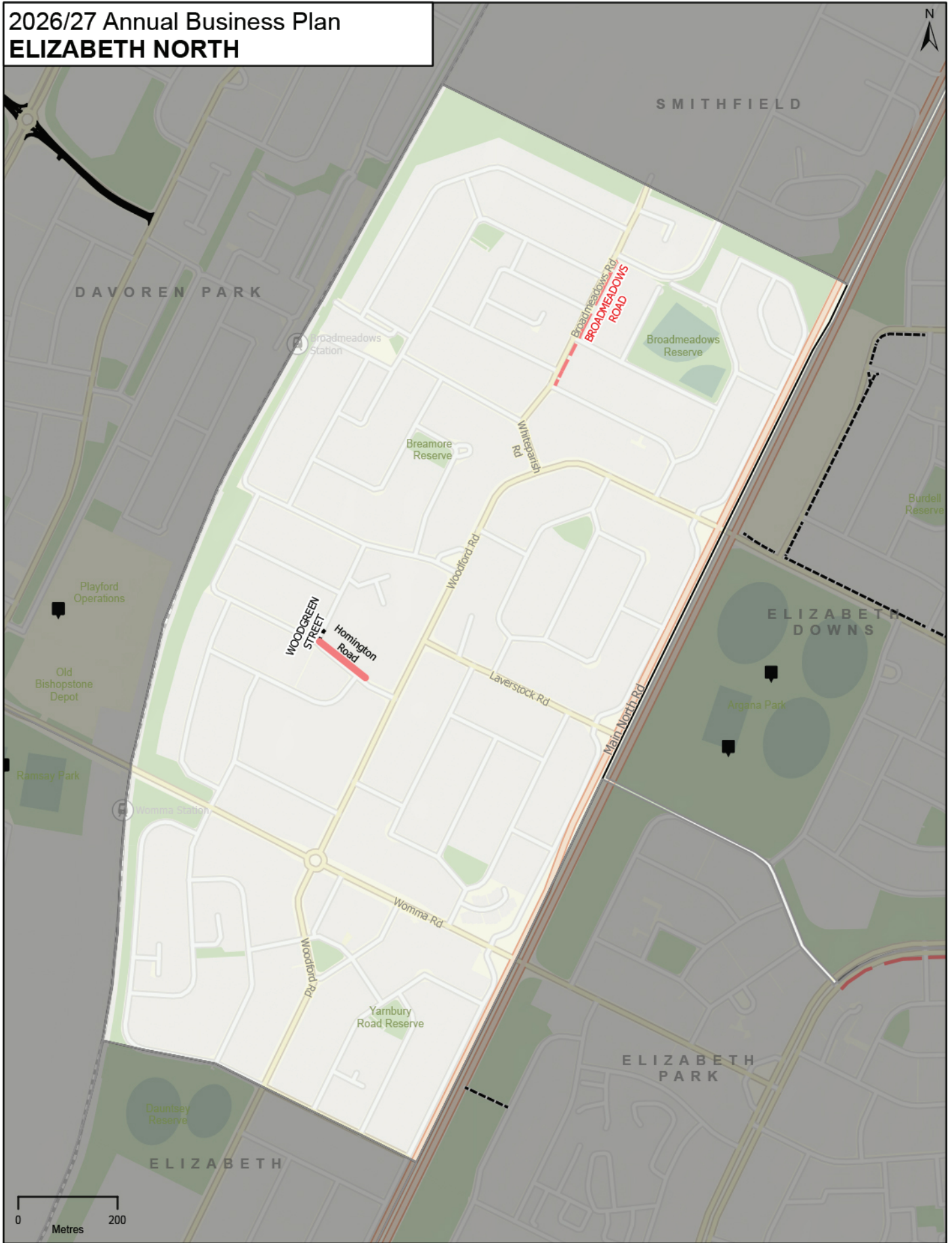
2026/27 Annual Business Plan
ELIZABETH GROVE



 Road - Renewal

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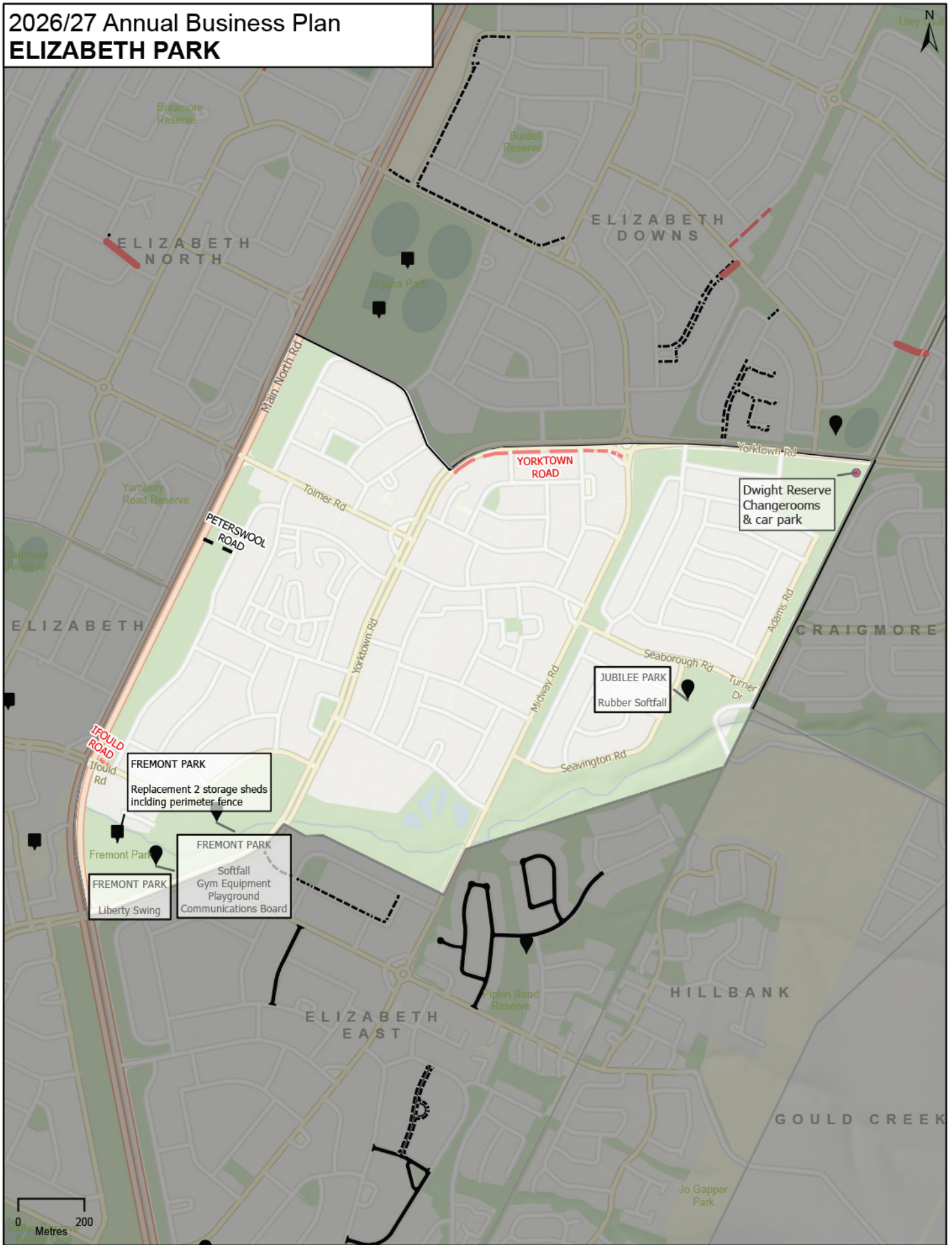
2026/27 Annual Business Plan
ELIZABETH NORTH



- Footpath - New
- Footpath - Upgrade
- Renewal - Footpath

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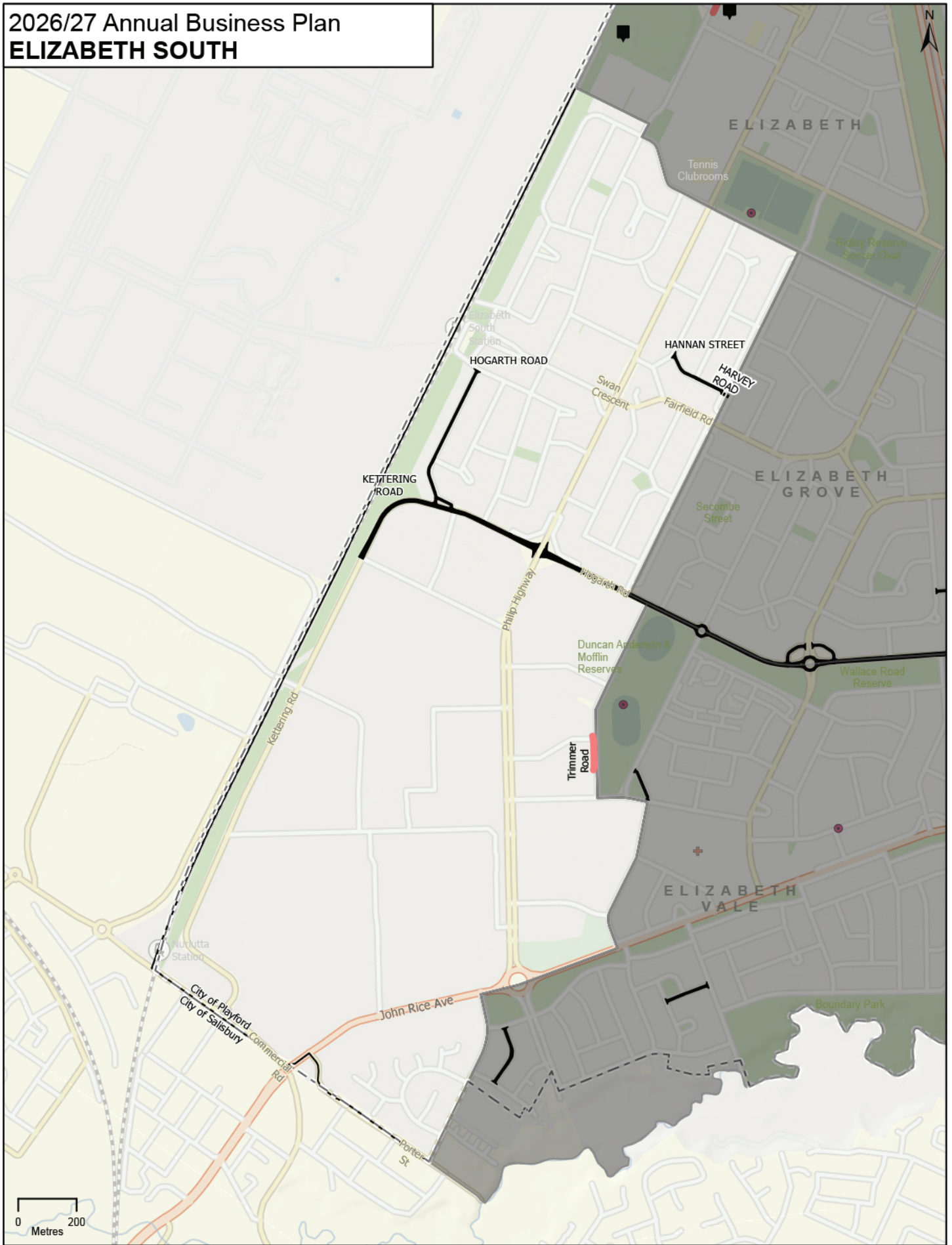
2026/27 Annual Business Plan ELIZABETH PARK



- New Assets and Upgrades
- Footpath - Upgrade
- Parks - Renewal
- Buildings - Renewal
- Renewal - Footpath

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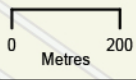
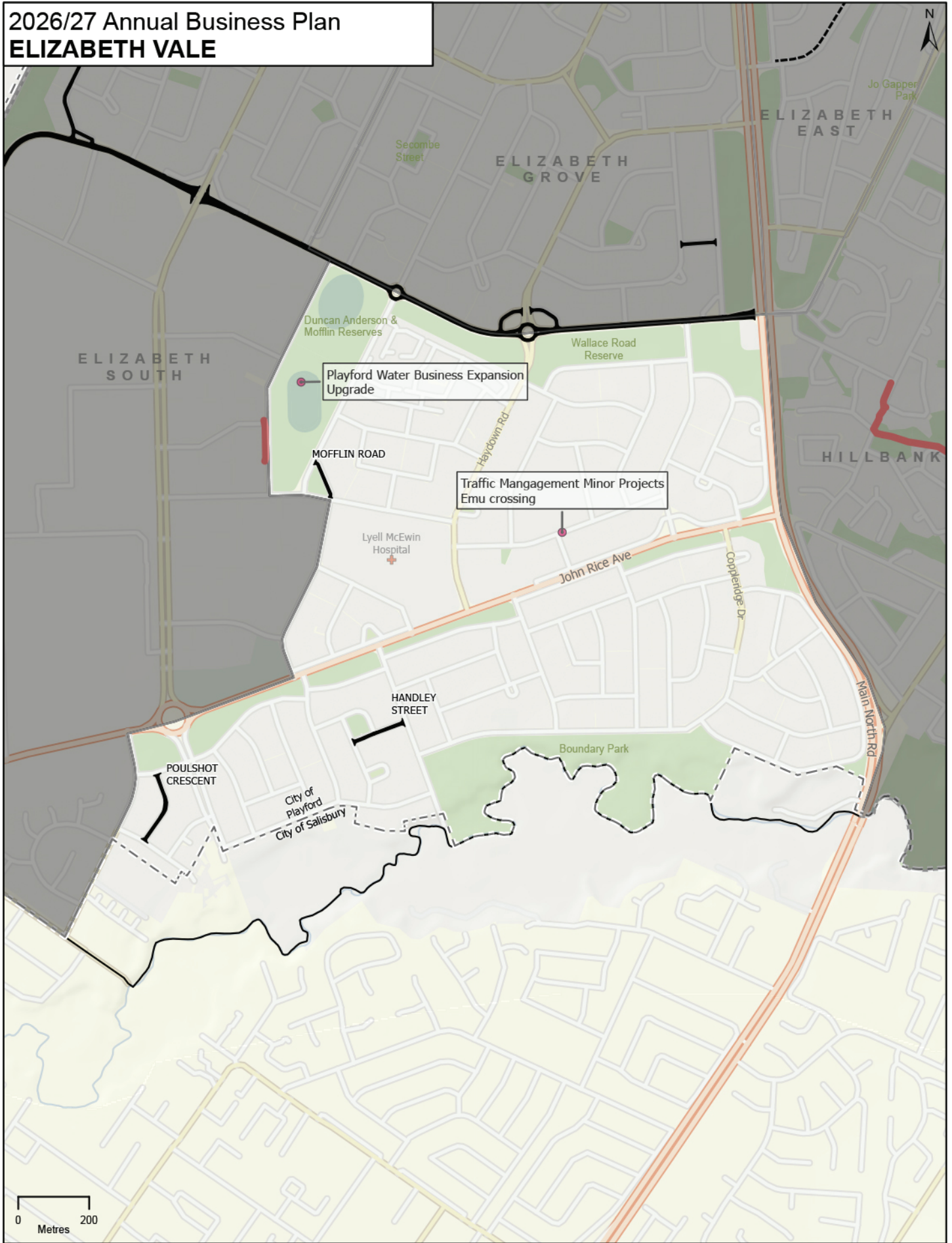
**2026/27 Annual Business Plan
ELIZABETH SOUTH**



