



# Long Term Financial Plan 2023/24



# Acknowledgement of Country

We acknowledge and pay our respects to the Kurna people, the traditional custodians whose ancestral lands we gather on.

We acknowledge the deep feelings of attachment and relationship of the Kurna people to country and we respect and value their past, present and ongoing connections to the land and cultural beliefs.





# Contents

---

<b>Acknowledgement of Country</b>	<b>2</b>
<b>About this document</b>	<b>4</b>
<b>CEO Financial Sustainability Report</b>	<b>6</b>
<b>Strategic Planning Framework</b>	<b>8</b>
<b>Finance Strategy</b>	<b>9</b>
<b>Asset Management</b>	<b>11</b>
<b>Key Assumptions</b>	<b>14</b>
<b>Risks</b>	<b>19</b>
<b>Long Term Financial Plan Results</b>	<b>22</b>
<b>Financial Indicators</b>	<b>25</b>
Operating surplus ratio	26
Structural Surplus ratio	27
Cash flow operations ratio	28
Asset renewal funding ratio	29
Net financial liabilities ratio	30
Interest expense ratio	31
<b>Financial Statements</b>	<b>32</b>
Projected financial statements 2023-24 / 2032-33	34

# Long Term Financial Plan

## About This Document

### *What is a Long Term Financial Plan (LTFP)?*

The LTFP expresses, in financial terms, the activities that Council proposes to undertake in order to deliver its strategic objectives over the medium to long term.

The LTFP includes 10 years of financial projections. Most importantly, it includes information on how Council is performing against a set of financial sustainability indicators.

The LTFP is a projection based on the most current available information. In making these projections it is necessary to make assumptions. These assumptions are frequently reviewed and updated when necessary.

The financial projections contained within the LTFP are an indication of Council's direction and financial capacity rather than a prediction of its future financial performance and position. The LTFP should be viewed as a tool to encourage long-term thinking about the impact today's decisions have on Council's future financial sustainability.

### *Why Do We Have a LTFP?*

While Council is required under legislation to produce an LTFP, it is more than a compliance exercise. Council uses the LTFP to assess the long-term impacts of its decisions. It provides clarity on the long-term financial implications of current decisions to assist with responsible resource management now and into the future.

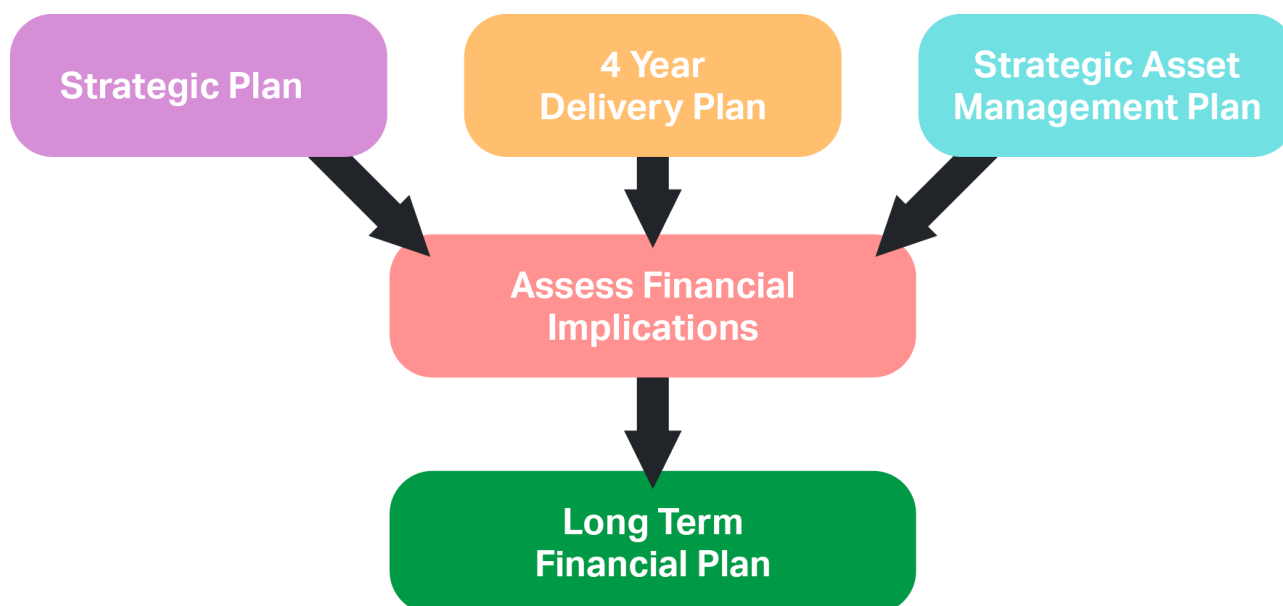
The LTFP is also used as a performance report for financial sustainability. By ensuring we stay within targets outlined in the LTFP over the medium to long term, it provides assurance that Council is adhering to its Finance Strategy and is using money wisely.

