



# ANNUAL BUSINESS PLAN & BUDGET 2019/20




**NEXT  
GREAT  
CITY**

**Front cover picture:**

SA Living Artists Festival 2018 - Playford Boulevard

Cultural project carried out in collaboration between Council and Elizabeth Grove Primary School, through a joint funding partnership with Anglicare SA

Title	Annual Business Plan 2019/20 Delivering the Strategic Plan	<p>Produced by City of Playford Contact us Address: City of Playford 12 Bishopstone Road, Davoren Park, SA 5113 Phone: (08) 8256 0333 Website: <a href="http://www.playford.sa.gov.au">www.playford.sa.gov.au</a> © Images and content. City of Playford</p> <div><div>CITY OF</div><div></div></div>
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Endorsement date	TBC	





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# 1. FOREWORD

Welcome to the City of Playford 2019/20 Annual Business Plan and Budget.

The City of Playford is one of the fastest growing Council areas in South Australia. We are proud to be at the forefront of growth in our state, but accommodating growth requires balancing ongoing investment with our community's capacity to fund new services and assets.

This year, delivery of existing, core services makes up approximately 98 percent of the budget. This includes road maintenance, rubbish removal and verge mowing to libraries, sports facilities and playgrounds. We will invest \$105 million in these existing services and see the benefits every day in cleaner streets, safer roads, places to play and places to meet.

\$21.5 million will go towards the renewal or replacement of our existing assets:

- 16 kilometres of footpaths will be renewed along Coventry Road,
- Chesterman and O'Brien Streets, Davoren Park;
- Dolphin Street and Kinkaid Road, Elizabeth East;
- Blair Park Drive, Craigmore;
- Hill Street, Elizabeth South;
- Southan Street, Smithfield Plains and
- Tisbury Street, Elizabeth North.

There will be 1.3 kilometres of kerbing renewed, 27 kilometres of roads will be re-sealed and we will replace irrigation and sporting oval infrastructure at Ridley Reserve Soccer Oval, Angle Vale Primary School, Argana Park and Central Districts Oval.

While there is further opportunity to invest in the growth of our City, we understand the cost of living pressures faced by our community. So this year, we have limited the number of new services to those with critical impact only.

We will fund the construction of the new Grenville Community Connections Hub, providing a new space to deliver a range of services promoting lifelong learning and physical activity for our over 50s community. Investment in a traffic management will

bust congestion and address road safety concerns.

A number of legislative changes have impacted this budget. The Local Nuisance and Litter Control Act transferred a range of responsibilities to Council from the Environmental Protection Agency (EPA), increasing our costs in this area. The Commonwealth Disability Discrimination Act (DDA) also requires Council to provide enhanced accessibility of transport infrastructure for people with a disability.

But one of the most significant impacts to our budget is the cost-shifting through the State Government's disappointing decision to introduce two increases to the Solid Waste Levy payable by councils. The Solid Waste Levy is a State Government tax on waste sent to landfill. The State Government unexpectedly introduced two increases to the Levy in its budget announcement on Tuesday 18 June, 2019.

This has resulted in an impact of an additional \$534k on Council's budget. This increase cannot be absorbed by Council and will therefore have a direct impact on household rates.

We have award winning waste management services and keep waste costs to a minimum.

As part of this, we are proud to have realised \$2.6 million in ongoing savings for 2019/20 and to be budgeting for an operating surplus. It is an achievement that builds on a rigorous continuous improvement effort, having saved \$13.1 million ongoing from our operating budget over seven years.

This budget provides a solid foundation to develop smarter approaches to how we address debt and financial sustainability and continually work to match our community's expectations for prudent financial management and service delivery.



*Glenn Docherty*

**Glenn Docherty**  
Mayor



*Sam Green*

**Sam Green**  
Acting Chief Executive Officer

## 2. EXECUTIVE SUMMARY

Each year, the City of Playford plans the services and programs it will deliver to the community. These plans are outlined in the 2019/20 Annual Business Plan and Budget, Long Term Financial Plan and Asset Management Plans.

This Annual Business Plan and Budget lists the outcomes the City of Playford will achieve during 2019/20 in order to meet commitments of the 2016-2020 Strategic Plan.

It builds on the work Council has undertaken to stimulate our region's economic environment, through a range of transformational infrastructure projects including the CBD, Health Precinct and Sports Precinct.

After fostering these projects through their infancy, we are starting to see the benefits of increased investment, employment and economic activity. There is a way to go before their full potential is realised and they remain an important focus for Council.

As one of the fastest-growing council in South Australia, the City of Playford has a culturally diverse population of 94,000 residents. Covering 345km<sup>2</sup>, the City is a unique mix of urban and peri urban areas, made up of established suburbs as well as the rapid development of new growth areas.

The challenge for Council is to balance the needs of our diverse community, continuing to provide existing service and asset delivery, and at the same time planning for and managing our future growth in a financially sustainable manner.

We have realised \$2.6 million worth of savings, through a vigorous continuous improvement program. The realisation of these savings has contributed to Council's ability to budget for a surplus in 2019/20, and will have a positive impact on Council's debt position going forward.

The majority of our budget, \$105 million, covers the delivery of existing services into the new financial year.

In 2019/20 we will invest \$21.48 million to renew or replace existing assets including kerbs, footpaths, roads and leisure and sporting infrastructure.

\$6.64 million of capital and \$110k of operating revenue will help Council manage and maintain open space, social and stormwater infrastructure, construct footpaths and kerbs and street-tree planting.

Council will also introduce four new initiatives with critical impact on service delivery including:

- The Grenville Community Connections Hub received additional funding to meet construction timelines
- The Local Nuisance & Litter Control Act has transferred a range of responsibilities to Council which we will fund to ensure key community concerns such as unsightly properties are addressed
- A traffic management program will address road safety concerns
- The Disability Discrimination Act program will provide enhanced accessibility of transport access for people with disability

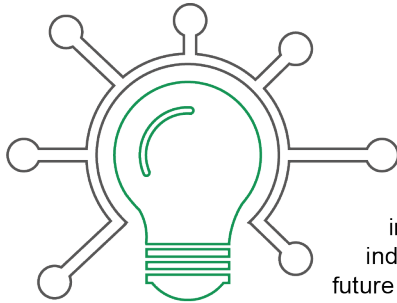
This year, Council is faced with the additional challenge of major cost shifting from the State Government, with significant increases to the Solid Waste Levy. This has a \$534k impact on Council's budget which will be recouped through rate increases.

Therefore, the 2019/20 Annual Business Plan and Budget is based on an average rate increase of 3.3 per cent and includes:

- 1.9% to fund the General Index (costs of living increases)
- 0.7% to fund the state-government imposed cost pressures (Solid Waste Levy)
- 0.7% to fund four initiatives of critical impact to service delivery

The City of Playford has diligently reflected on the impact of rate increases on the community. This is a responsible budget with significant investment in the foundations of our City. It has a firm focus on financial responsibility, with high levels of public value and service delivery.

### 3. THIS YEAR WE ARE...



Providing new opportunities for **youth** through training in creative industries of the future



Focusing on healthy communities and increased opportunities for participation in sports and recreation



Building a new **Grenville Hub** to provide lifelong learning, physical activity, healthy living and social connections



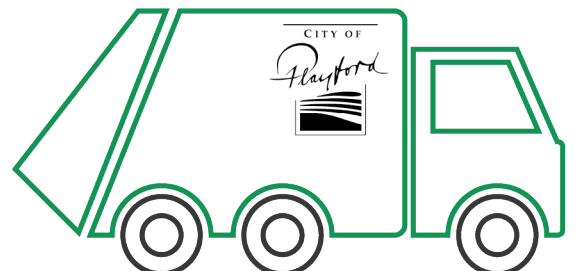
Improving safety and cleanliness with the implementation of the **Local Nuisance and Litter Act**



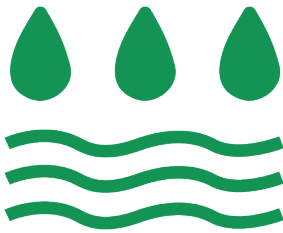
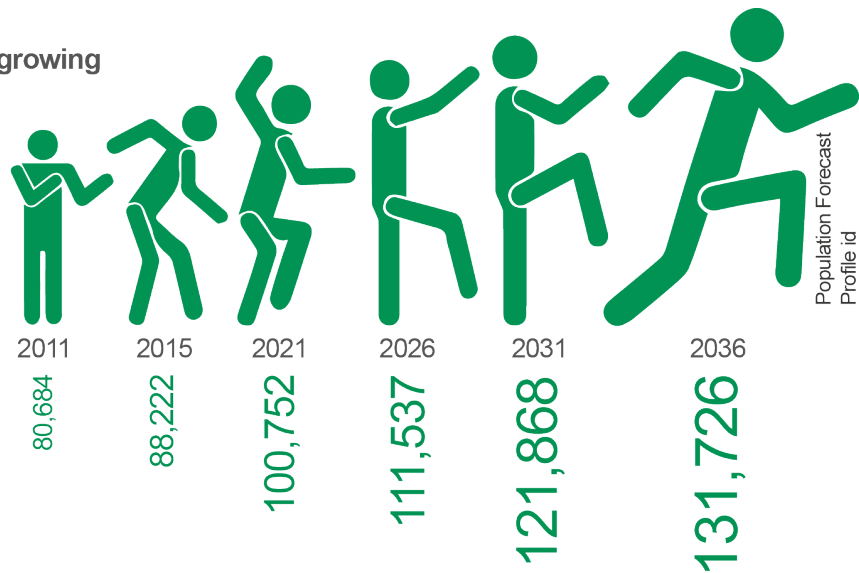
Renewing **footpaths** and shared use paths across the City

Creating community pride with **streetscape** upgrades and quality **open spaces and parks**