- Footpath - New
- Renewal - Footpath
- Road - Renewal

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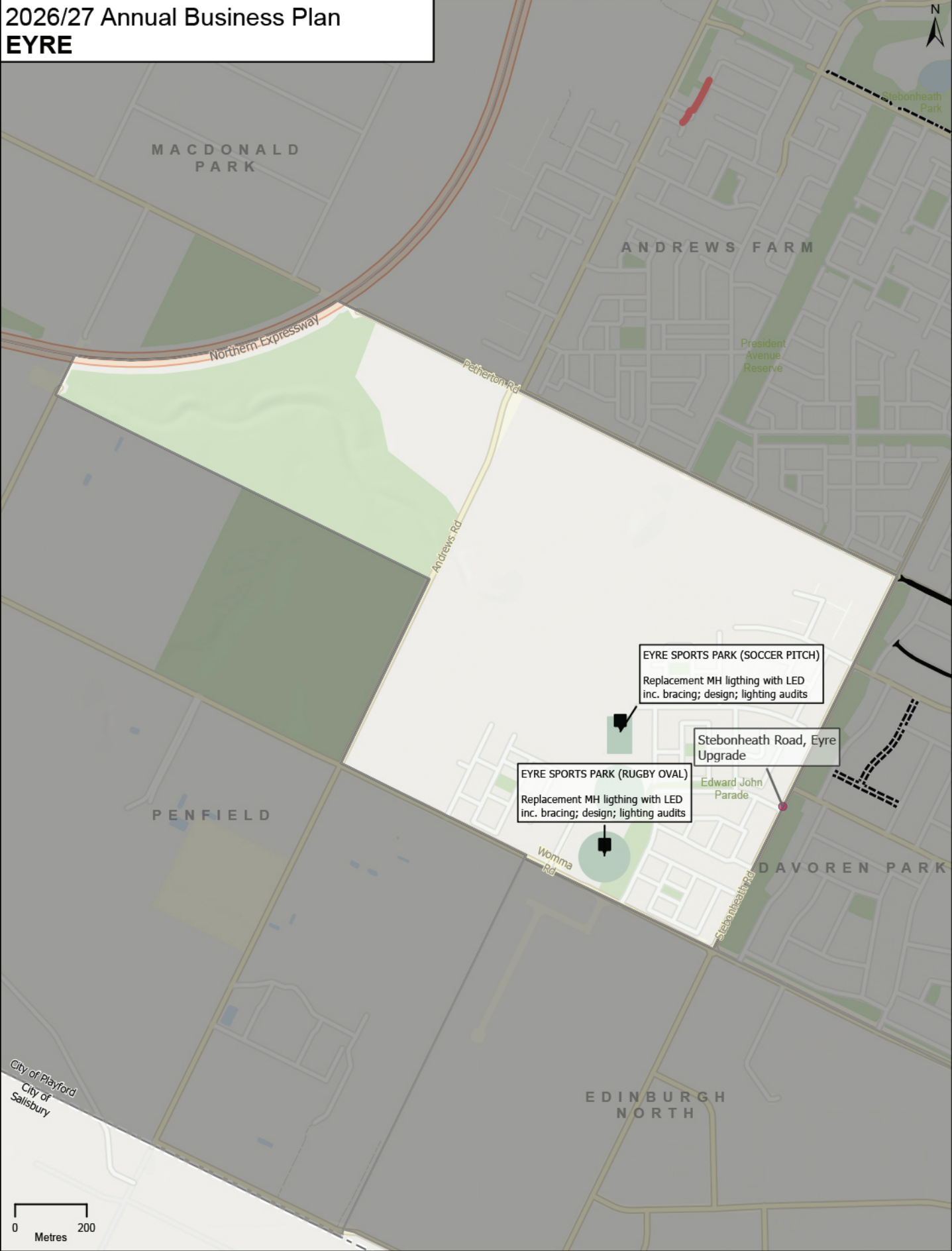
2026/27 Annual Business Plan
ELIZABETH VALE



- New Assets and Upgrades
- Road - Renewal

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2026/27 Annual Business Plan
EYRE



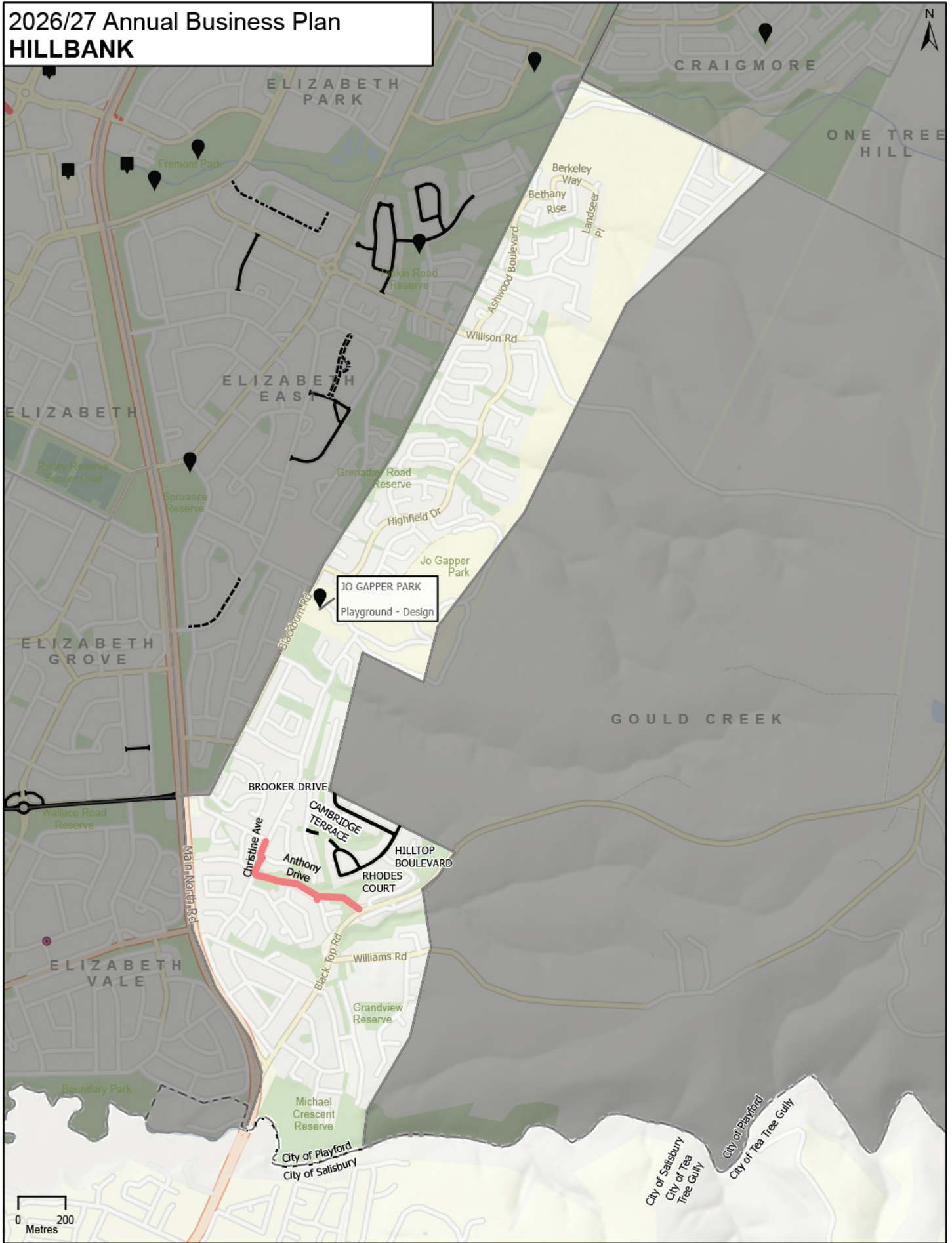
City of Playford
 City of Salisbury



- New Assets and Upgrades
- Buildings - Renewal

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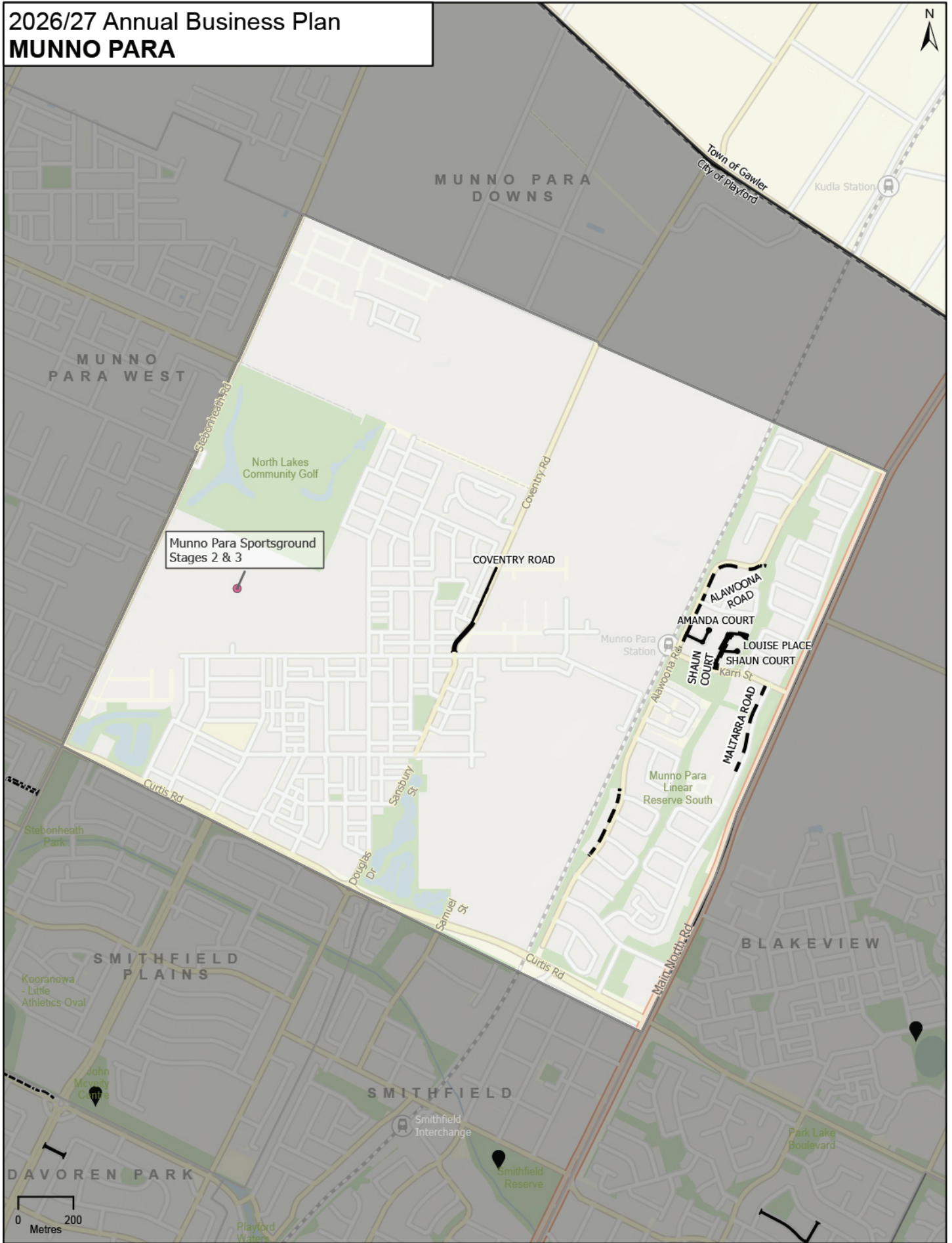
2026/27 Annual Business Plan HILLBANK



- Footpath - New
- Parks - Renewal
- Renewal - Footpath
- Road - Renewal

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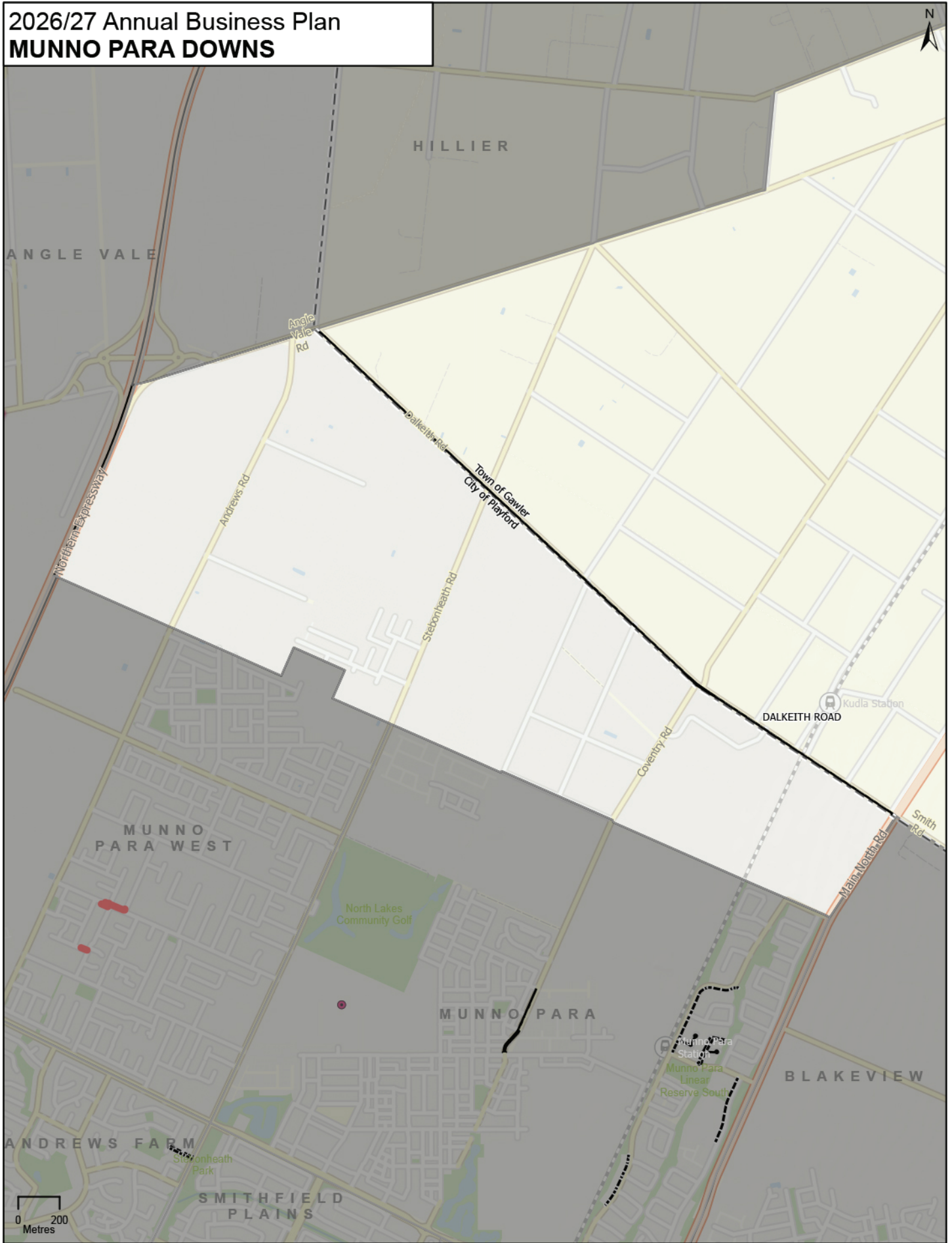
2026/27 Annual Business Plan MUNNO PARA




- New Assets and Upgrades
- - - Renewal - Footpath
- █ Road - Renewal

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2026/27 Annual Business Plan
MUNNO PARA DOWNS



 Road - Renewal

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2026/27 Annual Business Plan MUNNO PARA WEST