Every four years the LTFP is provided for review to the Essential Services Commission of South Australia as part of the Rates Oversight Scheme. City of Playford's 2023/24 LTFP is scheduled for review commencing in August 2023.

### *How is It Developed and Reviewed?*

When developing our Strategic Plan, Annual Business Plan and Strategic Asset Management Plan, Council assesses the financial implications of each objective, investment, or new service. We take these individual financial implications and build them into long term projections.

# Long Term Financial Plan



Key factors are taken into consideration when building long-term projections, including inflationary pressures, interest rates, cost pressures and market conditions. Since these factors continually change, the LTFP is reviewed annually to ensure the resulting financial information remains robust. We run the process in line with the annual budget cycle, taking new projects or Council approved services into consideration.

## *The 2023/24 LTFP*

This year there are several challenges that have long-term financial implications. This plan provides information on those challenges. It also explains the strategies for managing them while maintaining Council's focus on financial sustainability, fairness and equity.



The Long Term Financial Plan ensures Council can deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner.

# CEO Financial Sustainability Report

## From the CEO



The City of Playford adopts a holistic and proactive approach to financial management. The management of operating results, debt and asset growth is integrated into strategic planning, asset management planning and long-term financial plans as well as the day-to-day activities of the organisation.

Our Long Term Financial Plan demonstrates that Council can deliver its existing services, maintain assets, introduce new programs and achieve its strategic objectives in a financially sustainable manner over the medium to longer term.

Council continues to face some challenges that would have the potential to impact on our long-term financial position if we did not retain our proactive focus on financial sustainability.

### *A Growing Community*

As the centre of greenfield residential development in South Australia, growth remains a key characteristic of our city and community. The number of properties within the City of Playford is estimated to increase by 4.3% or 1,899 properties in 2023/24. This rate of growth far exceeds the state-wide average.

While growth provides great opportunity to improve lifestyle and services in our community, servicing the new suburbs and residents puts increasing demand on Council resources. Financial sustainability is key to ensuring Council can continue to effectively manage growth for the benefit of its existing community and for those generations to come.

### *A Growing Asset Base*

Council is responsible for building, maintaining and renewing community infrastructure. It is essential to have a strong Finance Strategy and responsible financial management so Council can fund ongoing asset management and build new infrastructure in line with community needs. This is especially true for the City of Playford as we balance investment in new infrastructure for growth areas with maintaining our existing community assets.

The LTFP includes our investment in new projects and services and renewal work for 2023/24 as detailed in our Annual Business Plan and estimates the future investment across the life of our plans. Our proposals for future investment have been informed by our four-year delivery plan which incorporates an understanding of our community's needs, our Strategic Asset Management Plan, a detailed assessment of our capacity to deliver multiple infrastructure projects and an assessment of potential funding pathways. This enables us to plan for infrastructure investment over the longer term and understand the financial impact of those plans. We will continue to work with our community to refine the future scope of those projects.