Being environmentally responsible through **waste management**, increasing the diversion of waste from landfill and supporting green organics and recycling programs



## Planning for our **growing** population



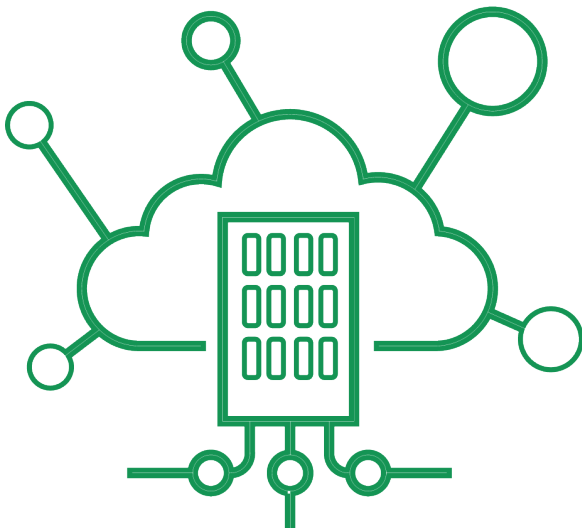
Preparing **stormwater management plans** to facilitate City growth, enhance the environment and reduce risk of flooding



Providing safe **roads** through road renewal and upgrades across the City



**Working smarter** with our community, providing self-service points in libraries and a new website offering easy access to information and services

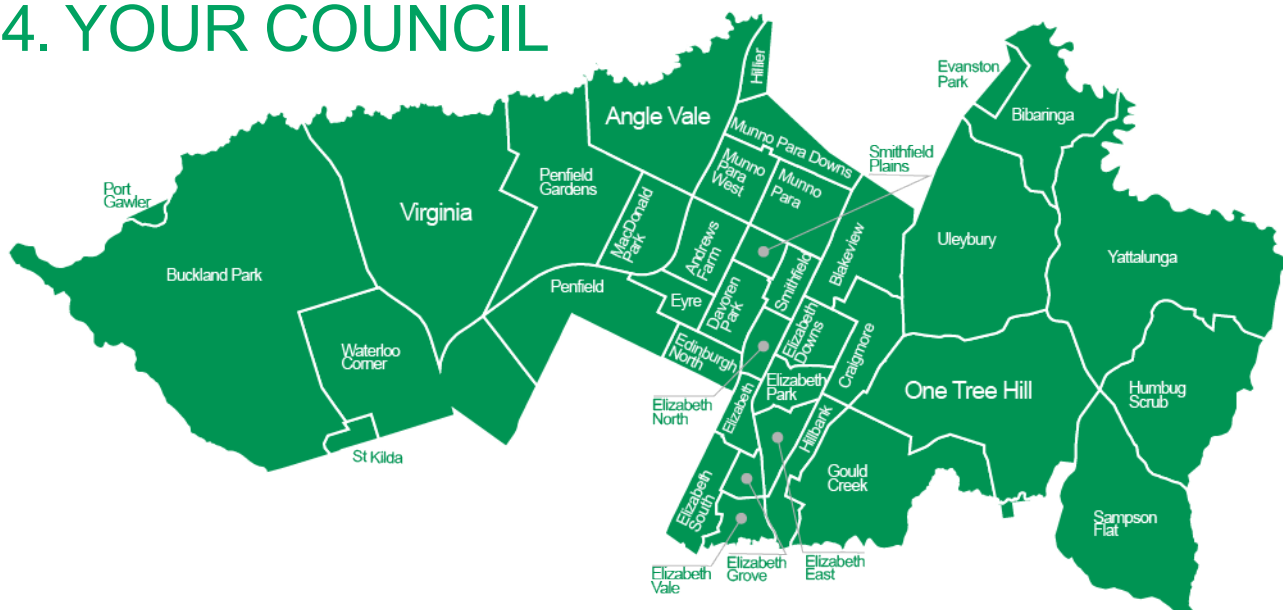


Community connectivity through **digital infrastructure** such as Gig City, free Wi-Fi hotspots and a driverless shuttle bus trial





## 4. YOUR COUNCIL



MAYOR



Glenn Docherty

WARD 1



Cr.  
Peter  
Rentoulis

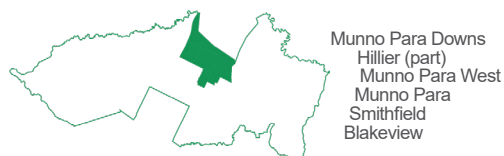


Cr.  
Cathy-Jo  
Tame



Cr.  
Clint  
Marsh

WARD 2



Cr.  
Jane  
Onuzans

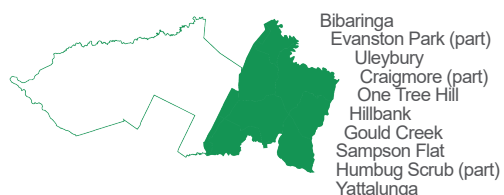


Cr.  
Gay  
Smallwood-  
Smith



Cr.  
Stephen  
Coppins

WARD 3



Cr.  
Andrew  
Craig

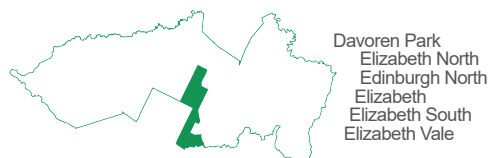


Cr.  
David  
Kerrison



Cr.  
Veronica  
Gossink

WARD 4



Cr.  
Dennis  
Ryan JP



Cr.  
Katrina  
Stroet



Cr.  
Marilyn  
Baker -  
Deputy  
Mayor

WARD 5



Cr.  
Akram  
Arifi



Cr.  
Misty  
Norris



Cr.  
Shirley  
Halls



# 5. OUR PLANS FOR THE FUTURE

## Playford Community Vision 2043

The Playford Community Vision 2043 was developed by the Playford community to identify its vision and aspirations of Prosperity, Liveability and Happiness for the expected growth of the City over the next 30 years. It facilitates the community, government and stakeholders working together to deliver the community's vision.

## Strategic Plan

Council's Strategic Plan was endorsed in July 2016 and focuses on six Smart Programs which are key to the City of Playford progressing towards the community's long-term vision of creating a more liveable, prosperous and happy City.

## Smart City, Connected Community

- Smart Service Delivery
- Smart Living
- Smart Jobs and Education
- Smart CBD
- Smart Sports
- Smart Health

These programs are the key focus for Council's activities and influence budget prioritisation decisions and allocation of resources.

However, in pursuing these projects, Council will maintain its clear focus on continually improving its core service delivery and the overall liveability of the City.

## How does this document fit in with other Council documents?

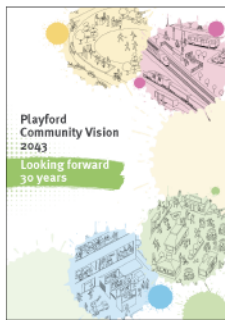
For the purposes of the *Local Government Act 1999*, the documents included in the diagram overleaf meet the requirements set out for the "strategic management plans" (S122) and the "annual business plan and budget" (S123) for the City of Playford.

## Asset Management Plan

Council's Asset Management Plans (AMPs) represent the: current service level; asset values; projected operations; maintenance; capital renewal and replacement; capital upgrade/new and asset disposal expenditures; and projected expenditure values incorporated into the Council's Long Term Financial Plan. A key component of developing the AMP is a long-term (10 year) projected Asset Renewal Workplan, which provides a forecast of what finances the City requires to be sustainable over the longer term. A detailed annual renewal workplan for the year ahead is also produced, and the budget required to deliver this workplan forms part of the respective Annual Business Plan and Budget.

## Annual Business Plan and Budget

This Annual Business Plan and Budget 2019/20 details the services and projects that will be funded in the next 12 months to deliver against Council's Strategic Plan and progress our Smart City, Connected Community agenda.



## Community Vision 2043

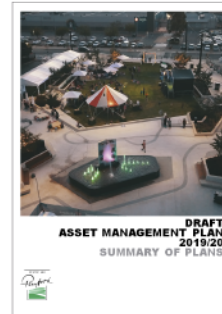
Community Aspirations



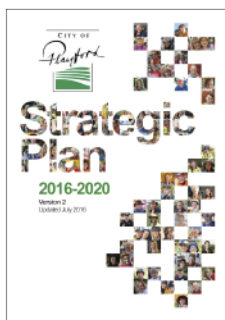
10-20 year outlook



Long Term Financial Plan



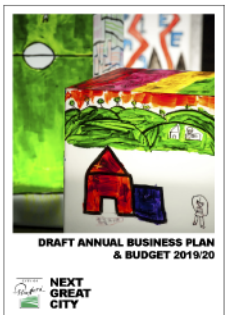
Asset Management Plan



## Strategic Plan

Council's Four Year Focus

### A Smart and Connected Community



## Annual Business Plan and Budget 2019/20

Council's one-year budget

### Delivering the Strategic Plan

- A business plan securing funding towards Council's goals
- Services and projects that will be delivered to the community in the next 12 months

## 6. BUDGET SUMMARY

This budget builds on the work we've been doing to stimulate our region's economic environment, through a range of transformational infrastructure projects. While this long term agenda remains an important focus for Council, the 2019/20 Annual Business Plan has a greater emphasis on the here and now.

A four year planning horizon has been developed to ensure that the decisions we make within a specific budget year do not undermine Council's long-term strategic direction and financial sustainability.

The 2019/20 Annual Budget includes the significant achievement of the Continuous Improvement savings target, which has greatly contributed to the proposed budgeted surplus. This milestone achievement is a key part of the finance strategy in ensuring Council's financial sustainability.