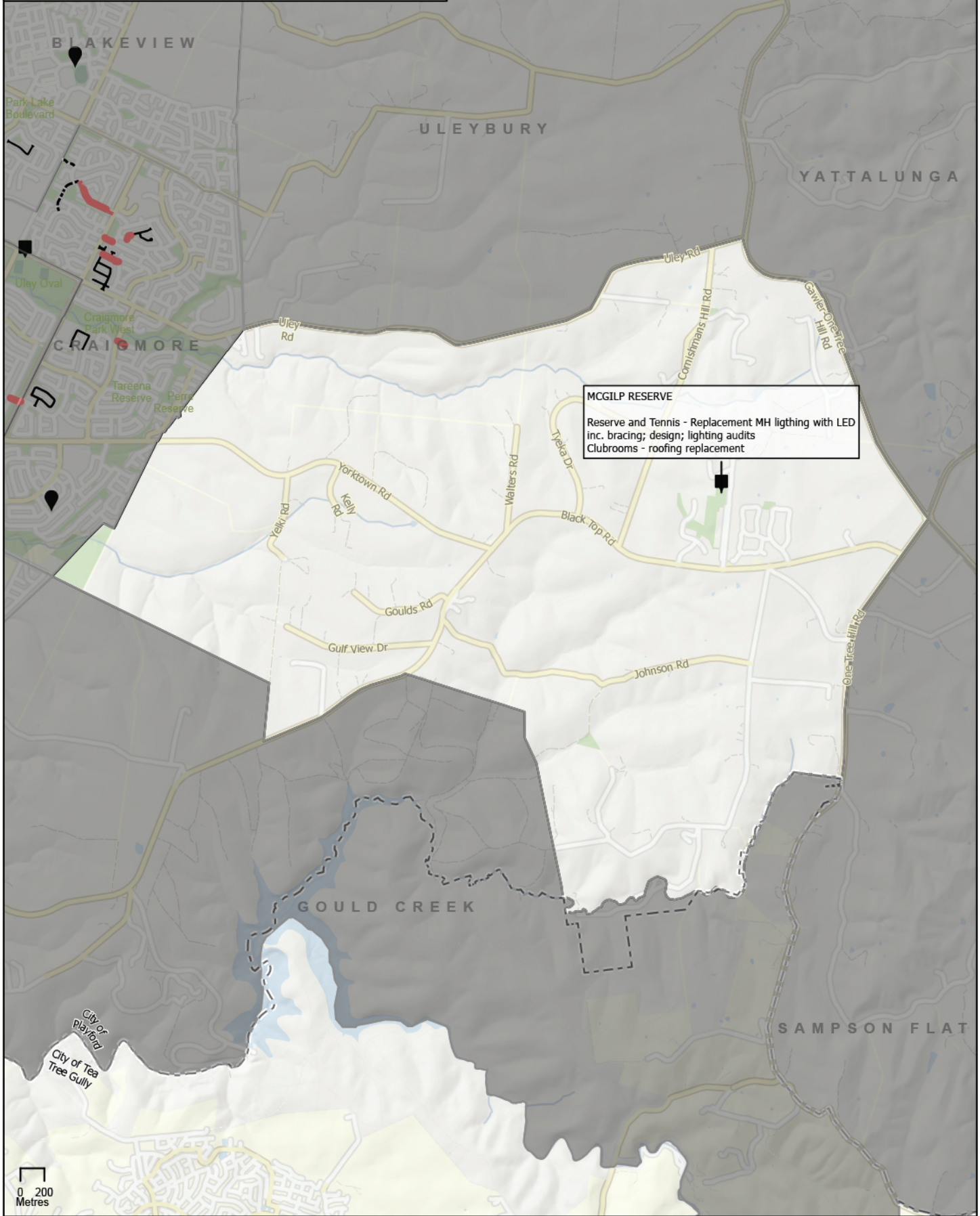


- New Assets and Upgrades
- Footpath - New

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2026/27 Annual Business Plan

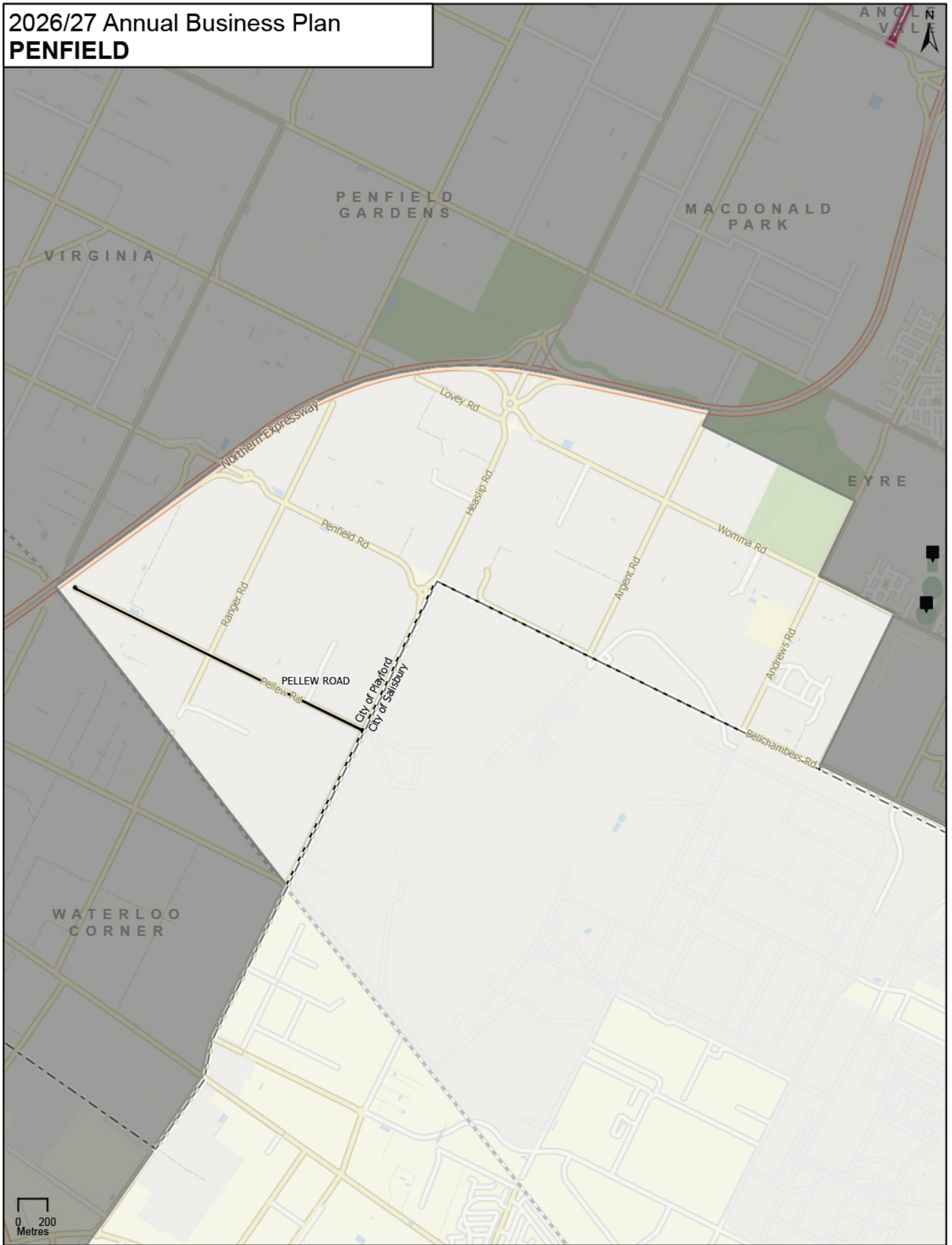
ONE TREE HILL




 Buildings - Renewal

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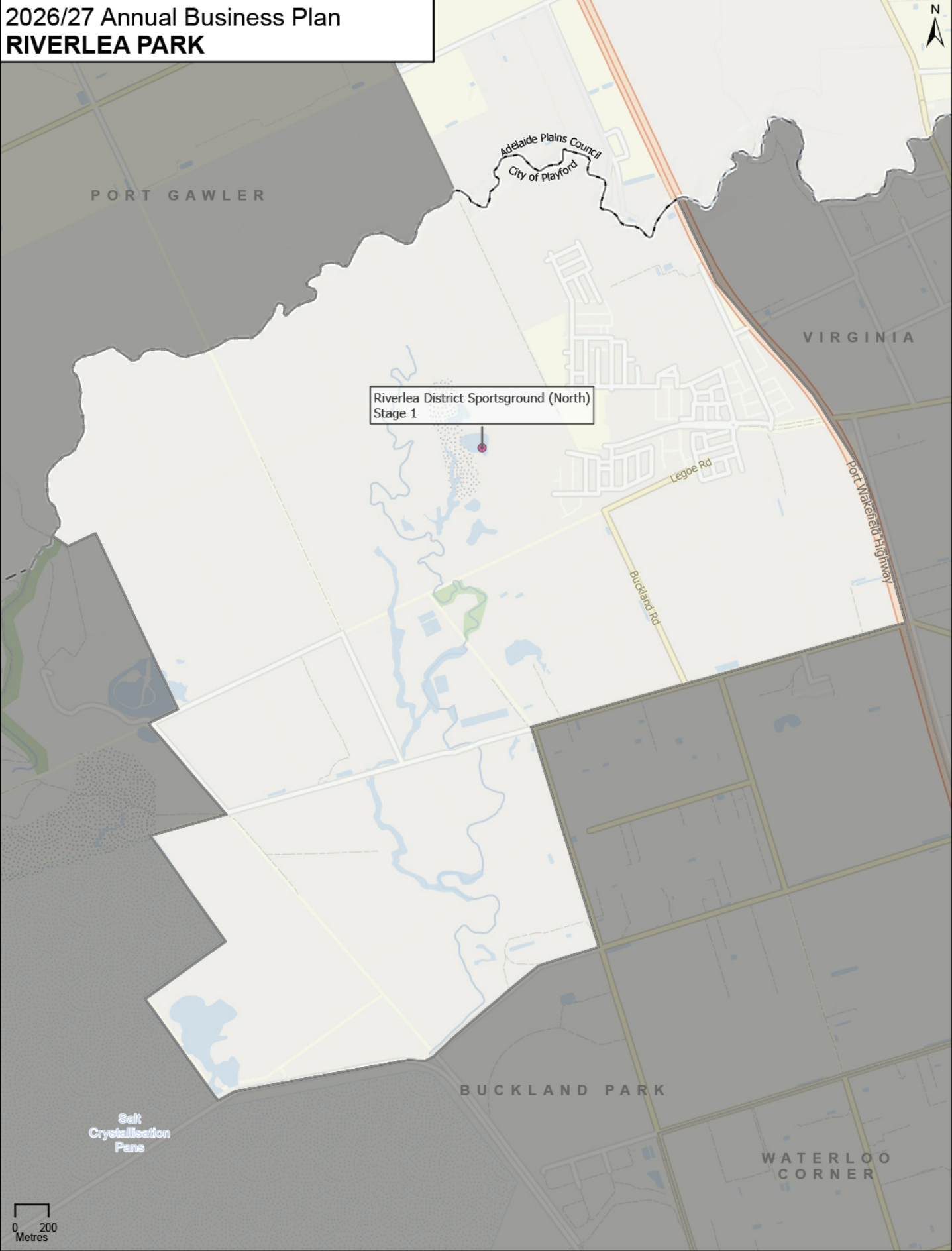
2026/27 Annual Business Plan
PENFIELD



 Road - Renewal

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2026/27 Annual Business Plan RIVERLEA PARK



● New Assets and Upgrades

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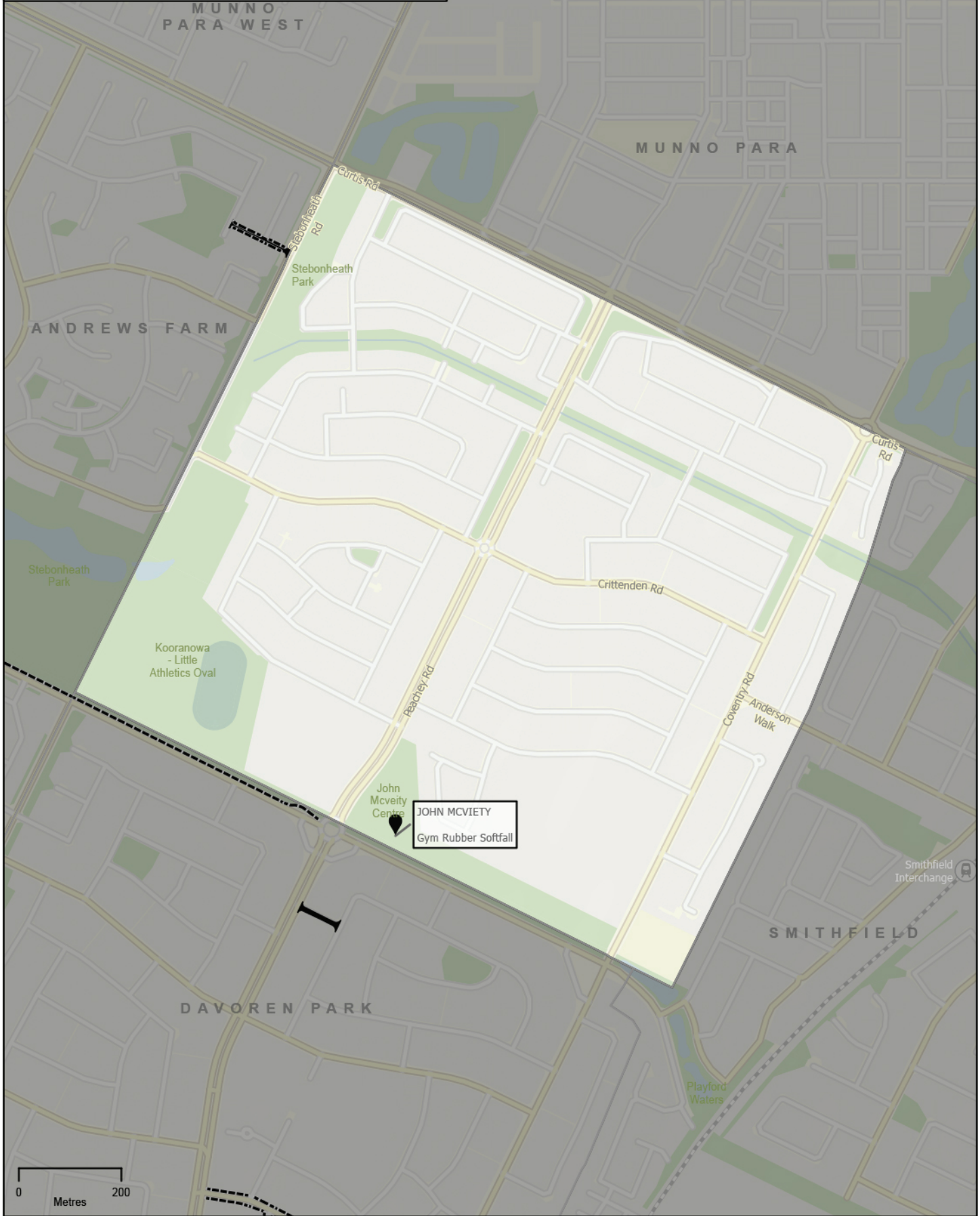
2026/27 Annual Business Plan
SMITHFIELD



📍 Parks - Renewal

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2026/27 Annual Business Plan
SMITHFIELD PLAINS