Council's asset base continues to increase each year as a result of our capital program and also from assets contributed to Council from new developments and from revaluation of existing assets. A growing asset base enables delivery of services to our growing community, but this also presents long-term financial implications which needs to be managed responsibly.

### *Rising Costs*

Like much of the community, local government is facing rising costs and inflationary pressures in 2023/24 and beyond. The LTFP has been prepared against this backdrop. Many of these cost pressures are outside our control, such as inflation, electricity and fuel increases, as well as legislated superannuation obligations. This means that the cost of providing the same services in 2023/24 will be significantly higher than last year.

# CEO Financial Sustainability Report

The Consumer Price Index (CPI), Wage Price Index (WPI) and interest rates are important assumptions used in long-term financial projections. These indices have increased significantly since 2022/23 and are forecast to increase over the life of this Plan.

To maintain long-term financial sustainability, we need to fund the increased costs to deliver our services. To minimise the impact for our ratepayers we have worked diligently to reduce the impact of these costs wherever possible and have only factored in inflationary pressures where absolutely necessary.

## *Our Commitment to Financial Sustainability*

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.

When considering 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** is a reflection of our operating position, **without** the inclusion of once-off grants and developer contributions which 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. We monitor our budgets and our performance against an operating surplus ratio and a structural surplus ratio against target ranges endorsed by Council.

Our LTFP shows that we have been able to deliver new projects and services, cover increasing costs and return to a structural operating surplus (net of grants and developer contributions) within Council's target range.

## *Funding Plan*

From 30 June 2023, the *Local Government Act 1999* requires the LTFP to include a Funding Plan that outlines Council's approach to funding services and infrastructure, sets out the Council's projected total revenue and outlines the intended sources of that revenue.

Our Statement of Comprehensive Income (included at page 38) provides details of projected total revenue and the sources of that revenue. Further, the Annual Business Plan articulates how growth, continuous improvement savings and a general rate rise are all contributing to fund the increased costs of delivering services to our community.

## *Summary*

It is pleasing to see Council's financial performance and sustainability remain strong over the coming 10 years. Performance against Council's Sustainability Ratios is generally within target ranges or demonstrates the future financial capacity of Council to deliver important services and infrastructure for our growing community whilst moderating the rate rise and impact on households and businesses.

# Strategic Planning Framework



## The three phases of our Strategic Planning Framework are:



### PLAN

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.

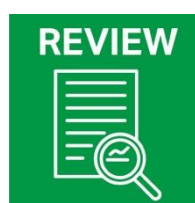
Our **City-wide Strategies** focus on a particular area such as open space or cycling and walking and help prioritise projects across the city. Our **Masterplans** outline our vision across a particular precinct or project area such as the Lyell McEwin Health Precinct or Virginia Township.



### INVEST

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.



### REVIEW

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*



# Finance Strategy

---

Council's Finance Strategy is focused on achieving a long-term financial position that is able to support delivery of planned services, manage debt and support and promote the growth of the city.



# Finance Strategy

## Finance Strategy

Council's Finance Strategy is focused on achieving a long-term financial position that supports the delivery of planned services, manages debt and supports growth of the city.

LTFP modelling provides a high-level budget framework to guide us in understanding the future impact of decisions we make today. It assumes that Council will continue to use debt as a mechanism for funding new assets, ensuring intergenerational equity.

The Finance Strategy is based on key parameters regarding sustainability and is used as a guiding principle for assessing the financial impact of all decisions. These principles are:

- Surplus
- Debt management
- Managing asset and service growth.

## Operating and Structural Position

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** is a reflection of 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.

## Debt Management

To support a growing community, Council borrows money to invest in the growth of the city. Good debt management ensures we minimise the cost to the community of holding the debt and that the pathways to repay that debt deliver intergenerational equity – the idea that all ratepayers who benefit from the assets or services contribute to funding those assets and services.

## Managing Asset and Service Growth

Council is responsible for ensuring that its assets and services are made available to the community in an equitable and sustainable manner, over generations. This means understanding the purpose of the asset or service and the benefits to the community. This dictates the funding pathway required to appropriately manage any associated debt.