Whilst this Annual Business Plan focuses on the services and projects to be delivered in the next 12 months, Section 8 provides further information on other initiatives that are being considered for future years i.e. Years 2-4 of our planning horizon. These may include the next phases of ongoing infrastructure programs, or initiatives identified in Strategic Directions Reports or Masterplans. Please note these projects have no formal budget allocations at this time and the information is provided to give an indication only of future works that will be considered by Council in subsequent financial years.

Council's budget is made up of a number of components.

### Capital Budget

This is Council's expenditure on projects that will create long-term assets. In 2019/20 Council has a budgeted expenditure of \$44.215 million on capital projects. In addition Council will also receive assets free of charge from new developments of \$8.99 million.

Asset Management Plans - capital renewal	\$21.481M
Projects commenced in 2018/19	\$12.131M
New Capital Projects for 2019/20	\$10.603M
Council Expenditure - SUBTOTAL	\$44.215M
Donated Assets (physical resources received free of charge)	\$8.990M
Increase in Council capital assets - TOTAL	\$53.205M

### Operating Budget

Council's operating budget incorporates all costs associated with supporting our community. Council's Community Services/Assets can be categorised as below:

- Existing Services/Assets
- Cost Pressures or State Government Cost Shifting
- New and Enhanced Community Services/Assets
- Reserves Growth



## What do we fund?

### *Existing Services*

Council's existing services make up approximately 98% of our overall budget. Service Standards articulate the service Council delivers and the benefits the community can expect to receive. Costings of the services are detailed further in Section 7.

### *Cost Pressures / State Government Cost Shifting*

Each year Council's costs may be impacted by increases above inflation due to external pressures. In addition some cost pressures are caused by cost shifting through legislative changes and additional compliance requirements by the State Government.

### *New & Enhanced Assets and Services*

Council has identified a number of new and enhanced assets and services which will drive the progress of our Smart Programs as outlined in our Strategic Plan. To ensure that Council maintains a strong, sustainable financial position, these new assets and services will require funding from an increase in rates income, the reallocation of existing funding or allocation of surplus funds (when available).

## How do we fund our Community Assets and Services?

### *Base Budget and General Index*

Each year Council strives to balance our community's needs with its ability and capacity to pay for current, new and enhanced assets and services. Our Community Assets and Services are primarily funded through rates; however we have a number of other funding sources such as Growth Revenue which we can use to lessen the burden of a rate increase for our community.

Each year Council needs to take into account the inflationary impacts on the delivery of existing services. This inflationary pressure is taken into account by looking at the movement in the South Australia Wage Price Index and the Consumer Price Index South Australia (CPI). The average of the movement in these two indices creates the General Index component of the rate increase each year. The General Index for 2019/20 equates to 1.9% rate increase.

### *Cost Pressures / State Government Cost Shifting*

These increases are over and above the General Index component. On 18 June 2019 the State Government unexpectedly announced a further increase to its Landfill levy with the increase applied to the \$103/tonne to be \$110/tonne effective 1 July and a subsequent increase to \$140/tonne effective 1 January 2020. This resulted in an unprecedented \$534k on Council's budget which has had a direct impact on household rates of an additional 0.7% increase.

### *Rates Increases*

Rate increases are calculated as an increase on overall rate revenue. These are a traditional funding mechanism used for the provision of new and enhanced services, as well as cost pressures or cost shifting. These increases are over and above the General Index component. In 2019/20 Council's operating budget delivers an increase in services of \$1.024 million which equates to a rate increase of 1.4%.

### *Growth / Reserves Funded*

Council also has access to growth revenue and cash contributions from developers in relation to open space reserve contribution, social and stormwater infrastructure deed agreements, construction of footpaths and kerbs, and street-tree planting. In 2019/20, \$6.64 million of capital and \$110k of operating revenue has been allocated towards 13 eligible infrastructure projects.

### *Continuous Improvement*

After a successful 5 year targeted Efficiency and Effectiveness program, in 2016 Council endorsed the implementation of a continuous improvement methodology to be delivered in the operations of the Council. Council endorsed the allocation of \$600,000 of the program savings to be invested

annually in ongoing continuous improvement delivery. The annual targeted savings are in the range of 0.5% to 1% of Council's operating expenditure and will improve the financial position from 2017-18.

Long Term Financial Plan 2019/20	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Continuous Improvement Target	0.5%	0.5%	0.8%	1.0%	1.0%	1.0%
	\$M	\$M	\$M	\$M	\$M	\$M
Cumulative Savings Target	0.470	1.200	2.200	3.300	4.400	4.400
<b>Cumulative Actual Savings Achieved</b>	0.813	2.300	4.883	4.883	4.883	4.883
Cumulative Actual Savings Allocated to Services	0.283	1.317	2.257	2.257	2.257	2.257
Cumulative Actual Savings Held for future allocation	0.530	0.983	2.626	-	-	-
Cumulative Savings allocated to operating result	-	-	-	2.626	2.626	2.626

With the combination of the Efficiency and Effectiveness and Continuous Improvement programs since 2011, Council has achieved \$13.1 million of savings.

Since 2016/17, Council reallocated \$2.3 million of these savings to fund new services and enhanced services. The benefit of allocating these savings to services is a reduced rate burden to provide these new or enhanced services to the community.

The program aimed to achieve further savings over the next 3 years of \$0.8 million each year. This 3 year target has been achieved as a part of the 2019/20 business planning process. Total savings of \$2.6 million have been returned to the operating result directly as opposed to being re-invested into new services.

As a direct result of the realisation of these savings the \$4.4 million target has been achieved and the 2019/20 budget has produced a surplus position.

The table below shows how our assets and services will be funded in 2019/20:

What do we need to fund?	How it will be funded?	Equivalent Rate Increase (%)	Operating Expenditure
Existing Services	Existing Base Budget	-	\$103.133M
Inflation to maintain Existing Service Standards	General Index (Rate Increase)	1.9%	\$1.419M
Cost pressures / State Government Cost Shifting	Rate Increase	0.7%	\$0.534M
Reserves Growth	Growth Revenue	0.1%	\$0.110M
New & Enhanced Services	Rate Increase	0.7%	\$0.490M
		<b>TOTAL</b>	<b>\$105.686M</b>

### Self-funded assets and services

In addition to the assets and services mentioned above, Council is investing in projects that pay for themselves over time and bring a return on investment. These projects are funded through a combination of short term borrowings and investment returns and do not have an impact on the

community in terms of a rate increase. Several projects have been identified in our four year planning horizon.

Continuing the transformational work that is already taking place in the CBD further work in this Investment Decision has been identified for the area. These projects will have no foreseeable long term impact on Council's operating costs and are projected to provide a positive return to Council. Projects include:

- Retail and Residential options for the CBD
- Main North Road Median Strip Upgrade
- Construction of a Medical Centre
- Facilitation of a Hotel development
- Associated CBD Land Sales

### Key Budget Data

Item	Budget 2019/20
Operating income	\$105.915M
Operating expenses	\$105.686M
Operating result	\$0.229M
Net borrowing balance	\$179.2M

See Section 10 for further information on this budget data.



## 7. DELIVERING THE STRATEGIC PLAN



### Smart Service Delivery

*The Smart Service Delivery Program is about continuing to provide for the changing needs and expectations of our diverse community, delivering the services that they require.*

*It means making the most of our community's existing strengths, talents and diversity, as well as working smarter to connect our community with each other to contribute to overall community wellbeing and the economic life of the City.*

*Council will increasingly need to use innovative problem solving approaches and smart technological solutions to ensure we make best use of our available resources to meet these demands.*

#### Outcomes

- 1.1. High quality services and amenities
- 1.2. Improved service delivery
- 1.3. Working smarter with our community
- 1.4. Enhanced City presentation, community pride and reputation

#### Between July 2016 and June 2020 we have said we will...

- Continue to improve our City presentation ensuring our open space assets are maintained in an attractive way.
- Improve our service delivery to add value to the wellbeing of the community.
- Maintain our infrastructure and assets engendering a sense of pride and encouraging investment in the City.
- Continually look for ways to work smarter and 'do more with less' for our community and improve their satisfaction with our services
- Continually monitor the services and infrastructure we provide, and adjust them where needed
- Seek smart ways to connect our community with other organisations who can meet their needs, in the case of services that Council does not provide.
- Lead by example by collaborating with other service providers, focussing on improving the overall end benefit for our community within our collective resources.

## What will we fund in 2019/20?

EXISTING SERVICES		Net Operating Budget \$ '000
Service Standard	Community Outcome	
Club Development and Access to Sporting Facilities	Engage with clubs/user groups to maximise opportunities for effective management, administration, compliance and utilisation of Council's social capital assets for community access and benefit.	763
Community Development	Support knowledge and skills development of communities and families	1,281
Community Inclusion	Connecting older or vulnerable people to the community through community services and programs.	966
Community Venues	City of Playford's own community venues which are accessible to the community are well equipped to cater for a diverse range of events and offer a high quality experience.	1,512
Customer Service	Provision of efficient, prompt and accurate customer information and transactional services.	2,829
Environmental Health	Enhance the quality of life of our community through the assessment, improvement and prevention of factors that pose a risk to human health.	1,199
Environmental Sustainability	To enhance environmental outcomes and protect environmental assets in collaboration with our community.	374
Event Management	Provide event management services for events that celebrate and promote the sense of being part of the community.	918
Graffiti	A clean and attractive City with a reduction in overall visible graffiti. This is achieved by proactively removing graffiti from Council assets and engaging community in graffiti reduction initiatives.	417
Health Initiatives	Support the community to actively participate in maintaining and improving its health and wellbeing by adopting healthy lifestyle with a focus on healthy eating and physical activity	843
Illegal Dumping	The collection and disposal of illegally dumped rubbish in urban and rural areas throughout the City.	1,328
Immunisation	Provision of immunisation services to minimise the incidence of vaccine preventable diseases. Four components for Immunisation: School, New Arrival Refugee Immunisation (NARI), Public and Business Services	406
Kerbside Waste	To maintain public health, we provide our community with the ability to dispose of waste in an environmentally responsible manner. The kerbside waste management service includes household waste, recycling, green organics and hard waste.	13,219