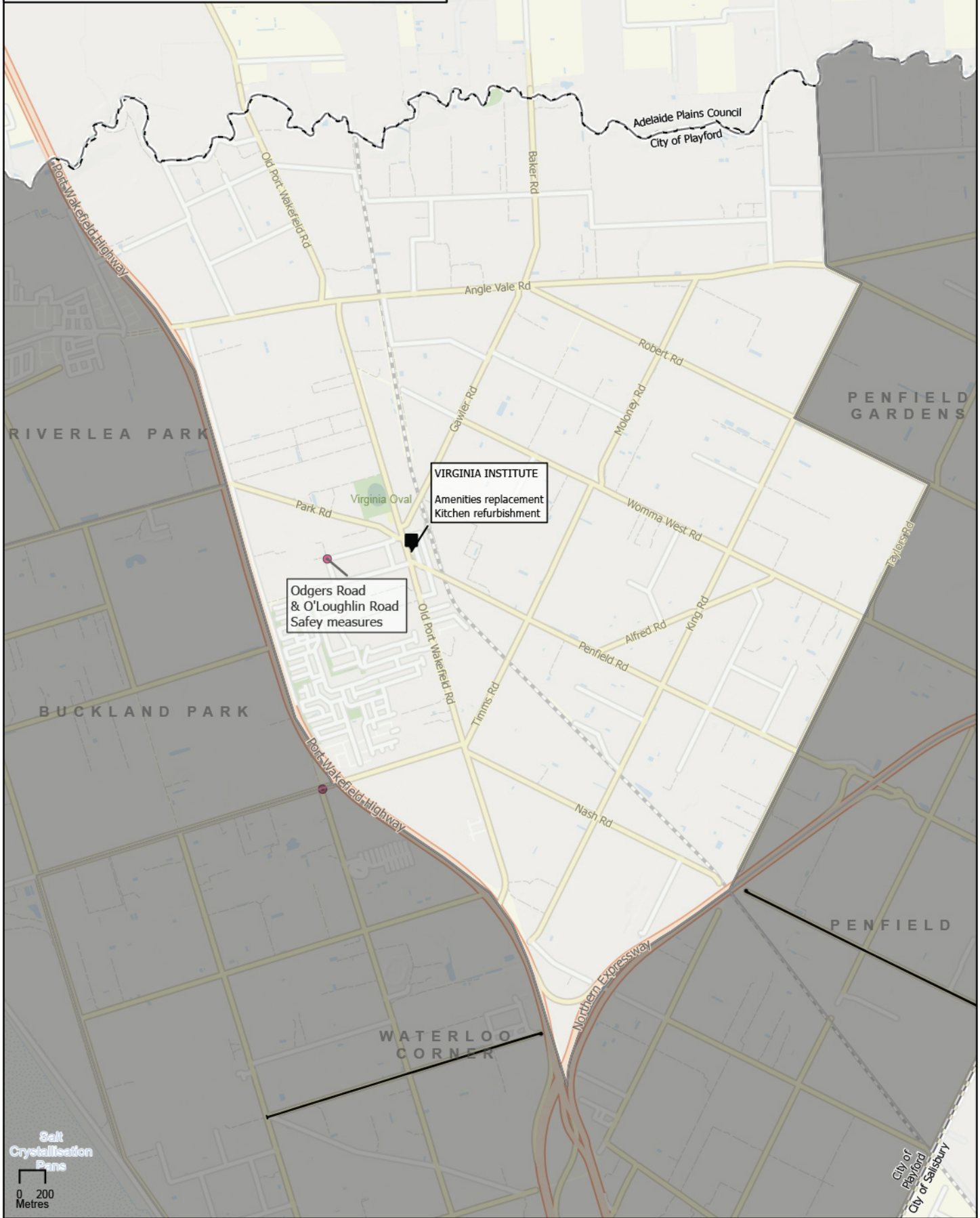
JOHN MCVIETY
 Gym Rubber Softfall



 Parks - Renewal

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2026/27 Annual Business Plan
VIRGINIA



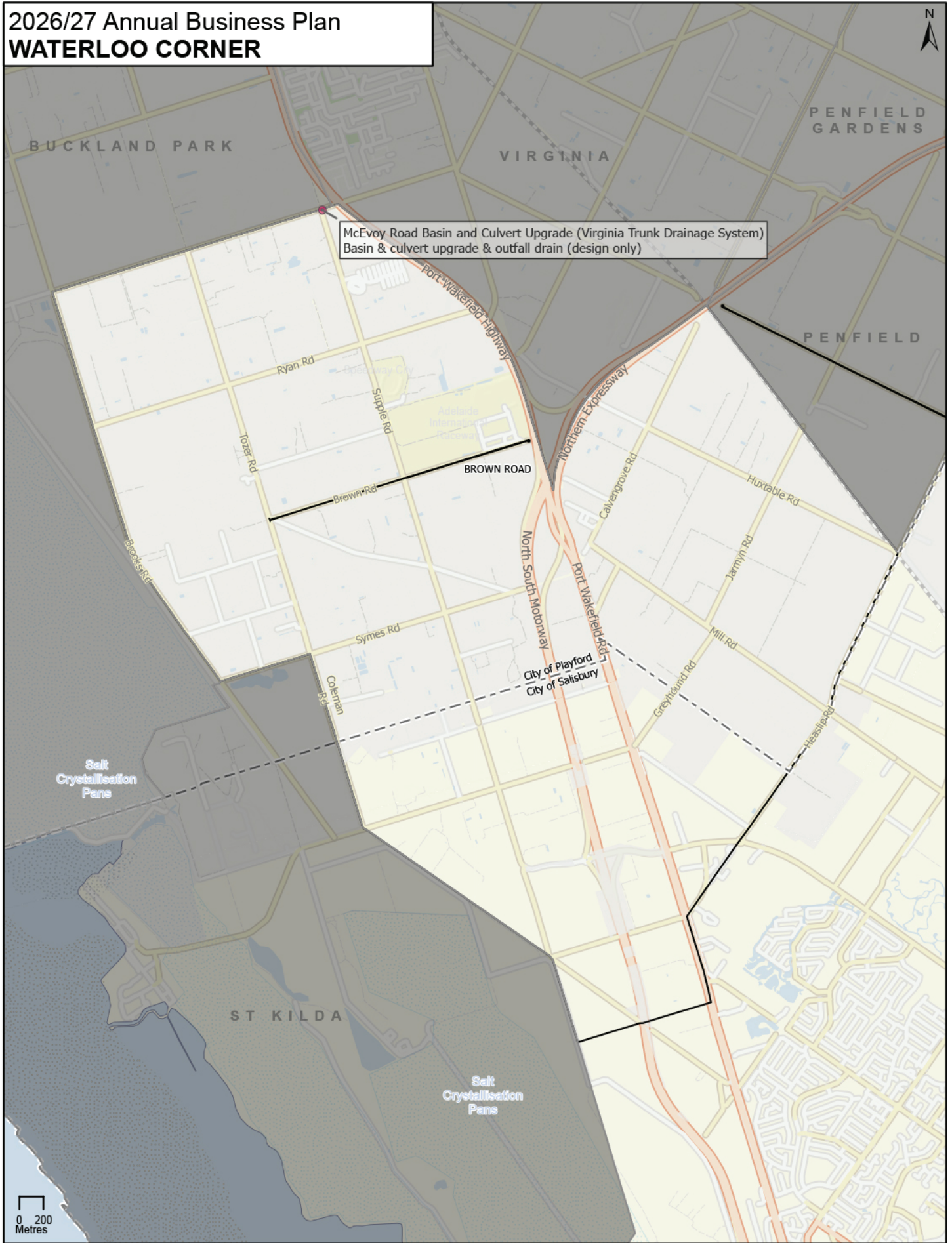
Salt Crystallisation Pans
 0 200 Metres



- New Assets and Upgrades
- Buildings - Renewal

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2026/27 Annual Business Plan
WATERLOO CORNER



- New Assets and Upgrades
- Road - Renewal

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ESCOSA Advice



OFFICIAL



Advice

Local Government Advice

City of Playford

February 2024

OFFICIAL

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au



City of Playford

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the City of Playford's current and projected financial performance **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

RISKS IMPACTING SUSTAINABILITY

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

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

COMMISSION'S RECOMMENDATIONS

- Reduce the level of net financial liabilities
- Improve transparency on borrowing assumptions
- Include efficiency goals and cost savings in the long-term financial plan

KEY FACTS

- Population in 2021 was **99,190**
- Council covers **345 square kilometres**
- **44,407** rateable properties in 2022-23
- **\$91.8 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **\$1.621 billion**

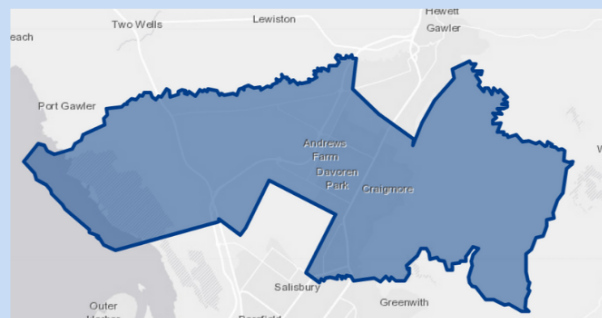


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Glossary of terms


ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	City of Playford
CWMS	Community Wastewater Management System
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

Legend:  Low-risk  Moderate-risk  High-risk

1 The Commission’s key advice findings for the City of Playford


The Essential Services Commission (**Commission**) finds the City of Playford’s (**Council’s**) current and projected financial performance **sustainable** as it prepares for continued high levels of projected population growth. After a period of significant infrastructure and service expansion, leveraged by substantial borrowings and grant funding, the Council appears, based on historical surpluses, to demonstrate sound operating performance.

Current financial performance:



Unsustainable	Potentially Unsustainable	Mostly Sustainable	Sustainable
---------------	---------------------------	--------------------	-------------

Projected financial performance (future):



Unsustainable	Potentially Unsustainable	Mostly Sustainable	Sustainable
---------------	---------------------------	--------------------	-------------

Previous financial performance (past ten years):



Unsustainable	Potentially Unsustainable	Mostly Sustainable	Sustainable
---------------	---------------------------	--------------------	-------------

The Commission notes the Council’s strategy to reduce its borrowings via the sale of assets (repurpose of assets) and operating surplus growth. However, it is not clear what level of borrowing can be reduced via asset sales in the 10 years to 2032-33. If the Council is unable to fulfill its asset sale strategy, then it risks a greater burden of revenue shifting to its ratepayers.

In addition, the Council’s ability to reduce its borrowings via operating surplus growth also highlights the importance of its forecast growth in rateable properties. If the Council overestimates the growth in rateable properties to 2032-33, the burden of debt repayment will fall on existing ratepayers.

Noting that the Council’s projections are somewhat reliant on its high growth assumptions, the Commission considers it important for the Council to ensure that its costs align to actual growth achieved – including having contingency plans to defer or avoid costs and new infrastructure if forecast growth does not transpire. In addition, the Council should focus on achieving scalability so that the marginal cost of serving a new ratepayer is financially sustainable.

Budgeting considerations

1. **Continue** its good practice of reviewing inflation forecasts in its budget and forward projections from 2024-25, given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.
2. **Continue** its good practice of reviewing the rateable property growth forecasts in budget projections each year, to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.

Continue to provide evidence of ongoing cost efficiencies

3. **Continue** its good practice of reporting any actual and projected cost savings in its annual budget (and long-term financial plan, as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.
4. **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.

Continue to manage borrowing risk

5. **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.
6. **Improve** transparency on borrowing assumptions, including loan facilities and loan terms, in its long-term financial plan.

Containing rate levels

7. **Continue** to monitor average rate rises to help reduce cost of living pressure on the community.

2 About the advice

The Essential Services Commission (**Commission**), South Australia's independent economic regulator and advisory body, has been given a role by the Parliament to provide advice on material changes proposed by local Councils in relation to elements of their strategic management plans (**SMPs**) and on the proposed revenue sources, including rates, which underpin those plans.¹

One of the main purposes of the Local Government Advice Scheme (**advice or the scheme**) is to support Councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (**LTFPs**) and infrastructure and asset management plans (**IAMPs**)² – both required as part of a Council's SMP.³ Financial sustainability is considered to encompass intergenerational equity,⁴ as well as program (service level) and rates stability.⁵ The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, as outlined in the LTFP.⁶ In addition, the Commission has discretion to provide advice on any other aspect of a Council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that Council.⁷

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 17 Councils for advice in the second scheme year (2023-24), including the Council.

This report provides the Local Government Advice for the Council in 2023-24.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2024-25 annual business plan (including any draft annual business plan) and subsequent plans until the next cycle of the scheme.⁸ It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website⁹), nor is it compelled under the LG Act to follow the advice.

The Commission thanks the Council for providing relevant information and engaging with Commission staff to assist the Commission in preparing this advice.

2.1 Summary of advice

Historically, the Council's community has had strong rateable property growth, accompanied by strong infrastructure growth and increasing contributions from ratepayers and government grants. In general, the Commission finds the Council's current financial position sustainable, on balance, with small historical and projected operating surpluses. However, there are some risks to the income and expense forecasts and the Council's strategy to reduce its borrowings.

The Council is one of South Australia's fastest growing areas. In 2022-23, the Council had 44,407 rateable properties. The Council expects this to increase to 46,306 in 2023-24, a 4.3 percent growth in rateable properties.¹⁰

The Council's cost base is expected to rise in the short-term, driven by further growth projections, with the Council forecasting an average of 1,075 new properties each year from 2023-24 to 2032-33. This growth will become embedded into the underlying cost base of the Council. In addition, the Council has

¹ Amendments to the LG Act (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local Councils for the Local Government Scheme Advice. The Commission must provide advice to each Council in accordance with the matters outlined in s122(1e), (1f) and (1g).

² Commonly referred to as asset management plans.

³ The objectives of the advice with reference to a Council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a Council's SMP, including the LTFP and IAMPs.

⁴ 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

⁵ Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

⁶ LG Act s122(1f)(a) and (1g)(a)(ii).

⁷ LG Act s122(1f)(b) and (1g)(b).

⁸ LG Act s122(1h).

⁹ The Commission must publish its advice under LG Act s122(1i)(a).

¹⁰ City of Playford, *2023-24 annual business plan*, June 2023, p. 60.

factored this growth into its additional rate revenue estimates. Therefore, the future sustainability of the Council is strongly linked to its expectations regarding the further development of the community.

The Council has predominantly used borrowings from the Local Government Finance Authority of South Australia (**LGFA**) to fund its renewal of existing assets and acquisition of new and upgraded assets. In doing so, the Council's net financial liabilities ratio¹¹ has been outside (or above) the suggested target range (the 10-year average to 2021-22 was 121.3 percent). The Council has forecast a reduction in its net financial liabilities ratio from a peak of 88.4 percent in 2023-24 to an average of 49.9 percent in the five years to 2032-33. The reduction in the ratio from 2022-23 to 2031-32 is proposed to come from the progressive repayment of total borrowings (\$33.1 million over the next ten years to 2032-33), via the sale of assets and from operating surplus growth.

The Council's forward projections from 2023-24 (in its LTFP) forecast a slightly improved financial sustainability outlook as a result of the forecast rate of operating revenue growth set to slightly outpace the forecast rate of expense growth with:

- ▶ average growth in rates and expenses per property below the Reserve Bank of Australia (**RBA**)-based forecast inflation rate (and generally aligned with the Council's forecast inflation), and
- ▶ a reduction in its net financial liabilities ratio from a progressive repayment of total borrowings (of \$33.1 million over the next ten years to 2032-33), via the sale of assets¹² and forecast available net annual cashflow.

The Commission notes the Council's current good practice of reporting cost savings (the Council has identified \$0.6 million of savings during the 2023-24 budget process). However, these savings equate to only 0.4 percent of the Council's total forecast expenses in 2023-24.¹³

The Commission encourages the Council to include efficiency goals and challenging projected cost savings in its long-term financial plan that could provide some mitigation if the forecast increase in rateable properties does not arise. There are also other opportunities for the Council to be more transparent about its price, service level and efficiency-related assumptions in its forward cost projections. In general, a transparent focus on cost constraint should help the Council to identify opportunities to reduce any affordability risk emerging for residential ratepayers, who account for the major share of the rates revenue.