Our Finance Strategy underpins our decision-making process and allows Council to deliver financial sustainability for the benefit of the Playford community.



# Asset Management

---

Council is responsible for building, maintaining and renewing community infrastructure. It has a strong finance strategy in order to fund the ongoing management of existing assets as well as the development of new assets when required.





# Asset Management

## Asset Management

Asset Management is a comprehensive process which ensures Council is managing its infrastructure and other assets to an agreed service standard.

Asset Management considers all stages of the asset lifecycle including:

- Acquisition (referred to below as New Projects and Services)
- Renewal (referred to below as Strategic Asset Management Plan)
- Operations and Maintenance
- Disposal.

### New Projects and Services

Year one of this LTFP includes \$10.51M of capital expenditure to fund newly initiated infrastructure and services. Refer to the 2023/24 Annual Business Plan for further details.

New capital expenditure from year two onwards is an estimate based on the average of the current year forecast and the previous two years' actual capital project delivery. We will continue to work with our community to refine the exact nature of these projects each year in line with community needs.

### Strategic Asset Management Plan

The Strategic Asset Management Plan (SAMP) provides information on the state of the Council's assets and the associated renewal and replacement program. The LTFP contains the financial forecast for the 10-year SAMP, ensuring Council has full visibility of the financial impacts of renewing its assets. The renewal program is funded through Council's cash operating surplus, generated through rate revenue. This is the financially responsible funding pathway for renewal of assets and ensures that we continue to deliver the services we have always delivered.

The LTFP shows that the City of Playford has a fully funded asset renewal program.

Council's rolling 10-year renewal program is updated annually with the latest asset data including predicted remaining life and asset condition. This identifies the timing of asset replacement and, in combination with the LTFP, demonstrates how asset renewal can be achieved in a financially sustainable manner.

Costs associated with Council's assets form a significant part of Council's operating costs. Depreciation alone accounts for an average of 23% of the Council's annual operating budget over the 10-year plan. Once the cost of maintaining and operating these assets is factored in, this number becomes significantly higher.

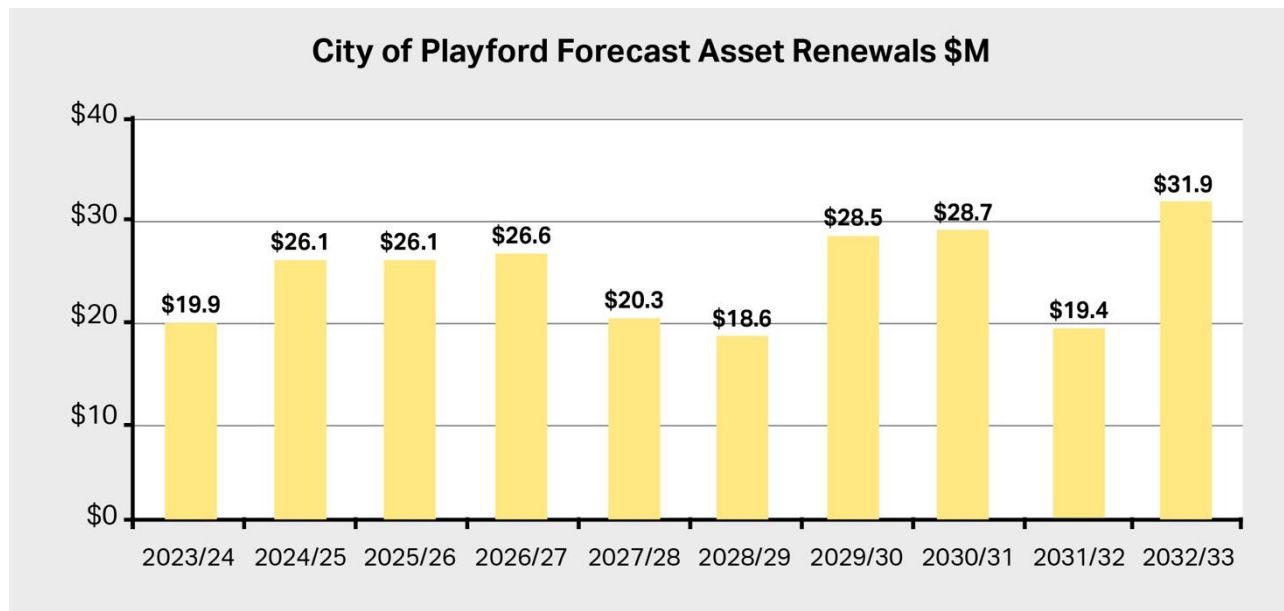
Changes to the lifecycle estimates, particularly the cost of asset renewal, can have a significant impact on this Plan.