EXISTING SERVICES		Net Operating Budget \$ '000
Service Standard	Community Outcome	
Library	The Library Service provides access to information, technology, educational programs, cultural engagement, local history, social interactions, entertainment and leisure to the local and state communities.	3,845
Parks & Reserves	Parks and reserves provide opportunities for social interaction and physical activity, which contribute to mental and physical benefits and positively impact on health and wellbeing of Playford residents and visitors.	9,248
Rapid Response	A rapid response to urgent situations that represent an immediate risk to our community in a public space. The primary objective is to make the situation safe. Work may then be referred to other teams to be completed.	1,069
Regulatory Services	Enhance the quality of life of our community by maintaining several key regulatory requirements to minimise the risk to public safety.	676
Rural Streetscape	A programmed, proactive approach to undertake regular road maintenance in rural areas, based on risk. This is to enable a safe and connected community.	5,961
Sportsfield Maintenance	The service provides fit-for-purpose sportsfield and furnishings that offer an opportunity for the community to engage and participate in sporting activities and a healthy lifestyle.	5,823
Stormwater Network	The stormwater network provides for the collection and transportation of stormwater throughout the City of Playford. Maintenance of the network mitigates the risk of flooding to properties; prevents localised flooding and property damage.	4,467
Urban Streetscape	Streetscape is the term given to the collective appearance and usage of all footpaths, pedestrian zones, verges, kerbs, signage, roads, gardens and trees along a street. Safety and City presentation is achieved by providing safe pedestrian access, a safe, orderly urban road network and improved appearance of street frontages	29,890
Volunteer Development	Building strong communities through volunteering and providing a range of resources and services to support volunteering activity.	185



ASSET MANAGEMENT PLAN		Net Capital Budget \$ '000
Category	Assets Covered	
Transport	Road pavement and seal, unsealed roads, kerbing, car parks, pedestrian bridges and other road structures	10,617
Stormwater	Pipes, pits, headwalls and trash racks, wetland infrastructure and other drainage structures	731
Footpaths	Footpaths/cycleways (along roads and within reserves)	2,403
Buildings	Council owned buildings and storage sheds either occupied by Council or others	1,815
Parks and Recreation	Irrigation, playgrounds, park furniture and oval lighting	1,539
Information Technology	IT equipment and assets such as computers, printers and servers	1,177
Fleet	Cars, trucks, utes, heavy equipment and other vehicle types	3,199

2019/20 BUDGET INITIATIVES		Capital Budget \$'000	Net Operating Budget \$'000
Project	Description		
ICT Minor Works	This project allows for the provision of new computer hardware to support the operations of Council's service delivery.	30	6
Nuisance and Litter Act	The <i>Local Nuisance and Litter Control Act 2016</i> transferred a range of responsibilities to Council from the Environment Protection Authority (EPA) as well as introducing a more complex litter control regulatory framework. Council will undertake full investigations of complaints, with appropriately documented outcomes, whilst meeting our customer guarantee to ensure the community experiences a safer, cleaner, and nuisance free City, within the powers prescribed under the new Act.	-	120
Smart Working Program	The Smart Working Program focuses on improved community focus and greater operational efficiency through digitisation, mobility and streamlining processes. The program will enable Council to work smarter as it responds to city growth and increasing demand on services. It includes a new website and 24/7 accessible online services, mobilised Environmental Health Officers and outdoor workforce, and improved operational models.	-	455

2019/20 BUDGET INITIATIVES		Capital Budget \$'000	Net Operating Budget \$'000
Project	Description		
Waste Levy Cost Pressure	On 4 July 2016 the State Government announced increases to its Landfill Levy, which Council pays on the tonnes of material disposed to landfill. The increase has taken the levy from \$62/tonne at the start of 2016-17 to \$103/tonne within four years. On 18 June 2019 the State Government unexpectedly announced a further increase to its Landfill Levy. The increase is applied to the \$103/tonne to be \$110/tonne effective 1 July and a subsequent increase to \$140/tonne effective 1 January 2020.	-	534

Some further initiatives have been identified that can only proceed in 2019/20 if sufficient once-off operating savings can be found within the year.

- The Precinct – initial activation
- Secombe Street Free Coaching Clinics – one year extension
- Playford 10 – supplementary funding



## Smart Living

*The Smart Living Program is about Council playing its part to make the City more liveable and more connected. This means that as our older suburbs age and our population and urban footprint expands, we will find innovative ways to renew and 'future proof' the liveability of our neighbourhoods. This also means ensuring our community has access to smart technologies that further add to their quality of life.*

### Outcomes

- 2.1 Smart development and urban renewal
- 2.2 Enhanced City presentation, community pride and reputation
- 2.3 Liveable neighbourhoods

### Between July 2016 and June 2020 we have said we will...

- Continue to deliver the Playford Alive urban renewal project and be on track to finalise it by 2022.
- Pursue innovative solutions for renewing our other older suburbs and increasing the diversity of housing choices.
- Develop city-wide structure plans to guide the development of smart, liveable and connected neighbourhoods and employment zones.
- Safeguard the delivery of these plans with clear infrastructure agreements between Council, landholders, developers and other levels of Government.
- Advocate for investment to improve the ease of commute and movement on our public transport system.
- Encourage climate ready, sustainable and efficient building techniques to create more liveable communities.
- Advocate for essential infrastructure such as the electrification of the Adelaide-Gawler train line and the NBN.
- Promote the inclusion of smart technologies in new developments as well as greater focus on urban green space and natural environments to cope with climate impacts.
- Expand the use of recycled water to existing and new Council reserves.



## What will we fund in 2019/20?

EXISTING SERVICES		Net Operating Budget \$ '000
Service Standard	Community Outcome	
Development Services	Responsive services that facilitate safe and desired city development by assessing development, providing advice and ensuring that development is compliant.	5,052

CAPITAL PROJECTS CONTINUING FROM 2018/19		Capital Budget \$'000
Strategic Land Purchase	This strategic land purchase will support and progress the delivery of the desired outcomes of the Smart Living Program	3,800
GEP Stormwater Trunk Outfall	The delivery of a 16 m³/s capacity drain from Port Wakefield Road to an ocean outfall near St Kilda, providing the ability to re-zone portions of Greater Edinburgh Parks land for industrial development	1,708
Rural Road Sealing Program	This program involves sealing of unsealed roads in rural areas to improve safety, reduce maintenance costs and drive economic development	900
Road Upgrade Program	The Road Upgrade Program includes widening of roads to cater for additional traffic, installation of kerbs and gutter, footpaths, stormwater drainage and/or public lighting	255
Virginia Main Street	Improvements to Virginia Main street, including wider footpaths, new street furniture, pedestrian crossings, gateway/entrance statements, indented parking bays, tree planting and extensive stormwater works	2,468

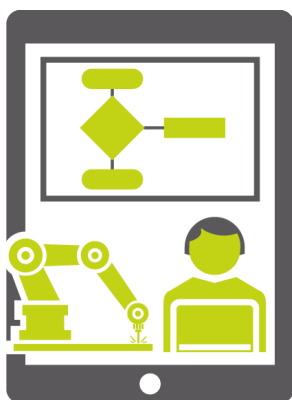
2019/20 BUDGET INITIATIVES		Capital Budget \$'000	Net Operating Budget \$'000
Project	Description		
Angle Vale Community Sports Centre (AVCSC) - Stage 5	Stage 5 of the Master Plan includes the construction of new playing fields (junior oval and senior pitch), flood lighting and stormwater management. Detailed design will be undertaken to allow Council to prepare funding applications for Federal and State Government grants to contribute to the construction costs in 2020/21.	366	-
City-wide Stormwater Management Planning	Finalisation of Stormwater Plans for the three stormwater catchments covering the City (Smith Creek, Adams Creek and Helps Road Drain, and Greater Edinburgh Parks and St Kilda) will identify regional infrastructure works and management strategies required.	-	264

2019/20 BUDGET INITIATIVES		Capital Budget \$'000	Net Operating Budget \$'000
Project	Description		
DDA Program	<i>The Commonwealth Disability Discrimination Act 1992 (DDA)</i> , requires councils to meet the legislated requirements for people with disabilities to access council services and facilities. Unobstructed continual footpaths, DDA-compliant pram ramps, tactile paving, holding rails, pedestrian crossings and on-street parking spaces for people with a disability will be provided as part of Council's DDA Program, with any remaining funds allocated to DDA reactionary work as needed.	244	22
Deed Delivery and Infrastructure Design - Playford Growth Areas	Finalisation of the Stormwater Management Plans for the three Playford Growth Areas will deliver final deeds for landowners and allow designs to be produced for key pieces of infrastructure. The final deeds will provide clear direction to landowners and developers as to the costs and requirements associated with developing their land, and are critical for unlocking areas for development.	200	-
Fremont Park - Changing Places	The delivery of a purpose-built Adult Change Facility near the new play area and existing toilet in Fremont Park. The facility will include a fully accessible toilet, overhead ceiling tracking hoist system, height adjustable adult change table, modesty curtain, adequate space and an automatic door entry/exit.	280	15
Fremont Park - Stage 3 - Detailed Design	The Masterplan seeks to create a state-of-the-art regional open space, as a focal point of the Northern CBD development. Detailed design for Stage 3 works will be undertaken for the construction of a new dog park, public toilets, exercise stations and a relocated maintenance depot in the under-utilised eastern section of the park.	100	-
Kalara Reserve Floodlights	Eight floodlights and a transformer upgrade will be delivered at Kalara Reserve, a district level sportsground located in Davoren Park and home to Andrews Farm Soccer Club as well as a number of other community clubs and groups. The floodlights will allow the reserve to be utilised to its full capacity and give the clubs an opportunity to grow their activities during the winter season.	465	21
Playford Alive	Improved public realm and streetscape works including footpaths, verges and street trees will be undertaken on Webster, Charlson and Sissman Streets in Playford Alive, one of the biggest urban renewal projects in Australia. Works are coordinated with Renewal SA/SA Housing developments which are driven by market demand.	940	14
Road Safety Audits	A number of Road Safety Audits on both rural and urban roads will be carried out in the City, together with road survey data collection to determine vehicle volumes and speed. The reports and the final audit data will improve the completeness and accuracy of Council's road and traffic safety management, and provide a better evidence base to use when prioritising investment in future road safety upgrades.	-	30