2.2 Detailed advice findings

The next sections summarise the Commission's more detailed observations and advice findings regarding the Council's material changes to its 2023-24 plans (compared with the previous year's plans), its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure) and its current and projected rate levels.

In providing this advice, the Commission has followed the approach explained in the Framework and Approach – Final Report (**F&A**). The attachment explores these matters further.¹⁴

2.2.1 Advice on material plan amendments in 2023-24

Key Point:



Projected improvement in operating performance driven by higher rates and grant revenue and reduced level of net financial liabilities.

¹¹ The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a Council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

¹² City of Playford, *2023-24 2032 long-term financial plan*, June 2023, pp. 18.

¹³ City of Playford's total expenses for 2023-24 are forecast to be \$131,187,342 City of Playford Council, *2024 – 2033 long-term financial plan*, June 2023, p. 35

¹⁴ The attachment will be available on the Commission's website with the Advice.

The Council's 2023-24 LTFP includes an improvement in projected operating performance and increases in projected capital expenditure estimates, compared with the 2022-23 forecasts (for the nine-year overlapping period in both LTFPs: 2023-24 to 2031-32), as follows:

- ▶ An additional improvement of \$145.5 million (11 percent) in total operating income. Most of this increase is due to higher rates revenue, which increased by \$104.5 million (10.3 percent) on the 2022-23 estimates (for the period 2023-24 to 2031-32). Grants, subsidies and contributions have also increased by \$40.6 million (21 percent).
- ▶ An additional \$137.2 million or 11.2 percent in total operating expenses. This includes an additional \$57 million (12.7 percent) for 'materials, contracts and other' expenses, and an additional \$34.1 million (7 percent) in 'employee costs'. Depreciation also increased by \$39.9 million (14 percent).

The table below highlights the Council's 10-year CPI assumptions between the 2022-23 and 2023-24 LTFPs, the Commission has reviewed the nine overlapping years' CPI statistics: 2023-24 to 2031-32.

Consumer Price Index	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32
Deloitte Forecast Economics 2022-23 LTFP	2.30%	2.30%	2.40%	2.30%	2.40%	2.50%	2.30%	2.40%	2.30%
Deloitte Forecast Economics 2023 -24 LTFP	7.90%	2.58%	2.47%	2.51%	2.52%	2.43%	2.29%	2.29%	2.38%

The Council's current inflation forecasts present a risk to its cost and income projections in the current inflationary environment. The RBA currently forecasts the CPI (Australia-wide) to increase by 3.6 percent in the year to the June 2024 quarter and by 3.1 percent in the year to June 2025. Thereafter, it is reasonable to anticipate a return to long-run averages (and growth of 2.5 percent per annum from 2025-26, based on the midpoint of the RBA's 2 to 3 percent target range).¹⁵

The Commission notes that the Council's stated assumptions for indexation in its 2023-24 LTFP are based on its annual review of these forecasts. The Commission considers that annual reviews of assumptions to reflect best practice and supports the Council in continuing to do so through its annual process. For this reason, it would be appropriate for the Council to:

1. **Continue** its good practice of reviewing its inflation forecasts in its budget and forward projections from 2024-25, given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.

2.2.2 Advice on financial sustainability

Operating performance

Key Points:

- ✔ Operating surpluses have been consistently achieved between 2016-17 to 2022-23.
- ✔ The operating surplus ratio is forecast to meet the suggested LGA target range in each year to 2032-33, averaging 3.3 percent.
- ⚠ Operating expenses from 2012-13 to 2022-23 have experienced moderate growth above CPI.

¹⁵ RBA, Forecast Table - August 2023, available at <https://www.rba.gov.au/publications/smp/2023/aug/forecasts.html>

- ✓ Average operating expenses per rateable property are projected to increase by 1.7 percent each year to 2032-33.
- ✓ Continuous improvements have resulted in cost savings of \$16.9 million since 2011.

The Council has consistently recorded operating surpluses¹⁶ since 2016-17 and the operating surplus ratio¹⁷ is forecast to meet the suggested LGA target range in each year to 2032-33. In the 10 years to 2021-22, the average operating surplus ratio performance was 3.5 percent. That is within the lower portion of the suggested LGA target range for the ratio. In the same period, the Council's operating income growth averaged 5.3 percent per annum, higher than the rate of operating expense growth (averaging 3.3 percent per annum).¹⁸

The Council received a combination of additional rates, statutory charges, user charges and 'grants, subsidies and contributions' income over this period to generate its relatively strong operating income growth.

On the cost side, its 'materials, contracts and other' expense increased at a conservative level (averaging 2.6 percent per annum) from 2012-13 to 2021-22, given the average annual CPI growth of 2.0 percent.¹⁹ On the other hand, its 'employee' and depreciation expenses both increased by an average of 3.3 and 5.2 percent per annum.

The estimated increase in the rate of growth in operating expenses (to an average of 4.0 percent per annum to 2032-33, which is above the RBA-based forecast inflation²⁰), combined with operating income growth of 3.7 percent per annum (also above the RBA-based forecast inflation), is expected to slightly reduce the Council's operating performance. The Council has projected smaller operating surpluses to 2032-33, averaging 3.3 percent.

Average operating expenses per rateable property are projected to increase at 1.7 percent (nominally) in the 10 years to 2031-32 (the increase in the 10 years to 2021-22 was also 1.7 percent). At the same time, average operating income per property is forecast to increase by 1.3 percent (nominally), below forecast inflation. These projections highlight the importance of the forecast growth in rateable properties in minimising the impact of rising costs on households. The Council's assumed average growth is 2.3 percent per annum (to 2031-32) in rateable properties, which is higher than historical growth of 1.7 percent per annum (10 years to 2021-22).

If the forecast growth in rateable properties does not occur, and the Council cannot reverse the increases in costs, this could place pressure on rate levels, while simultaneously reducing the speed at which borrowings are drawn down. This could result in the need for further asset sales. Notwithstanding this, the Commission notes the Council's good practice of reviewing its rateable property forecast annually and encourages the Council to:

2. **Continue** its good practice of reviewing the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.

¹⁶ This means the Council's operating income (including rates and other revenue sources but excluding capital grants, subsidies, and contributions) have exceeded operating expenses (including depreciation).

¹⁷ The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 (**LGA SA Financial Indicators Paper**), p. 6).

¹⁸ Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice).

¹⁹ CPI (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 2.0 percent), available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

²⁰ The forecast average annual growth in the CPI from 2022-23 to 2031-32 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to June 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

The Commission has observed the current good practice of the Council to focus on continuous improvement resulting in savings: over \$16.9 million since 2011.²¹ As an example, it has factored in savings of approximately \$0.6 million to its expense estimates in 2023-24, compared to these items in 2022-23.²² However, the Commission notes that the Council has not set any subsequent year efficiency goals in its LTFP.




To ensure that the Council is positioned to achieve the forecast real term reduction in its cost base and improve its operating performance (without the need for further rate increases above inflation), the Commission encourages it to:

3. **Continue** its good practice of reporting any actual and projected cost savings in its annual budget (and long-term financial plan, as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.

4. **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.

Net financial liabilities

Key Points:

-  The net financial liabilities ratio has been above the LGA target range between 2012-13 to 2021-22.
-  The net financial liabilities ratio in the ten years to 2032-33 is forecast to be an average of 49.9 percent as a result of progressive repayment of debt, asset sales and growth of operating income.
-  Current high level of debt of \$101 million with an average debt of \$105.8 million dollars between 2012-13 to 2021-22.

Over the past 10 years, the Council's net financial liabilities ratio has been above the suggested LGA target range (averaging 121.3 percent from 2012-13 to 2021-22).²³ The Council has consistently used a high level of borrowings to finance (in part) its capital expenditure (the average level of borrowings from 2012-13 to 2021-22 was \$105.8 million).

While the Council's performance is above the LGA target range, the Commission notes the significant outlays on new infrastructure required for a high growth Council. The Commission also notes that, in the 2023-24 budget process, the Council's public consultation report received only two mentions (out of a total of 48) that expressed concerns about how it is planning to reduce debt.²⁴ The Commission also notes that the Council has achieved consistent operating surpluses (seven operating surpluses in the 10 years to 2021-22).

The Council has forecast a reduction in its net financial liabilities ratio from a peak of 88.4 percent in 2023-24 to an average of 49.9 percent in the five years to 2032-33. The reduction in the ratio from 2023-24 to 2032-33 comes from the progressive repayment of total borrowings (of \$33.1 million over the next

²¹ City of Playford, *2024 – 2033 long-term financial plan*, June 2023, pp. 17, available at [City-of-Playford-LTFP-23-24_2023-07-05-033606_mqwd.pdf](https://cdn.playford.sa.gov.au/agendas-minutes/attachments/06-27-June-2023-Attachments-for-Items-14.5-14.7.pdf)

²² City of Playford Council, *2024 – 2033 long-term financial plan*, June 2023, p. 17.

²³ The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a Council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

²⁴ City of Playford, *Ordinary Council Meeting Agenda -27 June 2023, Item 14.5 Draft 2023/2024 annual business plan, What We Heard Report – Public Consultation*, available at <https://cdn.playford.sa.gov.au/agendas-minutes/attachments/06-27-June-2023-Attachments-for-Items-14.5-14.7.pdf>

ten years to 2032-33), via the sale of assets and operating income growth. In doing so, the Commission supports the Council's strategy to:

5. **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.

The Council only includes proposed asset sales when there is a high level of certainty associated with the disposal.²⁵ As a result, it is not clear what level of borrowing can be reduced via asset sales in the 10 years to 2032-33 relative to using operating surpluses to repay borrowings. If the Council is unable to fulfill its asset sale strategy, then it risks a greater burden of revenue shifting to its ratepayers in order to achieve operating surpluses that can be used to repay borrowings.





As previously mentioned, these projections (the progressive repayment of borrowings of \$33.1 million to 2032-33) also indicate the importance of the forecast growth in rateable properties and ensuring that the Council undertakes a robust process when forecasting rateable property growth. If the Council overestimates the growth in rateable properties to 2032-33, it also risks a greater burden of revenue shifting to existing ratepayers in order to achieve operating surpluses that can be used to repay borrowings.

In addition, the Council has not fully disclosed the assumptions underpinning its borrowing forecasts in its LTFP (such as loan facilities and/or terms, if applicable). However, the Council has disclosed its interest rate assumptions for its borrowing facilities, along with sensitivity analysis. According to its 2023-24 LTFP, the Council has a \$3.7 million impact to its operating expenditure over 10 years based on a 1 percent interest rate increase each year over its 10-year LTFP. The Commission considers that it would be appropriate for it to:

6. **Improve** transparency on borrowing assumptions, including loan facilities and loan terms, in the Council's long-term financial plan.

Asset renewals expenditure

Key Points:

-  The asset renewal funding ratio averaged 86 percent from 2012-13 to 2021-22 and averaged \$16.3 million per annum.
-  The forecast asset renewal funding ratio until 2032-33 is 100 percent with an average of \$25 million spend per annum.
-  The forecast capital expenditure on new and upgraded assets will average \$19.8 million to 2032-33.
-  Depreciation expenses are growing higher than forecast renewal expenditure, causing the Council to not meet the average rate of asset consumption based on current projected depreciation expenses.

The Council's asset renewal funding ratio²⁶ averaged 86 percent for the 10 years to 2022-23, which is close to but below the lower end of the suggested LGA target range of 90 to 110 percent. The Council is forecast to consistently meet the suggested target for the ratio in the 9 years to 2032-33 (averaging 100 percent).

The Council's spending on the renewal of assets averaged \$16.3 million per annum between 2012-13 to 2021-22. From 2023-24, the Council is adjusting its asset renewals spending profile, with higher

²⁵ City of Playford, 2023-24 2032 long-term financial plan, June 2023, pp. 18.





²⁶ The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a Council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p.9).

projected annual renewal expenditure averaging \$25 million to 2032-33, in nominal terms. This compares to a projected capital spending on new and upgraded assets averaging \$19.8 million to 2032-33, and a projected slight increase in the value of assets per property over this period.

When the asset renewal funding ratio is calculated by the depreciation-based method,²⁷ it is forecast to average 68 percent over the period 2023-24 to 2032-33. The ratio is impacted by the Council's renewal expenditure which is quite low due to its relatively new asset base (average asset age is 21 years).²⁸ Renewal expenditure is expected to increase as the council's average asset age increases. The Commission notes that the Council is of a young age (the council was formed in 1997 through the merger of the City of Elizabeth and City of Munno Parra), in a high growth area with a high number of new assets recently acquired or gifted.²⁹

2.2.3 Advice on current and projected rate levels

Key Points:

-  Rate revenue per property growth has averaged 3.4 percent or \$52 per annum for each property in the period between 2012-13 and 2021-22, which is 1.4 percent above CPI for the same period.
-  The forecast rate increase for 2023-24 is 10.7 percent or \$225 per property.
-  The Council is one of South Australia's fastest growing council areas, with rateable properties forecast to increase by 4.3 percent in 2023-24 and averaging 3 percent until 2032-33.
-  Based on current projected increases in rateable properties of 4.3 percent, between 2023-24 to 2032-33 the average rate across all categories is forecast to increase by 2.2 percent which is below the RBA-based forecast average of inflation of 2.6 percent per annum.

The Council's rate revenue per property growth has averaged 3.4 percent or \$52 per annum for each property in the period between 2012-13 and 2021-22. This has exceeded CPI growth of an average of 2.0 percent per annum over this period, resulting in rates increasing in real terms (but also encompassing 1.5 percent average annual growth in rateable property numbers).³⁰ Current rate levels partially reflect the Council's recent history of spending growth, predominantly on capital expenditure (on renewals, and new and upgraded assets), higher employee-related costs, and its focus to improve its operating performance.

The Council has budgeted for an average rate increase (for general and commercial ratepayers) of 10.7 percent, or \$225, per property for its existing ratepayers in 2023-24.³¹ This was higher than anticipated in its 2022-23 LTFP projections (2.78 percent for existing rateable properties). The rates increase reflects higher short-term inflation (estimated by the Council to be 7.9 percent) along with the Council's target to meet a 1 percent structural surplus.³² As noted earlier, the Council is one of South Australia's fastest growing council areas: in 2022-23, it had 44,407 rateable properties, and it expects this to increase to 46,306 in 2023-24 - a 4.3 percent growth in rateable properties.³³

The Council's general rate revenue, consists of two components: one based on a fixed charge and the other on the value of the land (differential charge).

²⁷ Where asset renewal/replacement expenditure is divided by depreciation expenses as was known as the asset sustainability ratio until 2018.

²⁸ City of Playford, *2023-24 strategic asset management Plan*, June 2023, pp. 19

²⁹ City of Playford, Error of fact check letter, January 2024, pp1.

³⁰ CPI Adelaide (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 2.0 percent). Available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

³¹ Based on the Council's 2023-24 annual business plan and its Excel template (with the 2023-24 forecasts) provided to the Commission. The Commission has used \$105.615 million (in 2023-24 budgeted rates revenue) compared to unaudited 2022-23 estimates. Individual rate level changes may be higher or lower depending on the rates category and property value.

³² City of Playford, *2023-24 long-term financial plan*, June 2023, p. 16.

³³ City of Playford, *2023-24 annual business plan*, June 2023, p. 60

After applying rebates, the Council will collect general fixed rate revenue equal to 50 percent of its general rates revenue. This is the maximum amount that it can collect from the fixed charge under the Council's rating structure and LG Act.^{34 35} In 2023-24, the Council's fixed charge will be \$1,111.90 per rateable property, with the remaining 50 percent of general rates (after rebates) to be collected from a differential charge.³⁶

The differential charge payable per property is based on a rate in the dollar that is applied to the capital value of property. The rate in the dollar may vary based on land use and the Council currently has two rate types declared, commercial and general.