The LTFP includes \$19.85M in 2023/24 for asset renewal. Renewal amounts for years 2–10 range from \$18.6M to \$31.9M depending on the age, condition and type of asset.



# Asset Management

The LTFP includes \$246.1M in asset renewal over 10 years:



## Revaluation of Assets

In 2022/23, Council undertook its annual revaluation of its existing assets. Annual revaluations are a legislative requirement, with external independent review also required every five years (maximum). Keeping the value of our assets reflective of their fair value ensures Council is collecting sufficient funds over time to fund the renewal of its assets when they come to the end of their life. The key underlying principle is maintaining intergenerational equity, ensuring all current and future ratepayers who benefit from use of the assets contribute to funding those community assets.

The outcome of the revaluation resulted in an uplift in the value of Council's assets which in turn led to an increase in depreciation expenditure of \$1.9M.



# Key Assumptions

---

In making projections in the Long Term Financial Plan, Council makes a series of assumptions. These assumptions are made based on the best information known at the time.





# Key Assumptions

## Key Assumptions

A number of assumptions underpin this LTFP in regard to:

- Service Levels/Delivery
- Cost Drivers
- Rate Revenue
- Growth
- Grants
- Investment Decisions
- Repurposing of Assets.

Further detail on each of these assumptions is outlined below.

### Service Levels/Delivery

The City of Playford provides a wide range of services and programs to our community. Each service has a Service Standard to ensure we are meeting our community's needs. The LTFP assumes Council will continue to provide existing services at the current service levels except where Council proposes a change to our service delivery.

Commencing from 2023/24 Council will introduce two new service increases.

A green bin rollout will commence and provide a free opt-in Food Organics Green Organics (FOGO) bin to residents who currently do not have one. This supports community and Council efforts to increase our environmental sustainability by reducing the amount of material going to landfill.

To further lift our city's appearance with the provision of green spaces, the Greening Playford – Urban Tree Planting service will deliver additional trees in our pocket parks, windbreaks and larger and linear reserves, as well as supporting resident planting. This project will help uplift and create attractive streetscapes and contribute to Council's commitment to increase tree canopy coverage across the city in the longer term.

The new services and projects not only support our new residents but provide a more connected and liveable city for our existing community.

### Cost Drivers

Several indices were used as cost drivers in preparing this Plan:

- Consumer Price Index (CPI)
- Estimates for wage escalation (Enterprise Agreement and Wage Price Index (WPI))
- Interest Rates

Using these indices shows the effect of inflationary pressures and economic conditions over time. Council will continue to closely monitor inflation forecasts, as projected inflation is likely higher in the short term before it returns to the longer-term average. Future LTFP documents will incorporate the latest inflationary estimates.

CPI is only applied to non-salary expenditure lines where the inflationary impact is unavoidable in the provision of Council services and to years 2 to 10 for asset revaluation. Council traditionally applies CPI sourced from the Australian Bureau of Statistics (ABS); however, to minimise the impact on the community, Council has this year adopted the Deloitte Access Economics Forecast December 2022 release of 7.9%. Whilst lower than the ABS index, the inflation index applied in the

# Key Assumptions

LTFP still represents a significant increase from the inflation assumption adopted in 2022/23 of 3.3%.

Years 2–10 are also based on the Deloitte Forecast Economics December 2022 Release with CPI reverting to more historic values of between 2.3% and 2.6% for the remainder of the Plan.