2019/20 BUDGET INITIATIVES		Capital Budget \$'000	Net Operating Budget \$'000
Project	Description		
Road Upgrade Program - Roads to Recovery	The Road to Recovery Program includes widening of roads to cater for additional traffic, installation of kerb and gutter footpath, stormwater drainage and/or public lighting. The 2019/20 budget allocation will provide funding for Stage 1 of the upgrade of Stebonheath Road, between Roseworthy Drive and Fradd East Road. The road is intended to be upgraded over a number of years.	1,050	-
Sport and Recreation Minor Works Program	Minor infrastructure improvements to our sporting clubs and sports grounds, such as the installation of backstop nets and shelters, will be delivered.	60	3
Stormwater Infrastructure Deed - Angle Vale North Growth Area - Chivell Road	Stormwater Management Plans for the Playford Growth Areas identify the stormwater infrastructure required to facilitate medium density land division on land formerly used for primary production. A stormwater pipe to the Gawler River will allow development of the western precinct of Angle Vale North.	415	12
Stormwater Infrastructure Deed - Angle Vale South Growth Area - Broadacres Drive	Stormwater Management Plans for the Playford Growth Areas identify the stormwater infrastructure required to facilitate medium density land division on land formerly used for primary production. The Broadacres Drive culvert is a critical piece of infrastructure to unlock Angle Vale South for development. The construction of a stormwater culvert along a portion of Curtis Road and Broadacres Drive will deliver stormwater from Angle Vale South to the stormwater harvesting mega basin adjacent the Northern Expressway.	605	21
Strategic Land Purchase	Strategic land purchase to support and progress the delivery of the desired outcomes of the Smart Living Program.	1,500	-
Traffic Infrastructure Deeds - Angle Vale Growth Area - Heaslip Road Upgrade	A Traffic Infrastructure Deed for the Playford Growth Areas has been agreed and signed between landholders, Council and DPTI. The Angle Vale Growth Area is currently experiencing significant land division activity and housing development which triggers the need for upgraded road infrastructure. Heaslip Road will be upgraded, from Angle Vale Road to Woodbridge Road, providing a safe and efficient road and footpath network for the Angle Vale community.	624	18
Traffic Management Program	An ongoing program to respond to road safety concerns highlighted through Road Safety Audits, local traffic management studies, intersection analysis and other assessments. Traffic calming devices such as traffic islands, traffic signs, line markings, speed humps, and school zones will be implemented as well as new street lighting where identified.	328	29

Some further initiatives have been identified that can only proceed in 2019/20 if sufficient once-off operating savings can be found within the year.

- DPAs/Planning & Design Code Amendments
- Virginia Main Street Upgrade – Council contribution to undergrounding powerlines
- Greening the City
- Gig City
- Community Centres Plan Update



## Smart Jobs & Education

*Our Smart Jobs and Education Program is about Council leading by example and advocating to other organisations to support the diversification of our local economy and improve the employment prospects for our community – both in the immediate future as we face the closure of GM Holden and in the longer-term as the local industrial base transitions. This includes providing the right environment for investment and business attraction. It also means connecting our community with the right skills and education it needs to play its part in the transitioning economy.*

### Outcomes

- 3.1 Growth and diversification of local jobs matched with relevant education and training
- 3.2 Commercial and industrial growth
- 3.3 Sustainable economic transformation
- 3.4 International market connections

### Between July 2016 and June 2020 we have said we will...

- Foster local job creation via the Stretton Centre, using its agility and access to the best thinkers, networks, research and industry. Programs and research conducted through the Stretton Centre will ensure that education and training choices available to Playford residents better match the future job opportunities within the region.
- Increase our focus on providing entry level work opportunities, work experience and live training sites for local job seekers. Wherever practical, Council will update/refocus our existing services to include educational and/or employment outcomes and connections.
- Continue to encourage commercial and industrial growth in the city through targeted rating policy and incentives.
- Assist our business community to explore green and low carbon growth opportunities in response to climate change.
- Support the up-skilling and sustainable growth of the food sector in the Adelaide Plains Food and Wine Region.
- Continue to strengthen our connections with key international markets, including China.
- Introduce smart regional stormwater management to maximise economic return and jobs growth in industrial and horticultural enterprises.

## What will we fund in 2019/20?

EXISTING SERVICES		Net Operating Budget \$ '000
Service Standard	Community Outcome	
Business Support & Industry Development	Facilitate business and industry development opportunities and liaise with other government and community supported agencies to generate local employment and to help businesses relocate or existing businesses to expand and prosper.	1,879

2019/20 BUDGET INITIATIVES		Capital Budget \$'000	Net Operating Budget \$'000
Project	Description		
Creative Industries Precinct	The Creative Industries Precinct will capitalise on the fast growth of the creative sector, offering solutions and opportunities for training and employment to a large number of young people in the region. The site will be globally competitive in creating employment pathways, leveraging the Northern Sound System and through collaboration with industry. The state-of-the-art training facility will provide recognised accredited training for young people in the creative industries, and work will be undertaken with key industry organisations to ensure the development of meaningful and effective work placement and employment.		170
Hortex Partnership	The partnership with Hortex supports closer connections between Council and the horticulture sector, to help facilitate industry growth and attract new opportunities into the region. The growth of the Northern Adelaide Plains horticulture sector will support the creation of local jobs for local people.		75





## Smart CBD

*The Smart CBD Program relates to Council's long term strategy for the re-development and expansion of the Elizabeth Regional Centre. In the longer term, Elizabeth can expect to be home to a number of facilities and services such as hospitals, specialist health services, a university, major art gallery, significant retail services, medium to high density commercial offices, peak business organisations, the head offices for various organisations and high density housing in the form of multi-storey apartments.*

*Over the next four years the first stages of this longer term plan will be realised.*

### Outcomes

- 4.1 Expanded range of local services
- 4.2 Growth and diversification of local jobs in the CBD
- 4.3 Greater housing choice
- 4.4 Increased social connections
- 4.5 Commercial growth

### Between July 2016 and June 2020 we have said we will...

- Undertake the development of Prince George Plaza as well as an associated multi-storey carpark to service the expanding CBD.
- Upgrade Fremont Park.
- Construct a new Grenville Centre.
- Establish a mixed use multi-storey building to showcase the sustainability and potential of the area, and increase the residential population.
- Activate existing and new public spaces with art, cultural activities and other events.

## What will we fund in 2019/20?

CAPITAL PROJECTS CONTINUING FROM 2018/19		Capital Budget \$'000
Grenville Centre	Construction of a new Grenville Hub in the heart of the CBD providing a range of service promoting lifelong learning, physical activity, healthy living and social connections	3,000

2019/20 BUDGET INITIATIVES		Capital Budget \$'000	Net Operating Budget \$'000
Project	Description		
CBD - Strategic Investigations	Ongoing strategic investigations will complement the finalisation of Stage 1 as well as inform Council's next steps towards its long-term CBD strategy. Works include infrastructure concept plans and up-to-date market intelligence to support future decision making, resource allocation and advocacy, ensuring the continued revitalisation of the Northern CBD beyond Stage 1 is underpinned by a strong evidence base.		100
Grenville Hub - Supplementary Funding	The new Grenville Hub in the heart of the CBD will provide a range of services promoting lifelong learning, physical activity, healthy living and social connections. Construction costs have increased from the original budget allocation due to the need to relocate to a different allotment and the completion of detailed design. This supplementary funding will ensure the Grenville Hub functions in its current capacity, whilst also allowing for future growth.	2,820	319



## Smart Sports

*Council has a long term vision to create the Playford City Sports Precinct, a fifty hectare development adjacent to the Elizabeth Regional Centre providing local community, state and national level sports facilities. The Smart Sport Program is about creating a focus on healthy communities and promoting greater participation in sport and physical activity. It will also support the renewal of adjoining suburbs.*

### Outcomes

- 5.1 Enhanced community pride and reputation
- 5.2 Healthy and socially connected community
- 5.3 Access to elite sporting facilities

### Between July 2016 and June 2020 we have said we will...

- Complete the lawn bowls and tennis facilities
- Ensure ongoing operation of existing clubs affected by construction of the Sports Precinct
- Undertake planning for further stages of the precinct including a softball complex and further soccer facilities

### What will we fund in 2019/20?

The City of Playford will continue to support the facilities and tenants within the Playford Sports Precinct with initiatives including event attraction and best practice operation.

The City of Playford Tennis International will be hosted at the Playford Tennis Centre for its third edition in late 2019. The Playford Tennis Centre also now hosts the most sanctioned tennis tournaments in SA, and will continue its growth in grassroots tennis participation programs.

The Playford United Invitational tournament has become a popular annual event at Ridley Reserve involving boys and girls soccer teams from local high schools. This event is delivered by the City of Playford in partnership with Adelaide United FC and Playford International College.

It is anticipated the Playford Bowling Club will host its first sanctioned Bowls SA tournaments.

Following an open tender procurement process from 1 July the Aquadome leisure centre will be managed by a new facility operator, BlueFit.