The Commission notes that the average differential charge per rateable property for the general type will increase to \$707 in 2023-24 (from \$664 in 2022-23). As such, the average rate per rateable property for the general type will be \$1,818.90, of which \$1,111.90 is the fixed charge applicable to all rateable properties.

The Commission also notes that there is no differentiation in the commercial rate to reflect the type of industry (for example light versus heavy) or type of commercial property (for example office versus retail

On balance, affordability risk within the community for these further rate increases appears to be high. The current economic environment is likely to be putting more pressure on the communities' capacity to pay for further rate increases. The Council has a relatively low socio-economic index (SEIFA) economic resources ranking³⁷ and already has relatively high average rates (across most ratepayers). In the 2023-24 budget process, the Council's public consultation report received 23 submissions (out of a total of 48) that expressed concerns about further rate increases.³⁸ For these reasons, the Commission suggests that the Council:

7. **Continue** to monitor average rate rises to help reduce cost of living pressure on the community.

2.3 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

- ▶ progress in reducing its net financial liabilities,
- ▶ ongoing performance against its LTFP estimates (including review of growth assumptions),
- ▶ achievement of cost savings and efficiencies and its continued reporting of these in its plans, and
- ▶ actions to address any misalignment between the capital expenditure and depreciation estimates in its LTFP and various AMPs.

³⁴ City of Playford, *2023-24 annual business plan*, June 2023, p. 59.

³⁵ *Local Government Act 1999 (LG Act)* s151(10).

³⁶ City of Playford, Rating Policy, June 2023, p. 1 available at <https://cdn.playford.sa.gov.au/general-downloads/Rating-Policy-23-24.pdf>

³⁷ The City of Playford area is ranked 10 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2016), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021>.

³⁸ City of Playford, *Ordinary Council Meeting Agenda -27 June 2023, Item 14.5 Draft 2023/2024 annual business plan, What We Heard Report – Public Consultation*, available at <https://cdn.playford.sa.gov.au/agendas-minutes/attachments/06-27-June-2023-Attachments-for-Items-14.5-14.7.pdf>



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Advice

Local Government Advice - Attachment

City of Playford

February 2024

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A The Commission's approach

In providing the Advice for the City of Playford (**Council**), the Essential Services Commission (**Commission**) has followed the approach in the Framework and Approach – Final Report (**F&A**).¹

The Commission has considered the Council's strategic management plan (**SMP**) documents (as in the box below), with a particular focus on its performance and outlook against three financial indicators: the operating surplus ratio, the net financial liabilities ratio and the asset renewal funding ratio.² Analysis of these three indicators captures financial and service sustainability, in addition to cost control and affordability risk.³

- ▶ 2023-24 Annual Business Plan (adopted June 2023)
- ▶ 2022-23 Annual Business Plan (adopted June 2022)
- ▶ 2023-2032 Long Term Financial Plan (adopted June 2022)
- ▶ 2024-2033 Long Term Financial Plan (adopted June 2023)
- ▶ 2023-2024 Strategic Asset Management Plan (adopted June 2023)
- ▶ 2021-22 Annual Report (adopted October 2022)

The Commission notes that most of the Council's asset base is covered by its existing strategic asset management plan, and asset valuations for those assets are carried out internally on an annual basis with an external independent review carried out every 5 years.

Given that the Commission must, in providing advice, have regard to the objective of Councils maintaining and implementing their infrastructure and asset management plans (**IAMPs**) (usually termed AMPs) and long-term financial plans (**LTFPs**),⁴ it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,⁵ are discussed in section C.3.

The Commission has also reviewed the Council's template data, which contains its 2023-24 LTFP forecasts for 2023-24 to 2032-33, 2022-23 LTFP forecasts, historical financial data, the number of rateable properties and staff (Full Time Equivalent (**FTE**)) numbers from 2012-13 onwards.⁶ ⁷ All charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's audit committee reports and other public information.

The Commission has reported estimates in nominal terms, for consistency with the Council's plans and actual rate levels, but it has compared estimated inflation impacts to these trends as a guide to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (**CPI**) line shows the cumulative growth in the CPI (Adelaide) series from 2012-13, and then projections of this series from

¹ Commission, *Framework and Approach – Final Report*, August 2022, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

² The indicators are specified in the *Local Government (Financial Management) Regulations 2011*. Since 2011, each Council has been required to refer to these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. The Councils can adopt their own target range for each ratio, but the Commission has adopted the previously suggested Local Government Association (**LGA**) target ranges as a basis for its analysis, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

³ The F&A listed 29 analytical questions that the Commission has answered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

⁴ *Local Government Act 1999 (LG Act)* s122(1g)(a)(i).

⁵ As required under s122(1b) of the LG Act.

⁶ Sourced from the Local Government Grants Commission (including data reported by the Office of the Valuer-General) and the Council's data.

⁷ The Council's estimates for the 2022-23 financial year, relied on at the time of preparing this advice, were unaudited.

2023-24 based on the Reserve Bank of Australia (RBA) (Australia-wide) inflation forecasts (to the December quarter 2025), and the midpoint of the RBA target range (2.5 percent) thereafter.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including the face-to-face onsite meeting at the Council chambers and the individual circumstances of the Council, consisting of:

- ▶ its location as a metropolitan fringe Council,
- ▶ its income level (\$124.2 million), and
- ▶ the size of its rates base (more than 43,000 ratepayers⁸).

Summary of the City of Playford’s financial sustainability performance and the Commission’s risk assessment

Financial sustainability indicators:	Last 10 years from 2012-13 (Actual performance)		2022-23 estimate	Next 10 years from 2023-24 (Council forecasts)
Operating surplus ratio (target 0-10%)	Operating Deficits	Ratio within target range ----->		Surpluses projected to 2032-33 ----->
Net financial liabilities ratio (target 0-100%)	Ratio not met historically ----->		Ratio projected within target from 2022-23 ----->	
Asset renewal funding ratio (target 90-110%)	Spending on renewal works below target range ----->	Volatility in renewal works spending & some years below target range		Projected asset renewal in LTFP to align with AMP - required spending (ratio 100%)
Identified Risks:				
Cost control risk	Operating expenses per property average growth 1.9% pa to 2022-23 (CPI 2.6%) ----->			Projected operating expense per property average growth 1.7% to 2032-33 (CPI 2.6%)
Affordability risk	High rates revenue per property average growth of 3.3% pa to 2022-23 (CPI 2.6%)			Projected rate revenue per property average growth below forecast CPI (CPI 2.6%) ----->

- Ratio outside suggested LGA target range or higher risk
- Ratio close to suggested LGA target range or medium risk
- Ratio within suggested LGA target range or lower risk

⁸ Based on the estimated number of property assessments in 2021-22.

B Material plan amendments in 2023-24

The Council has made various amendments to its 2023-24 budget and forward projections, partly for inflation and partly for other revenue and spending initiatives. The material amendments to some of its main financial forecasts are listed in the table below (in nominal terms).⁹ To ensure a comparable analysis of estimates between the 2022-23 and 2023-24 LTFPs, the Commission has reviewed nine overlapping years' statistics, 2023-24 to 2031-32, and identified material amendments accordingly.

Selected Financial Item	Sum of 2023-24 to 2031-32 estimates in 2022-23 LTFP (\$ million)	Sum of 2023-24 to 2031-32 estimates in 2023-24 LTFP (\$ million)	Change in 2023-24 estimates (\$ million)	Change in 2023-24 estimates (percent)
Grants, subsidies and contributions operating income	188.7	229.4	40.7	21.6
Rates	1,011.0	1,115.5	104.5	10.3
Employee Expenses	490.6	524.7	34.1	7.0
Materials, contracts and other expenses	448.3	505.4	57.0	12.7
Depreciation, amortisation and impairment expenses	286.1	326.1	39.9	14.0
Total Expenses	1,256.9	1,394.1	137.2	10.9
Capital expenditure on renewal of assets ¹⁰	152.9	218.4	65.5	42.9
Total Liabilities	1,001.4	1,053.3	51.8	5.2

B.1 Changes to operating performance

In its 2023-24 LTFP, the Council increased its operating income projections to 2031-32 by 11.2 percent in total compared with its 2022-23 LTFP estimates (from 2023-24). Rates income projections increased by \$104.5 million (or 10.3 percent). Most of that increase is attributable to rate increases of \$63.9 million and a further \$8.8 million, due to growth in the number of rateable properties.¹¹ Grant income increased by 21.5 percent, or \$40.6 million, due to the Council receiving \$12.1 million in Federal assistance grants and \$10.6 million from the Roads to Recovery Program.¹²

The Council's operating expense estimates increased by \$137.2 million, or 10.9 percent, in its 2023-24 LTFP estimates (compared with its 2022-23 LTFP estimates), which exceeds the impact of revised inflation forecasts but incorporates continuous improvement savings of \$559,000 in 2023-24.¹³ Those

⁹ This table shows only selected financial items to demonstrate the material amendments made by the Council in its 2023-24 estimates. It excludes various financial items and individual items do not sum to totals.

¹⁰ The capital expenditure estimates are based on the 2023-24 LTFP estimates provided by the Council to the Commission (in an Excel template).

¹¹ The rates income estimates are based on the material amendments reasons estimates for the set of nine years forecast in both the 2022-23 and 2023-24 LTFP projections provided by the Council to the Commission (in an Excel template).

¹² See footnote 11.

¹³ City of Playford, 2024 – 2033 annual business plan, June 2023, pp. 7, available at https://cdn.playford.sa.gov.au/general-downloads/City-of-Playford-ABP-23-24_2023-07-05-033559_uyyu.pdf

savings equate to 0.4 percent of the Council’s total forecast expenses in 2023-24.¹⁴ Employee costs increased by \$34.1 million or 7 percent, partly due to new budgeted roles to maintain services and infrastructure standards for the forecast growing number of residents and also due to higher superannuation charges to 2025¹⁵ and higher inflation. Materials, contracts and other expenses increased by \$57 million, or 12.7 percent, due to increases in capital works of \$25.9 million, electricity of \$5.9 million and \$21.8 million to account for higher inflation.

The Council’s historical and projected operating performance is discussed further in section C.1.

B.2 Indexation adjustments

The table below highlights the Council’s 10 year CPI assumptions between the 2022-23 and 2023-24 LTFPs.

Consumer Price Index	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32
Deloitte Forecast Economics 2022-23 LTFP	2.30%	2.30%	2.40%	2.30%	2.40%	2.50%	2.30%	2.40%	2.30%
Deloitte Forecast Economics 2023 -24 LTFP	7.90%	2.58%	2.47%	2.51%	2.52%	2.43%	2.29%	2.29%	2.38%

Based on updated inflation assumptions in the Council’s 2023-24 LTFP, an increase in cost and revenue estimates (excluding employee costs), by up to 6 percent over the 2023-24 to 2031-32 forecast period,¹⁶ compared with the same estimates in its 2022-23 LTFP, could reflect higher inflation forecasts. The Council has adjusted its operating income and expense forecasts by amounts higher than its adjusted inflation forecasts (increases of 11.2 percent and 10.9 percent on 2022-23 estimates¹⁷). This suggests higher forecasts in real terms.

The Council’s current inflation forecasts present a risk to its cost and income projections in the current inflationary environment. The RBA currently forecasts the CPI (Australia-wide) to increase by 3.9 percent in the year to the June 2024 quarter and by 3.3 percent in the year to June 2025. Thereafter, it is reasonable to anticipate a return to long-run averages (and growth of 2.5 percent per annum from 2025-26, based on the midpoint of the RBA’s 2 to 3 percent target range).¹⁸

The Commission notes that the Council’s stated assumptions for indexation in its 2023-24 LTFP are transparent and based on its annual review of these forecasts. The Commission considers that such annual reviews of assumptions to reflect best practice and supports the Council to do so through its annual process. For this reason, it would be appropriate for the Council to:

1. **Continue** its good practice of reviewing its inflation forecasts in its budget and forward projections from 2024-25, given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.

¹⁴ City of Playford’s total expenses for 2023-24 are forecast to be \$131,187,342 City of Playford Council, 2024 – 2033 Long Term Financial Plan, June 2023, p. 35

¹⁵ The Superannuation Guarantee Levy is the amount that an employer is required to pay into a superannuation account on behalf of an employee. From 1 July 2021, the Superannuation Guarantee was legislated to rise in half per cent increments from 9.5 percent each year, until it reaches 12 percent of wages in 2025.

¹⁶ The set of nine years forecast in both the 2022-23 and 2023-24 LTFP projections.

¹⁷ Based on the overlapping forecast period in both LTFPs (2022-23 to 2031-32 and 2023-24 to 2032-33).

¹⁸ RBA, Forecast Table - August 2023, available at <https://www.rba.gov.au/publications/smp/2023/aug/forecasts.html>

B.3 Increase to capital expenditure estimates

The Council's 2023-24 LTFP indicates an increase in capital expenditure for new and upgraded assets (by \$180.2 million), compared to the previous year's LTFP (for the period from 2023-24 to 2031-32). The Council has changed its methodology and adopted the good practice of including future work for capital expenditure on new and upgraded assets (previously this was excluded from the LTFP forecast. The Commission encourages the Council to continue this practice.

B.4 Increase in total liabilities

The Council's 2023-24 LTFP indicates an increase in total liabilities of \$51.8 million, or 5.2 percent, compared to the previous year's LTFP (for the period from 2023-24 to 2031-32). The Council's current liabilities decreased by \$42.1 million, or 14.1 percent, mostly due to a decrease in trade and other payables and borrowings of \$39.4 million and \$4.9 million (for the period from 2023-24 to 2031-32).

The Council's non-current liabilities have increased by \$93.9 million, or 13.4 percent, compared to the previous year's LTFP (for the period from 2023-24 to 2031-32). Long-term borrowings have increased by \$163.6 million, or 26.4 percent, to fund increased capital works (for the period from 2023-24 to 2031-32). Other non-current liabilities of \$70.2 million were for the Council's cash advance debenture facility, which was reduced to zero.

The Council's borrowings and net financial liabilities are forecast to be higher in the 2023-24 LTFP than the previous year's LTFP (for the period from 2023-24 to 2031-32). As a result, the Council's net financial liabilities ratio is forecast to achieve a higher average rate of 68.4 percent (for the period from 2023-24 to 2031-32). This compares to the 2022-23 LTFP which forecast the net financial liabilities ratio to achieve an average rate of 51 percent (for the period from 2023-24 to 2031-32).

The Council's net financial liabilities outlook is discussed further in section C.2.