## Smart Health

*In the longer term Playford will see the expansion of the area around the Lyell McEwin Hospital into a key precinct featuring tertiary training, research, allied health facilities and residential accommodation, serving the needs of not only northern Adelaide, but regional areas beyond. The precinct will have potential links to advanced manufacturing in assistive devices in health, aged and disability.*

*The Smart Health Program is about Council raising the profile and amenity of the precinct and facilitating new investment.*

### Outcomes

- 6.1 Access to quality, local health services
- 6.2 Increased employment opportunities in health, disability and aged sectors

### Between July 2016 and June 2020 we have said we will...

- Complete the sale of the Mark Road land within the Playford City Health Precinct to see it developed in accordance with the precinct master plan.
- Commence public realm improvements within the precinct including signage and streetscape upgrades
- Provide new car parking and a traffic management review
- Facilitate private investment in the precinct and encourage upgrade of the Elizabeth Vale Shopping Centre
- Investigate high street activities on Haydown Road
- Support community-based health care services including the National Disability Insurance Scheme

## What will we fund in 2019/20?

2019/20 BUDGET INITIATIVES		Capital Budget \$'000	Net Operating Budget \$'000
Project	Description		
Health Precinct - Strategic Investigations	Development of the Playford Health Precinct will continue with further work taking place on master planning, rezoning and a potential expression of interest process for future development. A parking review will determine requirements for the expansion of the area.		100



## 8. FUTURE INITIATIVES

As discussed in Section 6 Council has considered a longer term outlook in the development of this Annual Business Plan and Budget. A four year planning horizon allows us to consider impacts of longer term infrastructure requirements and other projects identified to support the growth of our City. This Annual Business Plan and Budget provides details and associated costs for the services that Council will continue to deliver on an ongoing basis, as well as a number of new and enhanced assets and services that will be introduced in 2019/20. Together, these form Year 1 of our four year planning horizon.

In terms of Years 2-4 of our planning horizon, the following initiatives have been identified and will be considered by Council in subsequent annual budget cycles, ie for 2020/21 onwards:

- Continuation of:
  - Road Upgrade Programs – Roads to Recovery and Black Spot
  - DDA Program
  - Footpath Upgrade Program
  - Road Safety Lighting Program
  - Traffic Management Program
  - Rural Roads Sealing Program
  - Playford Alive
  - Angle Vale Community Sports Centre (AVCSC) – Stage 5
  - Open Space Program
  - Sport and Recreation Minor Works Program
  - City-wide Smart City Infrastructure
- Traffic Infrastructure - Growth Areas
- Stormwater Infrastructure – Growth Areas
- Blakes Crossing Reserve Change Rooms
- Virginia Main Street Upgrade
- Sports Precinct – Central District Football Club - Female Change Rooms
- Sports Precinct – Softball
- Virginia Institute Park Upgrade
- Eyre Sports Park – Change Rooms
- Youth Service Delivery Expansion

Please note these initiatives have no formal budget allocations at this time and the information is provided to give an indication only of future works that will be considered by Council in subsequent financial years.

## 9. MEASURES AND TARGETS - ORGANISATIONAL

### Organisational Performance Measures

Organisational Performance Measures are set by Council to monitor our achievements against our overall strategic goals and to provide focus areas for staff in their day-to-day service delivery.

The measures relate to the areas of community interest, organisational accountability and key organisational priorities and fulfil our obligations under Section 123 of the *Local Government Act 1999*.

The Annual Resident Satisfaction Survey acts as the primary mechanism for gathering the results of our work in these areas.

Council has been undertaking this survey for a number of years and the graph below illustrates 74% for overall satisfaction with the City of Playford. When compared to the 2017 research, resident satisfaction with the performance of Council has significantly increased and is significantly higher than the LGA Brand Scores for both Metro areas and all Councils combined. On average our residents have given us a rating of 3.65 out of 5 for the last 12 surveys since 2005.



LGA Brand Scores	City of Playford	Metro	All Councils
Mean ratings	3.81 ▲	3.55	3.342

Council undertakes an annual Resident Satisfaction Survey to better understand the views of our community in order to meet its needs and aspirations for a prosperous, liveable and happy City. The 2018 survey sought to examine community attitudes and perceptions towards current and future services provided by Council and explored residents' responses to 39 service areas.

Compared to the previous research conducted in 2017, there were significant increases in the 'importance' of 36 of the 39 comparable measures.

The 2019 results will be available by September 2019 and will be reported and monitored in the 2018/19 Annual Report and the Quarterly Organisational Performance Report in 2019/20.

Measure	2018	2017	2016	2015	2014	2013	2012	2011	2010
Overall satisfaction with Council	3.81	3.68	3.76	3.57	3.35	3.50	3.50	3.60	3.65
Overall satisfaction with Council's level of customer service	4.18	3.83	3.95	3.76	3.90	3.90	4.00	3.80	3.60
Presentation of the City	3.67	3.56	3.64	3.57	3.50	3.45	3.45	3.35	N/A
Planning for the future	3.65	3.55	3.56	3.55	3.30	3.45	3.45	3.50	2.90
Being open and accountable to the community	3.36	3.36	3.25	3.32	3.00	3.25	3.20	3.30	2.85
Community input to Council decision-making	3.30	3.25	3.16	3.23	2.80	3.05	3.05	2.95	2.60
Council provides value for money for the rates paid	3.11	2.98	2.94	3.00	2.60	2.85	2.65	2.80	2.85

Indicator	Measure	2017/18 Result	2018/19 Target	2019/20 Target
Overall Council Satisfaction	Overall customer satisfaction with the City of Playford as an organisation	3.81	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)
City-wide Presentation	Customer Satisfaction with the level of appearance of public realms <sup>1</sup>	3.67	Achievement of a 3.50 score	Achievement of a 3.50 score
Customer Service <sup>2</sup>	Satisfaction rating with the level of customer service experience	4.18	An overall score between 3.60 – 3.89 (Moderately High Satisfaction)	An overall score between 3.60 – 3.89 (Moderately High Satisfaction)
Accountability	Satisfaction rating with Council being open and accountable to the community in its operations	3.36	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)
Community Engagement	Satisfaction rating with how Council invites community participation in decision making	3.0	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)
Managing Growth	Customer rating for how Council plans for the future	3.65	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)
Continuous Improvement	Customer satisfaction with value for money <sup>3</sup>	3.11	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)

1. This measure of the appearance of public realms aggregates seven (7) customer satisfaction measures including: maintenance of parks, gardens and playgrounds, effectiveness of graffiti and vandalism control, general appearance of the City, verge maintenance, cleanliness of streets, maintenance of side road and footpaths.

2. Customer service refers to the way Council deals with, takes care of and responds to its customers.

3. Value for money refers to the value residents believe they get from their rates or fee for services.

## Key to rating bands:

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### Interpreting the Mean Score (1 - 5)

1.99 or lower	Very low satisfaction	3.60 - 3.89	Moderately high satisfaction
2.00 - 2.49	Low satisfaction	3.90 - 4.19	High satisfaction
2.50 - 2.99	Moderately low satisfaction	4.20 - 4.49	Very high satisfaction
3.00 - 3.59	Moderate satisfaction	4.50 +	Extremely high satisfaction

# 10. MEASURES AND TARGETS - FINANCIAL

## Financial Indicators

In May 2016, Council approved five financial indicators and targets to assess its financial sustainability. The ratios used provide a key focus on the health of City of Playford in terms of:

- Financial Performance
- Asset sustainability
- Debt management

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 or significant service reductions, whilst maintaining intergenerational equity.

Financial sustainability enables Council to:

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

Council's financial indicators include the three Local Government Association's (LGA) mandatory reporting requirements.

Council's operating surplus indicator is positive due to budget surplus, in comparison to 2018/19 Budget. The five year average supports the Council's projection to continue to operate and improve the operating surplus in the short to medium term.

In the short to medium timeframe Council's debt grows due to capital expenditure associated with key projects throughout the City of Playford which will help to create jobs and investment. These include development of the Northern CBD and the development of growth areas. As these projects are completed, debt begins to return to normal levels.

The Interest Expense Ratio is linked to debt levels and improves as debt is repaid. In addition, Council's treasury management has focused on the appropriate mix of debt in order to bring down the interest cost.

The table overleaf shows the 2018/19 Revised Budget and 2019/20 Budget estimate for these indicators. Council is forecasting all budgeted ratios to be within the ranges adopted by Council in the medium to long term.



## Primary Financial Indicators

Financial Indicator	Explanation	Target	2018/19 Revised Budget	2019/20 Budget	5 Year Average
Operating Surplus Ratio	This ratio is designed to highlight the financial performance for the year and is a key indicator for financial sustainability. The ratio expresses the operating result as a percentage of Council's total income.	0%-10%	(7.7)%	0.2%	0.9%
Net Financial Liabilities Ratio	This ratio shows financial liabilities as a percentage of Operating Income.	50%-160% Operating Income	170.8%	179.2%	152.4%
Asset Renewal Funding Ratio	This ratio shows whether or not Council is replacing assets at the rate required in the Asset Management Plan.	Between 90% and 110%	105.9%	108.3%	99.8%
Interest Expense Ratio	This ratio shows how much discretionary income is used to pay interest on borrowings	3%-10% of discretionary income	8.6%	7.9%	7.5%
Cash Flow from Operations Ratio	The cash generated each year from operations compared to the 20 year average requirements in the Asset Management Plan. This ratio measures whether Council is generating enough cash from its operations to cover the replacement of assets over time.	Between 90% and 110%	67.7%	102.7%	110.4%

### Operating Surplus Ratio

The ratio for the 2018/19 Revised Budget is largely due to \$5.5 million of Federal Assistance Grants pre-paid in 2017/18. The ratio for the 2019/20 Budget is slightly above 0%. The result largely reflects Council budgeting a minor surplus through and the achievement of continuous improvement savings to deliver favourable operating surplus results. As continuous improvements savings are realised and Council moves to a structural surplus, this ratio moves upward in the ratio range.

### Net Financial Liabilities Ratios

The ratio is slightly out of the targeted range for 2019/20. This is primarily due a delayed sale of the Bowls site. The expected results of the finance strategy detailed in the Long Term Financial Plan, are based on continued improvement in surpluses in the short to medium term. This will generate favourable impacts to this ratio, in addition to debt management strategies to address debt levels, keeping in mind that debt is an effective intergenerational equity mechanism.

### Asset Renewal Ratio

The ratio reflects the effective management of asset renewals in accordance with the Asset Management Plan.

### Interest Expense Ratio

Notwithstanding the significant investment in the City via debt, the ratio is within the target range.

### Cashflow from Operations Ratio

The 2018/19 result is below the Council's target range, which is largely due to \$5.5 million of Federal Assistance Grants pre-paid in 2017/18. The 2018/19 and the five year average reflects the Council operating in surplus.

# 11. BUDGETED FINANCIAL STATEMENTS AND EXPLANATIONS

## Financial Summary

2019/20 Budget \$'000	
Operating Income	105,915
Operating Expenditure	105,686
Operating Result	229

Council's budget surplus is \$0.229 million, which reflects the budget required to deliver existing services to agreed service standards as well as the new and enhanced services as detailed in this plan. The variation to the 2018/19 revised budget deficit of \$7.599 million is largely caused by impact of the prepayment of Federal Assistance Grants of \$5.516 million. The adjusted deficit for 2018/19 is \$2.083 million. The improvement from the adjusted \$2.083 million deficit to a budgeted surplus of \$0.229 million for 2019/20 is primarily a result of the achievement and realisation of \$2.583 million of continuous improvement savings which have been directly removed from expenses to improve the operating result. In addition, some minor favourable movements in the Federal Assistance Grants have also contributed to the surplus.

Council has committed to returning to operating surplus as a key strategy of the Council's long-term financial sustainability, with this being the first of expected years of surpluses into the future.

## Statement of Comprehensive Income

Resource Group	Revised Budget \$000's	Budget 2019/20 \$000's	Increase (Decrease) \$000's	Increase (Decrease) %
<b>INCOME</b>				
Rates Revenues	78,331	81,994	3,663	5%
Statutory Charges	2,061	1,984	(77)	(4%)
User Charges	4,935	5,143	208	4%
Investment Income	104	103	(1)	(1%)
Reimbursements	412	386	(26)	(6%)
Other Income	226	176	(50)	(22%)
Grants, Subsidies & Contributions	11,910	16,003	4,093	34%
Net Gain - Equity Accounted Council Businesses	290	126	(164)	(57%)
<b>TOTAL INCOME</b>	<b>98,269</b>	<b>105,915</b>	<b>7,646</b>	<b>8%</b>

### **Rates Income - \$81.9 Million**

Increases in Council rates allow Council to meet the community service delivery expectations and achieve its Long Term Financial Plan objectives. The 2019/20 Budget includes the following:

- A rates increase of 3.3% based on the General Index of 1.9% and a further 1.4% for external cost pressures and new and enhanced services.
- Additional rate income of \$1.3 million from new developments in the City, less the application of the Commercial Rating Strategy of \$0.3 million
- A levy for Natural Resources Management collected on behalf of the Adelaide and Mount Lofty Ranges Natural Resources Management Board (\$1.1 million). Once collected this is paid over with no impact on the bottom line.

### **Statutory Charges - \$2.0 Million**

Statutory charges are fees for the provision of regulatory services. They are associated with the granting of a permit or license or with the regulation of an activity, including Development Act 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 in July 2019.

The 2019/20 Budget includes a minor decrease of 3.7% from \$2.1 million in 2018/19 to \$2.0 million in 2019/20.

### **User Charges - \$5.1 Million**

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 2019/20 have increased by \$0.2 million from \$4.9 million in 2018/19 to \$5.1 million.

### **Investment Income - \$0.1 Million**

Council's interest revenue of \$103,000 is predominantly interest received from cash investments and is expected to remain at the same level as 2018/19.

Council's approach to treasury management has moved towards the mixed use of traditional credit foncier loans (which have fixed half yearly repayments of principal and interest) and variable loans that allow principal to be repaid when cash funds are available – providing flexibility whilst reducing interest expense but also reducing interest income.

### **Reimbursement - \$0.4 Million**

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

These are expected to remain at the same level as 2018/19.

### **Other Income - \$0.2 Million**

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

This miscellaneous income is expected to remain at the same level as 2018/19.

### Grants, Subsidies and Contributions - \$16 Million

Grants, subsidies and contributions are income received from Federal and State governments in addition to contributions from developers. Revenue received specifically to fund the construction or purchase of new or upgraded assets is included in a separate section of the Financial Statement.

Grants, subsidies and contributions income has increased by \$4.1 million, from \$11.9 million to \$16 million largely due to \$5.5 million of Federal Assistance Grants pre-paid into 2017/18 and a reduction of Roads to Recovery funding to be received in 2019/20.

### Profit on Associates and Joint Ventures - \$0.1 Million

Council's share of the Northern Adelaide Waste Management Authority (NAWMA) will result in a net profit in 2018/19, based on advice from the Authority.

## Operating Expense by Category

Resource Group	Revised Budget \$000's	Budget 2019/20 \$000's	Increase (Decrease) \$000's	Increase (Decrease) %
<b>EXPENSES</b>				
Employee costs	40,107	41,160	1,053	2.6%
Contracts, materials & other	39,022	38,086	(936)	(2.4%)
Finance costs	6,720	6,487	(233)	(3.5%)
Depreciation	19,945	19,879	(66)	(0.3%)
Net loss - Joint Ventures & Associates	74	74	-	-
<b>TOTAL EXPENSES</b>	<b>105,868</b>	<b>105,686</b>	<b>(182)</b>	<b>(0%)</b>

### Employee Costs - \$41.1 Million

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.

Employee costs are budgeted to increase by \$1.0 million, from \$40.1 million to \$41.1 million. The increase in employee costs is the combined result of Enterprise Agreement changes, new positions required for growth, increased allowance for employment of apprentices.

### Materials, Contracts and Other Expenses - \$38.1 Million

Materials cover 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 license fees, consultants and operating lease payments.

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.

Materials, Contracts and other expenses are budgeted to decrease by \$0.9 million largely due to the realisation of continuous improvement savings offset by the impact of the new and enhanced services and cost pressures which are being funded via rate rises.

### **Finance Costs - \$6.5 Million**

Finance Costs include interest payable on borrowings and finance leases and other banking charges. Council is budgeting for an decrease by \$0.2 million from the budget of \$6.7 million in 2018/19 to \$6.5 million in 2019/20. This is largely the result of debt stabilisation and effective treasury management that have reduced the pressure of increases in interest costs.

### **Depreciation - \$19.9 Million**

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 decreasing by \$0.1 million or 0.3% from the 2018/19 budgeted depreciation of \$19.9 million to \$19.9 million in 2019/20. This is a result of the completion of key projects.

### **Loss on Associates and Joint Ventures - \$0.1 Million**

Council's share of the Gawler River Floodplain Management Authority (GRFMA) will result in a net loss in 2018/19, based on advice from the Authority.

## **Financial Statements**

### **Cash Flow Statement**

Net cash from financing activities are projected to be \$21.7 million in 2019/20. This is a decrease of \$6.8 million in comparison to \$28.5 million in 2018/19, due to a smaller capital expenditure program for 2019/20.

### **Balance Sheet**

Total Non-Current Assets are projected to rise to \$1,320 million in 2019/20. This is an increase of \$51.4 million, largely the result of the capital expenditure program and revaluation of assets.

Total borrowings are projected to increase to \$173.1 million in 2019/20. This level of borrowings is within acceptable limits and required to fund the capital works program. Please see the financial indicator section for more information.

## **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.

## Financial Statements

### City of Playford Budgeted Statement of Comprehensive Income For the year ended 30 June 2019

2017/18 Actual Results \$000's		2018/19 Original Budget \$000's	2018/19 Revised Budget \$000's	2019/20 Original Budget \$000's
	<b>INCOME</b>			
75,358	Rates Revenues	78,196	78,331	81,994
2,187	Statutory Charges	1,961	2,061	1,984
3,451	User Charges	5,305	4,935	5,143
34	Investment Income	104	104	103
828	Reimbursements	793	412	386
1,112	Other Income	219	226	176
17,174	Grants, Subsidies & Contributions	15,992	11,910	16,003
	Net Gain - Equity Accounted Council Businesses	290	290	126
100,144	<b>TOTAL INCOME</b>	102,860	98,269	105,915
	<b>EXPENSES</b>			
40,758	Employee costs	40,443	40,107	41,160
32,404	Materials, Contracts & Other Expenses	38,767	39,022	38,086
4,998	Finance costs	6,720	6,720	6,487
18,132	Depreciation	19,743	19,945	19,879
140	Net Loss - Equity Accounted Council Businesses	74	74	74
96,432	<b>TOTAL EXPENSES</b>	105,747	105,868	105,686
<b>3,712</b>	<b>Operating Surplus / (Deficit)</b>	<b>(2,887)</b>	<b>(7,599)</b>	<b>229</b>
(3,803)	Asset Disposal & Fair Value Adjustments	18,613	18,613	1,030
6,201	Amounts Received Specifically for New or Upgraded Assets	2,607	2,818	1,000
14,891	Physical Resources Received Free of Charge	8,116	8,116	8,990
<b>21,001</b>	<b>NET SURPLUS / (DEFICIT) transferred to Equity Statement</b>	<b>26,449</b>	<b>21,948</b>	<b>11,249</b>
	<b>Other Comprehensive Income</b>			
(768)	Changes in Revaluation Surplus - I,PP&E	27,531	27,531	18,263
(54)	Share of Other Comprehensive Income - Equity Accounted Council Businesses	-	-	-
(209)	Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	-	-	-
(1,031)	<b>Total Other Comprehensive Income</b>	27,531	27,531	18,263
<b>19,970</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>53,980</b>	<b>49,479</b>	<b>29,512</b>