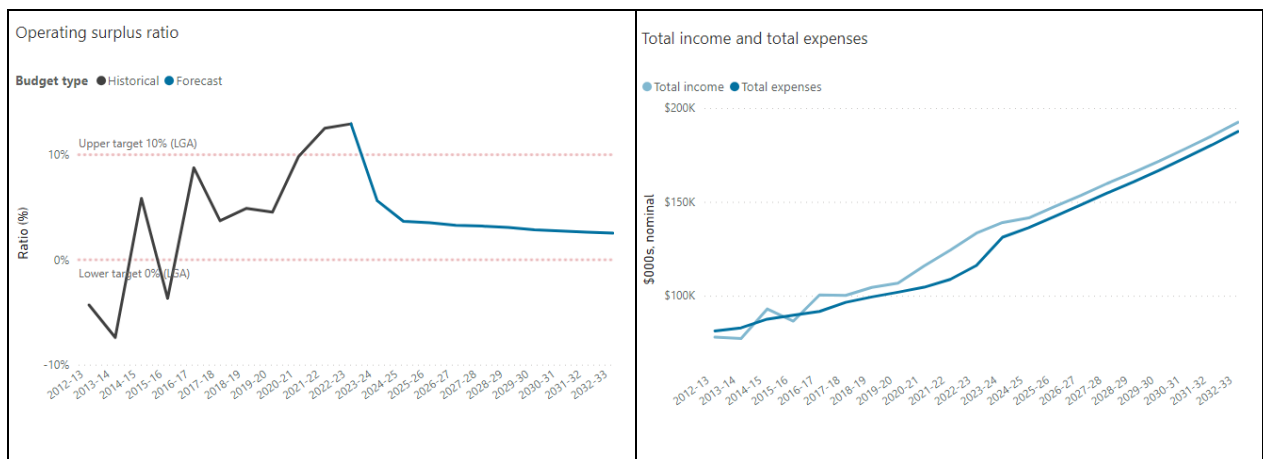
C Financial sustainability

C.1 Operating performance

The Council has consistently recorded operating surpluses¹⁹ since 2016-17, and the operating surplus ratio²⁰ is forecast to meet the suggested LGA target range in each year to 2032-33 (see the left chart below).

Historically, the Council has ensured that its income growth exceeds its expense growth over time (see the right chart below), thereby providing for recurring surpluses. From 2012-13 to 2021-22, operating expenses increased by an average of 3.3 percent per annum, which compares with average operating income growth of 5.3 percent and annual inflation growth of 2.0 percent over this period.²¹ Accordingly, the operating surplus ratio averaged 3.5 percent, which demonstrates prudent financial management without excessive surplus levels in the context of the growth in expenses experience.

The Council’s operating expense growth (from 2012-13 to 2021-22) was primarily due to an average annual increase in ‘Depreciation, amortisation and impairment’ of 5.2 percent and a 3.3 percent increase in employee costs.²² The right chart over the page shows the nominal increases by expense type in specific time periods. The estimated rate of growth in those expenses projected over the next 10 years (an average of 4 percent per annum and 4.8 percent per annum respectively), combined with higher rates increases, will help the Council’s operating performance remains in surplus.



Rates revenue has increased on average by 4.9 percent per annum from 2012-13 to 2021-22 (when rateable property growth averaged 1.5 percent and CPI growth averaged 2.0 percent). Over the same period, user charges’ (accounting for 3 percent of total operating income) increased by an average of 6.1 percent per annum. ‘Grants, subsidies and contributions’ (accounting for 23 percent of total operating income) increased by an average of 7.3 percent per annum; however, the Council is forecasting grants income to remain generally constant in the 10 years to 2032-33 (accounting for 14 percent by 2032-33).

As a result of the generally constant levels in grants income that is forecast to 2032-33, the Council is projecting total income growth of 3.7 percent to 2032-33, with average annual rates growth of 4.6

¹⁹ This means that the Council’s operating income (including rates and other revenue sources but excluding capital grants, subsidies, and contributions) have exceeded operating expenses (including depreciation).
²⁰ The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 (LGA SA Financial Indicators Paper), p. 6).
²¹ CPI (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 2.0 percent), available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.
²² Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission’s advice).

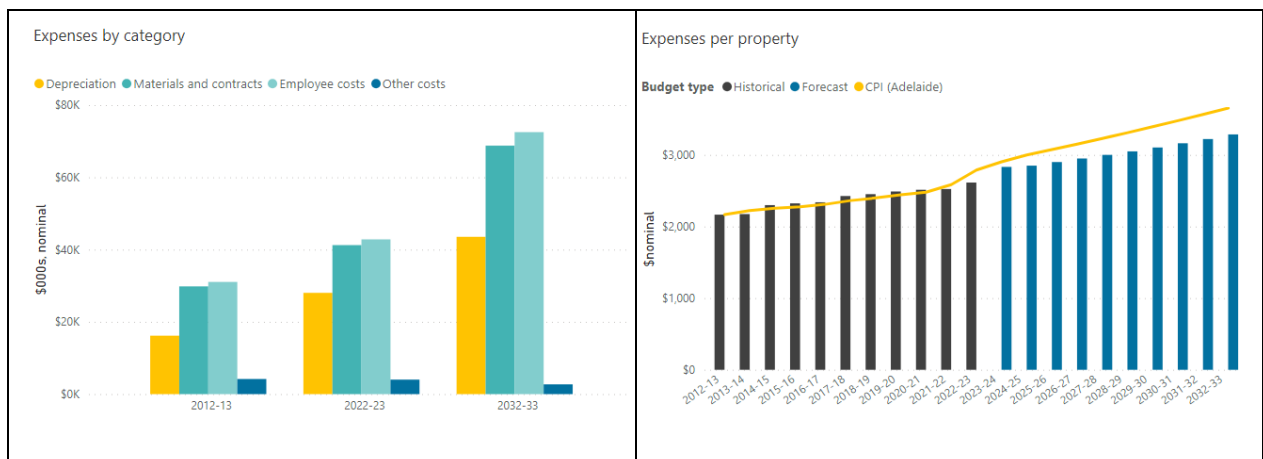
percent to 2032-33. Total income growth and average annual rates growth are forecast to increase above forecast long-term inflation.²³

Higher forecast average expense growth of 4.0 percent per annum is also above the RBA-based forecast inflation growth²⁴ and higher than the Council's past performance (with average annual growth of 3.3 percent in the 10 years to 2021-22).

The Council's template data shows that employee numbers are assumed constant at current levels (453 FTEs), and its employee expenses are forecast to increase by an average of 4.8 percent per annum from 2023-24 to 2032-33. In addition, 'Materials, contracts and other' expenses and costs for depreciation are forecast to increase by an average of 4.2 percent and 4.0 percent per annum respectively, from 2022-23 to 2031-32.

The estimated rate of growth in the average total operating expense (for the 10 years to 2032-33) is slightly higher than the estimated rate of growth for total income for the same period. However, the Council is still forecasting that it will remain in surplus each year to 2032-33, with an annual average operating surplus ratio of 3.3 percent - slightly below the Council's past performance (with average operating surplus ratio of 3.5 percent in the 10 years to 2021-22).

Total expenses per property (a metric which accounts for growth) are expected to increase by an average of 1.7 percent per annum over this period, which would represent a significant cost reduction in real terms (based on current inflation projections) (see the right chart below). At the same time, average total income per property is forecast to increase by 1.3 percent (nominally), below the forecast inflation.



These projections highlight the importance of the forecast growth in rateable properties in minimising the impact of rising costs on households. The reduced costs and revenue per property in real terms is reliant on the Council's assumed average growth of 2.3 percent per annum (to 2031-32) in rateable properties, which is notably higher than historical growth of 1.5 percent per annum (10 years to 2021-22).

The Commission notes that, if the Council's growth in rateable properties remained at 1.5 percent instead of its forecast 2.3 percent for the 10 years to 2032-33, then there would likely be a negative impact on the Council's operating performance in those years.

If the forecast growth in rateable properties does not occur and the Council cannot reverse the increases in costs in the short-term (for example, if contracts are locked in), this could place pressure on

²³ The forecast average annual growth in the CPI from 2023-24 to 2032-33 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

²⁴ Footnote 23 applies.

rate levels. Notwithstanding this the Commission notes the Council's good practice of reviewing its rateable property forecast annually and encourages the Council to:

2. **Continue** its good practice of reviewing the rateable property growth forecasts in its budget projections each year to ensure that they remain current and do not create a need for additional rate increases to generate the same level of projected revenue.

The Commission has observed the current good practice of the Council to focus on continuous improvement resulting in savings of over \$16.9 million since 2011.²⁵ As an example, it has factored in savings of approximately \$0.6 million to its expense estimates in 2023-24, compared to these items in 2022-23.²⁶ However, the Commission notes that the Council has not set out any efficiency goals in the subsequent years in its LTFP.

To ensure the Council is positioned to achieve the real terms reduction in its cost base that it has forecast and improve its operating performance (without the need for further rate increases above inflation), the Commission encourages it to:

3. **Continue** its good practice of reporting any actual cost savings in its annual budget (and long-term financial plan, as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.
4. **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.

C.2 Net financial liabilities

The Council has predominantly used borrowings from the Local Government Finance Authority of South Australia (LGFA) to fund its capital expenditure. As a result, its net financial liabilities ratio²⁷ has trended between 99.8 and 143.2 percent between 2012-13 and 2022-23 respectively (see the left chart over the page). This is outside (or above) the suggested LGA target range for the indicator of between zero and 100 percent.

While this could suggest that the Council is accumulating liabilities that its operating income cannot reasonably service (see the right chart over the page), the Commission notes that it has achieved operating surpluses in seven out of the last 10 years to 2021-22. In addition, as one of the fastest growing communities in South Australia, the Council is experiencing a period of significant development. By utilising debt within the Council's own target range of 160 percent, the Council is spreading the cost of acquiring the necessary assets, thereby more equitably reducing intergenerational risk. The Commission notes that there were minimal community concerns, with only two out of the 48 submissions received mentioning the need to reduce debt in the 2023-24 budget process.²⁸

The Commission also notes the Council's strategy of reducing its net financial liabilities ratio from a peak of 88.4 percent in 2023-24 to an average of 49.9 percent in the five years to 2032-33. The reduction in the ratio from 2023-24 to 2032-33 comes from progressive repayment of total borrowings

²⁵ City of Playford, *2024 – 2033 Long Term Financial Plan*, June 2023, pp. 17, available at [City-of-Playford-LTFP-23-24_2023-07-05-033606_mqwd.pdf](https://cdn.playford.sa.gov.au/agendas-minutes/attachments/06-27-June-2023-Attachments-for-Items-14.5-14.7.pdf)

²⁶ City of Playford Council, *2024 – 2033 Long Term Financial Plan*, June 2023, p. 17.

²⁷ The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a Council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

²⁸ City of Playford, *Ordinary Council Meeting Agenda -27 June 2023, Item 14.5 Draft 2023/2024 annual business plan, What We Heard Report – Public Consultation*, available at <https://cdn.playford.sa.gov.au/agendas-minutes/attachments/06-27-June-2023-Attachments-for-Items-14.5-14.7.pdf>

(of \$33.1 million over the next ten years to 2032-33) via the sale of assets²⁹ and operating income growth. For this reason, the Commission supports the Council's strategy to:

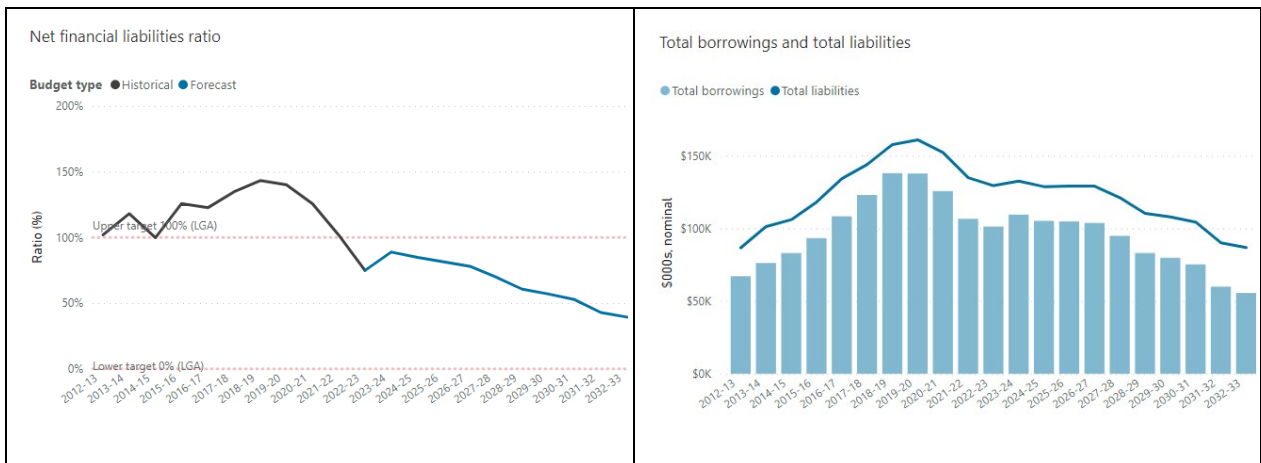
5. **Reduce** its level of net financial liabilities as forecast in its latest long-term financial plan and continue to focus on asset sales or disposals as one of its strategies to help reduce debt.

The Council only includes proposed asset sales when there is a high level of certainty associated with the disposal.³⁰ As a result it is not clear what level of borrowing can be reduced via asset sales in the 10 years to 2032-33 relative to using operating surpluses to repay borrowings. If the Council is unable to fulfill its asset sale strategy, then it risks a greater burden of revenue shifting to its ratepayers in order to achieve operating surpluses that can be used to repay borrowings.

As previously mentioned, those projections (the progressive repayment of borrowings of \$33.1 million to 2032-33) also highlight the importance of the forecast growth in rateable properties and of ensuring that the Council undertakes a robust process when forecasting rateable property growth. If the Council overestimates the growth in rateable properties to 2032-33, it also risks a greater burden of revenue shifting to existing ratepayers in order to achieve operating surpluses that can be used to repay borrowings.

The Council has not fully disclosed the assumptions underpinning its borrowing forecasts in its LTFP (such as loan facilities and/or terms, if applicable). However, the Council has disclosed its interest rate assumptions for its borrowing facilities, along with sensitivity analysis. According to its 2023-24 LTFP, the Council has a \$3.7 million impact over 10 years, based on a 1 percent interest rate increase each year over its 10-year LTFP. The Commission considers that it would be appropriate for it to:

6. **Improve** transparency on borrowing assumptions, including loan facilities and loan terms, in its long-term financial plan.

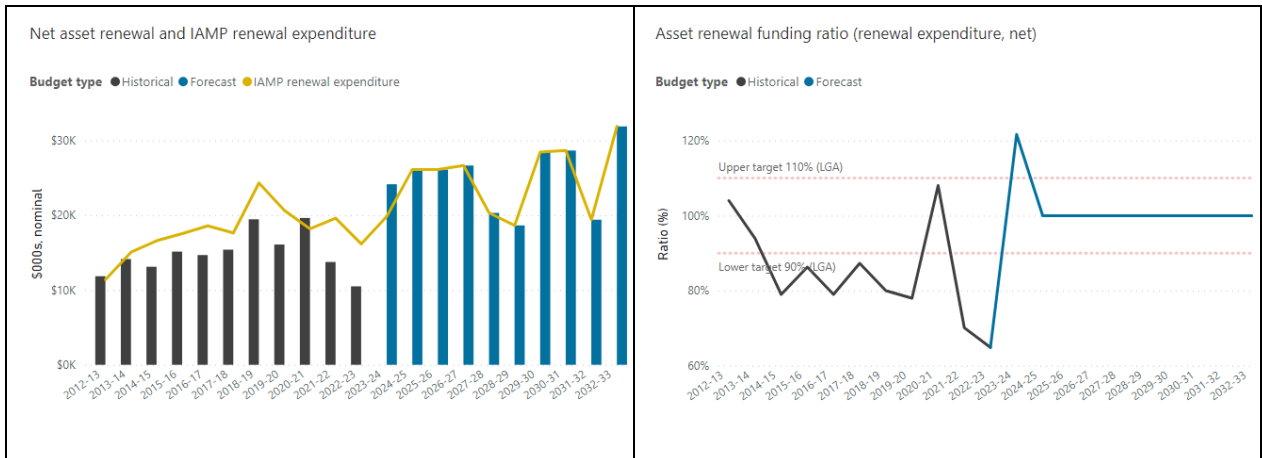


C.3 Asset renewals expenditure

Between 2012-13 and 2021-22, the Council averaged 86 percent on its asset renewal funding ratio³¹ (under the 'IAMP-based' approach),³² signifying a slight underspend on the renewal and rehabilitation needs of its asset stock over this period (see left chart over the page). The Council's spending on renewal and rehabilitation of assets averaged \$16.3 million each year (over this period). From 2023-24

²⁹ City of Playford, 2023-24 2032 Long Term Financial Plan, June 2023, pp. 18.
³⁰ City of Playford, 2023-24 2032 Long Term Financial Plan, June 2023, pp. 18.
³¹ The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a Council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9).
³² The quoted averages for the ratio are based on 'net asset renewal expenditure' (after the sale of replaced assets) rather than 'gross asset renewal expenditure'.