\*Revised Budget adopted by Council 26 March 2019

**City of Playford**  
**Budgeted Balance Sheet**  
**For the year ended 30 June 2019**

2017/18 Actual Results \$000's		2018/19 Original Budget \$000's	2018/19 Revised Budget \$000's	2019/20 Original Budget \$000's
	<b>CURRENT ASSETS</b>			
1,463	Cash and Cash Equivalents	1,558	1,538	1,500
7,216	Trade & Other Receivables	7,902	6,230	6,115
151	Inventories	132	177	175
	Other current assets			
5,697	Non-Current Assets held for sale		5,487	5,487
14,527	<b>TOTAL CURRENT ASSETS</b>	9,592	13,432	13,277
	<b>NON-CURRENT ASSETS</b>			
349	Financial Assets	365	365	365
7,685	Equity Accounted Investments in Council Businesses	7,555	7,901	7,953
1,160,434	Infrastructure, Property, Plant & Equipment	1,278,556	1,239,682	1,291,272
18,214	Other Non-Current Assets	26,732	21,375	21,153
1,186,682	<b>TOTAL NON-CURRENT ASSETS</b>	1,313,208	1,269,323	1,320,743
1,201,209	<b>TOTAL ASSETS</b>	1,322,800	1,282,755	1,334,020
	<b>CURRENT LIABILITIES</b>			
14,297	Trade & other payables	21,921	18,194	18,185
13,592	Borrowings	26,036	16,352	29,292
5,628	Short-term provisions	4,632	5,220	5,292
33,517	<b>TOTAL CURRENT LIABILITIES</b>	52,589	39,766	52,769
	<b>NON-CURRENT LIABILITIES</b>			
109,364	Long-term borrowings	138,606	135,089	143,825
1,065	Long-term provisions	901	1,159	1,173
110,429	<b>TOTAL NON-CURRENT LIABILITIES</b>	139,507	136,248	144,998
143,946	<b>TOTAL LIABILITIES</b>	192,096	176,014	197,767
<b>1,057,263</b>	<b>NET ASSETS</b>	<b>1,130,704</b>	<b>1,106,741</b>	<b>1,136,253</b>
	<b>EQUITY</b>			
449,708	Accumulated Surplus	470,072	471,572	487,885
600,183	Asset Revaluation Reserve	654,526	627,714	645,977
7,372	Other Reserves	6,106	7,455	2,391
<b>1,057,263</b>	<b>TOTAL EQUITY</b>	<b>1,130,704</b>	<b>1,106,741</b>	<b>1,136,253</b>

\*Revised Budget adopted by Council 26 March 2019

**City of Playford**  
**Budgeted Statement of Changes in Equity**  
**For the year ended 30 June 2019**

2017/18 Actual Results \$000's		2018/19 Original Budget \$000's	2018/19 Revised Budget \$000's	2019/20 Original Budget \$000's
	<b>ACCUMULATED SURPLUS</b>			
428,449	Balance at end of previous reporting period	443,707	451,057	471,572
21,001	Net Surplus (Deficit) for year	26,449	21,948	11,249
	Other Comprehensive Income			
(108)	Share of other comprehensive income - joint ventures and associates	-		-
2,050	Transfers from other Reserves	338	167	5,554
(1,684)	Transfers to Other Reserves	(422)	(1,600)	(490)
<b>449,708</b>	<b>Balance at end of reporting period</b>	<b>470,072</b>	<b>471,572</b>	<b>487,885</b>
	<b>ASSET REVALUATION RESERVE</b>			
601,106	Balance at end of previous reporting period	626,995	626,995	627,714
	Other Comprehensive Income			
(768)	Gain (Loss) on revaluation of infrastructure, property, plant & equipment	27,531	719	18,263
(209)	Impairment (expense) / recoupments offset to asset revaluation reserve	-	-	-
54	Share of OCI - Equity Accounted Council Businesses		-	-
<b>600,183</b>	<b>Balance at end of reporting period</b>	<b>654,526</b>	<b>627,714</b>	<b>645,977</b>
	<b>OTHER RESERVES</b>			
7,738	Balance at end of previous reporting period	6,022	6,022	7,455
1,684	Transfers to accumulated surplus	422	1,600	490
(2,050)	Transfers from accumulated surplus	(338)	(167)	(5,554)
<b>7,372</b>	<b>Balance at end of reporting period</b>	<b>6,106</b>	<b>7,455</b>	<b>2,391</b>
<b>1,057,263</b>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>1,130,704</b>	<b>1,106,741</b>	<b>1,136,253</b>
449,708	Accumulated Surplus	470,072	471,572	487,885
607,555	Reserves	660,632	635,169	648,368
<b>1,057,263</b>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>1,130,704</b>	<b>1,106,741</b>	<b>1,136,253</b>

\*Revised Budget adopted by Council 26 March 2019

**City of Playford**  
**Budgeted Statement of Cash Flows**  
**For the year ended 30 June 2019**

2017/18 Actual Results \$000's		2018/19 Original Budget \$000's	2018/19 Revised Budget \$000's	2019/20 Original Budget \$000's
Inflows / (Outflows)		Inflows / (Outflows)		
	<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
	<b>Receipts</b>			
34	Investment Receipts	104	104	103
107,514	Operating Receipts	101,951	100,142	105,931
	<b>Payments</b>			
(4,998)	Finance Payments	(6,794)	(6,599)	(6,487)
(85,037)	Operating Payments to Suppliers and Employees	(76,864)	(80,152)	(79,075)
<b>17,513</b>	<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>18,397</b>	<b>13,495</b>	<b>20,472</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	<b>Receipts</b>			
21,155	Proceeds from borrowings	48,927	42,592	36,149
	<b>Payments</b>			
(6,500)	Repayment of borrowings	(22,892)	(14,107)	(14,473)
<b>14,655</b>	<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>26,035</b>	<b>28,485</b>	<b>21,676</b>
	<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
	<b>Receipts</b>			
1,244	Sale of Replaced Assets	1,101	1,101	1,030
3,400	Sale of Surplus Assets	17,500	17,500	-
6,201	Amounts Received Specifically for New/Upgraded Assets	2,607	2,818	1,000
24	Repayments of Loans by Community Groups	-	-	-
	<b>Payments</b>			
(16,641)	Expenditure on Renewal/Replacement of Assets	(25,301)	(25,175)	(21,481)
(28,034)	Expenditure on New/Upgraded Assets	(40,319)	(38,149)	(22,735)
-	Loans Made to Community Groups	-	-	-
<b>(33,806)</b>	<b>NET CASH PROVIDED BY (USED IN) INVESTMENT</b>	<b>(44,412)</b>	<b>(41,905)</b>	<b>(42,186)</b>
<b>(1,638)</b>	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>20</b>	<b>75</b>	<b>(38)</b>
3,101	CASH AT BEGINNING OF REPORTING PERIOD	1,538	1,463	1,538
<b>1,463</b>	<b>PROJECTED CASH AT END OF REPORTING PERIOD</b>	<b>1,558</b>	<b>1,538</b>	<b>1,500</b>

\*Revised Budget adopted by Council 26 March 2019

**City of Playford**  
**Budgeted Uniform Presentation of Finances**  
**For the year ended 30 June 2019**

2017/18 Actual Results \$000's		2018/19 Original Budget \$000's	2018/19 Revised Budget \$000's	2019/20 Original Budget \$000's
100,144	Operating income	102,860	98,269	105,915
(96,432)	Less: Operating expenditure	(105,747)	(105,868)	(105,686)
<b>3,712</b>	<b>Operating Surplus / (Deficit)</b>	<b>(2,887)</b>	<b>(7,599)</b>	<b>229</b>
	<b>Less: Net outlays on existing assets</b>			
16,641	Capital expenditure on renewal and replacement of existing as- sets	25,301	25,175	21,481
(18,132)	Less: Depreciation	(19,743)	(19,945)	(19,879)
(1,244)	Less: Proceeds from sale of replaced assets	(1,101)	(1,101)	(1,030)
<b>(2,735)</b>	<b>Net Outlays on Existing Assets</b>	<b>4,457</b>	<b>4,129</b>	<b>572</b>
	<b>Less: Net outlays on new and upgraded assets</b>			
28,034	Capital expenditure on new and upgraded assets	40,319	38,149	22,735
(6,201)	Less: Grants and contributions specifically for new and upgraded assets	(2,607)	(2,818)	(1,000)
(3,400)	Less: Proceeds from sale of surplus assets	(17,500)	(17,500)	-
<b>18,433</b>	<b>Outlays on New and Upgraded Assets</b>	<b>20,212</b>	<b>17,831</b>	<b>21,735</b>
<b>(11,986)</b>	<b>NET LENDING / (BORROWING) FOR FINANCIAL YEAR</b>	<b>(27,556)</b>	<b>(29,559)</b>	<b>(22,078)</b>



## 12. APPENDICES

1. CITY OF PLAYFORD RATING POLICY 2019/20
2. CITY OF PLAYFORD RATES REBATE POLICY 2019/20



SA Living Artists Festival 2018 - Civic Centre Esplanade

Cultural project carried out in collaboration between Council, Elizabeth Grove Primary School, through a joint funding partnership with Anglicare SA



**City of Playford  
Annual Business Plan & Budget 2019/20**

Produced by City of Playford

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