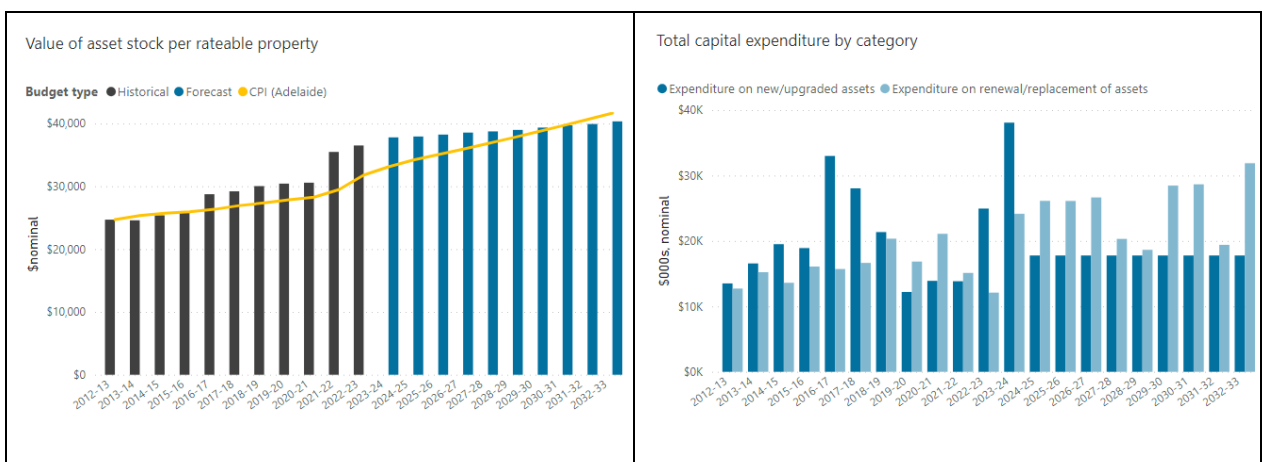
to 2032-33, the ratio is forecast to be within the appropriate range, at an average of 102 percent (see right chart below). Average annual spending on renewal or rehabilitation of assets is projected to increase to \$25 million (in nominal terms).



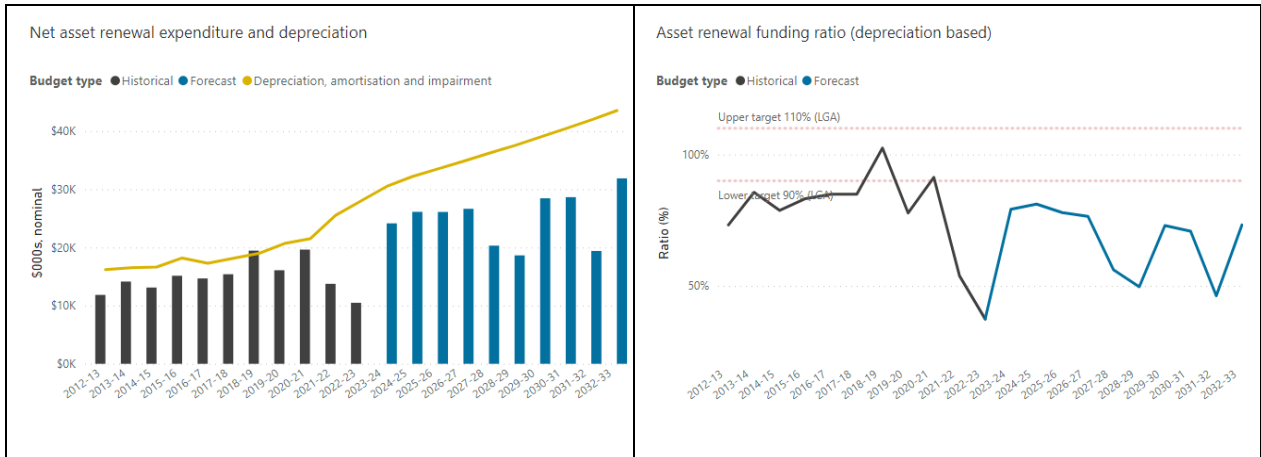
As one of the fastest growing communities in South Australia, the Council is experiencing a period of significant development. During 2012-13 to 2021-22, the Council spent more on new and upgraded assets than the renewal and rehabilitation of its existing stock, averaging \$19 million per annum on new or upgraded assets, compared with \$16.3 million per annum on the renewal of its asset base (see right chart above). The Council’s accumulation of infrastructure reflects the demands of property growth (of 1.5 percent on average per annum over this period). As a result, the Council has grown its asset base over the past 10 years.

The expenditure on new and upgraded assets includes a portion of grant funding for certain projects. The growth in its asset base reflects a combination of capital expenditure and asset accumulation by the Council (including those assets provided by developers), as well as asset revaluations over this period. This has led to an average annual increase in the value of the asset stock per property of 4.1 percent, or \$1,198, each year over the 10 years to 2021-22 (see left chart above). By implication, this indicates that the Council’s asset stock has increased in real terms (or the increase is higher than historical inflation).

The Council’s forward projections indicate that the value of the assets per property will increase at a much lower rate to 2032-33, by an average of 0.7 percent per annum: lower than the RBA-based forecast rate of inflation (2.6 percent per annum). These projections, as they stand, would contribute to the Council’s sustainability into the future and reflect a period of asset and service consolidation.



When the asset renewal funding ratio is instead calculated by the depreciation-based method,³³ it is forecast to average 68 percent over the forecast period (2023-24 to 2032-33) (see right chart below). The ratio is impacted by the Council’s renewal expenditure which is quite low due to its relatively new asset base (average asset age is 21 years) (see left chart below).³⁴ Renewal expenditure is expected to increase as the council’s average asset age increases. The Commission notes that the Council is of a young age (the council was formed in 1997 through the merger of the City of Elizabeth and City of Munno Parra), in a high growth area with a high number of new assets recently acquired or gifted.³⁵



According to its Strategic Asset Management Plan (**SAMP**) the Council has individual asset management plans (**AMP**) for the following asset classes: transport, streetscape, stormwater, parks and sports fields, buildings, water delivery, fleet and minor plant and technology office. The AMPs provide a breakdown of the assets within each respective asset class and the proposed capital works are fed into the Council’s SAMP.

The Council’s SAMP is reviewed annually and contains current asset portfolio and condition data, up-to-date improvement initiatives and any current risks and mitigations. ³⁶ The SAMP also includes 10 years of asset renewal projections, in alignment with Council’s long term financial plan.

The Commission notes that the 10-year forward renewal plan is a rolling indicator of future renewal investment requirements, based on the expected remaining life of the Council’s assets and each asset class’s renewal strategy.

In addition, the 10-year forward new capital projects plan uses the expected new capital projects forecast and multi-year new capital projects already commenced in prior years for year one and a historic average thereafter to forecast its remaining new capital expenditure requirements.³⁷

The Commission’s review of the SAMP has found that, on balance, the Council’s strategic planning processes aligns with good practice for a Council of its size and complexity.

³³ Where asset renewal/replacement expenditure is divided by depreciation expenses.

³⁴ City of Playford, 2023-24 Strategic Asset Management Plan, June 2023, pp. 19

³⁵ City of Playford, Error of fact check letter, January 2024, pp1.

³⁶ City of Playford, 2023-24 Strategic Asset Management Plan, June 2023, pp. 11.

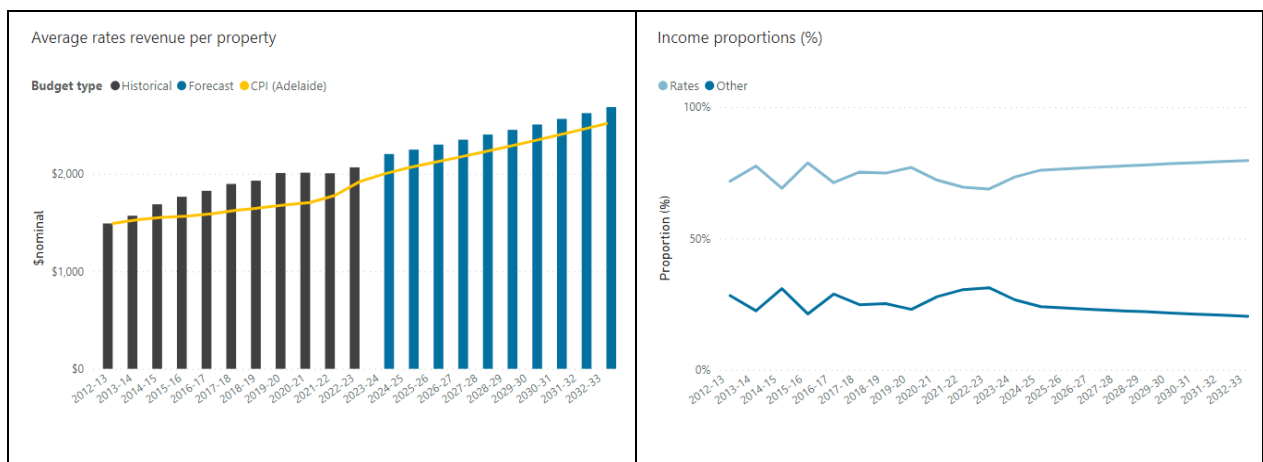
³⁷ City of Playford, 2023-24 Strategic Asset Management Plan, June 2023, pp. 37.

D Current and projected rate levels

D.1 Historical rates growth

The Council's rate revenue per property growth has averaged 3.4 percent, or \$52, per annum for each property over the past 10 years,³⁸ reaching an estimated \$2,005 per property in 2021-22 (see the left chart below). This has exceeded CPI growth of an average of 2.0 percent per annum over this period, resulting in rates increasing in real terms (but also encompassing 1.5 percent average annual growth in rateable property numbers).³⁹ Current rate levels partially reflect the Council's recent history of spending growth, predominantly on capital expenditure (on renewals, and new and upgraded assets), higher employee-related costs, as well as its focus on improving operating performance.

The Council remains reliant on its rate base for its operating sustainability. As the chart below indicates (to the right), rates revenue is forecast to account for 74 percent of budgeted operating income in 2022-23, compared with 72 percent of income in 2012-13.



The Council's general rate revenue consists of two components: one based on a fixed charge and the other on the value of the land (differential charge). After applying rebates, the Council will collect general fixed rate revenue equal to 50 percent of its general rates revenue. This is the maximum amount that it can collect from the fixed charge as per the Council's rating structure and LG Act.^{40 41} In 2023-24, the Council's fixed charge will be \$1,111.90 per rateable property, with the remaining 50 percent of general rates (after rebates) to be collected from a differential charge.⁴²

The differential charge payable per property is based on a rate in the dollar that is applied to the capital value of property. The rate in the dollar may vary based on land use and the Council currently has two rate types declared, commercial and general.

The Commission notes that the average differential charge per rateable property for the general type will increase to \$707 in 2023-24 (from \$664 in 2022-23). As such the average rate per rateable property for the general type will be \$1,818.90 (of which \$1,111.90 is the fixed charge applicable to all rateable properties).

³⁸ From 2012-13 to 2021-22.

³⁹ CPI Adelaide (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 2.0 percent). Available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

⁴⁰ City of Playford, 2023-24 annual business plan, June 2023, page. 59.

⁴¹ Local Government Act 1999 (LG Act) s151(10).

⁴² City of Playford, Rating Policy, June 2023, page 1 available at <https://cdn.playford.sa.gov.au/general-downloads/Rating-Policy-23-24.pdf>

D.2 Proposed 2023-24 rate increases

The Council has budgeted for an average rate increase (for general and commercial ratepayers) of 10.7 percent, or \$225, per property for its existing ratepayers in 2023-24.⁴³ This is higher than anticipated in its 2022-23 LTFP projections (2.78 percent for existing rateable properties). The increase reflects higher short-term inflation (estimated by the Council to be 7.9 percent) along with the Council's target to meet a 1 percent structural surplus.⁴⁴ As noted earlier, the Council is one of South Australia's fastest growing council areas: in 2022-23, it had 44,407 rateable properties and the Council expects this to increase to 46,306 in 2023-24, representing a 4.3 percent growth in rateable properties.⁴⁵

There is no differentiation in the commercial rate to reflect the type of industry (for example light versus heavy) or type of commercial property (for example office versus retail) or the size of the various commercial ratepayers.

On a proportional revenue basis, commercial ratepayers account for 21 percent and general ratepayers 79 percent of total general rate revenue in 2023-24.

Other than 'general rates' income, the Council also collects the Regional Landscape Levy, on behalf of Green Adelaide, and is expected to collect \$1.2 million (net of rebates) in 2023-24.⁴⁶

D.3 Projected further rate increases

Between 2023-24 and 2032-33 the average rate across all categories is forecast to increase from \$2,202 to \$2,684,⁴⁷ a cumulative increase of \$482 per property. This equates to a 2.2 percent average annual increase (between 2023-24 and 2032-33), below to the RBA-based forecast average inflation of 2.6 percent per annum.⁴⁸

D.4 Affordability risk

The two rate types declared by the Council will have increases on 2022-23 levels. General ratepayers are to pay an increase of \$111 per property (6.6 percent) and commercial ratepayers are to pay an increase of \$1,356 per property (4.2 percent). On balance, the affordability risk for the community in respect of these further increases appears to be high. The current economic environment is putting more pressure on many communities' capacity to pay for further rate increases, including those of the Council. It has a relatively low socio-economic index (SEIFA) economic resources ranking⁴⁹ and already has relatively high average rates (across most ratepayers). In the 2023-24 budget process, the Council's public consultation report received 23 submissions (out of a total of 48) that expressed concerns about further rate increases.⁵⁰ For these reasons, the Commission suggests that the Council:

⁴³ Based on the Council's 2023-24 annual business plan and its Excel template (with the 2023-24 forecasts) provided to the Commission. The Commission has used \$105.615 million (in 2023-24 budgeted rates revenue) compared to unaudited 2022-23 estimates. Individual rate level changes may be higher or lower depending on the rates category and property value.

⁴⁴ City of Playford, *2023-24 long-term financial plan*, June 2023, p. 16.

⁴⁵ City of Playford, *2023-24 annual business plan*, June 2023, p. 60

⁴⁶ City of Playford, *2023-24 annual business plan*, June 2023, p. 58

⁴⁷ This includes rates growth of 2.3 percent expected each year.

⁴⁸ The forecast average annual growth in the CPI from 2023-24 to 2032-33 is estimated to be 2.6 percent based on Reserve Bank of Australia (RBA) forecasts for the CPI (Australia wide) to June 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

⁴⁹ The City of Playford area is ranked 10 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2016), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021>.

⁵⁰ City of Playford, *Ordinary Council Meeting Agenda -27 June 2023, Item 14.5 Draft 2023/2024 annual business plan, What We Heard Report – Public Consultation*, available at

7. **Continue** to monitor average rate rises to help reduce cost of living pressure on the community.

<https://cdn.playford.sa.gov.au/agendas-minutes/attachments/06-27-June-2023-Attachments-for-Items-14.5-14.7.pdf>



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