For salaries, year 1 of this Plan is based on the current negotiated Enterprise Agreement of 2.5%. Years 2–10 are based on the Wage Price Index (WPI) from the Deloitte Forecast Economics December 2022 release of between 3.0% and 3.3% per annum. The LTFP also includes the additional statutory Superannuation Guarantee Charge increase through to 2025/26. Refer to the table below for statutory increases to Superannuation Guarantee Charge included in the LTFP.

Year	Increase	Total Superannuation Guarantee
2023/24	0.5%	11.0%
2024/25	0.5%	11.5%
2025/26	0.5%	12.0%

Interest costs are based on projected debt levels. Existing interest rates are applied to fixed debt. The Deloitte Access Economics Business Outlook rates are applied to variable debt in years 1–10.

The table below summarises the indices included in the LTFP.

Driver	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Consumer Price Index	7.90%	2.58%	2.47%	2.51%	2.52%	2.43%	2.29%	2.29%	2.38%	2.40%
Enterprise Agreement/ Wage Price Index	2.50%	3.23%	3.00%	3.12%	3.21%	3.21%	3.21%	3.26	3.29%	3.33%
Interest Rates – variable	4.97%	4.63%	4.43%	4.18%	4.07%	3.92%	3.70%	3.60%	3.58%	3.58%

## Rate Revenue

The City of Playford's Rating Policy is applied consistently across the LTFP.

Council has set annual rate revenue increases at the level required to meet a 1% structural surplus (the operating surplus when adjusted for once-off grants or events) at the lower end of the target range resolved by Council. This rating approach is in line with Council's desire to remain financially sustainable over the medium to longer term whilst covering cost pressures.

To ensure a structural surplus over the life of the Plan and the ability to deliver new projects consistent with historic levels the rate increase for years 2–10 of the Plan averages 3.5%.

## Growth

Growth assumptions are based on development approvals and expected rates of land release, as well as consideration of the State Government's 30-Year Plan for Greater Adelaide.



# Key Assumptions

The rate of growth of the city has several financial impacts, including:

- Developer contributions recorded as revenue in the income statement in accordance with accounting standards whilst the funds are being used for the construction of capital infrastructure (often in later years)
- Additional rate revenue resulting from new residents/businesses and additional expenditures to provide services to those ratepayers
- The value of assets increasing significantly over time, with infrastructure such as roads, footpaths and parks being donated to Council from developers once construction is complete
- Maintenance costs to service and replace these large amounts of infrastructure placing an increasing financial pressure on Council's budget.

The LTFP ensures Council is not reliant on growth to maintain a strong sustainable financial position. For year 2 residential growth is assumed at 1,500 new dwellings, with the rate of residential growth expected to moderate to slightly lower levels over the remaining 8 years. The LTFP assumes residential rates revenue growth of between \$1.8M and \$2.3M per year over the next 10 years.

Council is party to a number of Infrastructure Deeds Agreements with landowners and the State Government for the expansion of the Virginia and Angle Vale townships and the Playford North Extension area. Council also receives developer contributions associated with the developments. These Deed Agreements and developer contributions ensure roads, drainage, parks and community buildings will be constructed to support the growth of new dwellings over the next 20 years. Estimates in the LTFP are an estimate based on development activity and historic trends.

## Grants

Council receives significant revenue through Federal Government Financial Assistance Grants (FA Grants). The Australian Accounting Standards require disclosure of these grants as income in the year they are received. Despite recent occasions whereby payments have been paid in advance, the LTFP assumes that these funds will all be paid in the year to which they relate. This provides consistency and comparability of financial performance over the life of the Plan and removes the impact of timing variability caused by these prepayments.

In addition to FA Grants, Council has included a number of other grants in the LTFP. These include Roads to Recovery and Local Roads and Community Infrastructure grants. The LTFP assumes that a level of grant funding will continue, adjusted for known once-off occurrences.

## Cost Savings

Council's focus on continuous improvement has resulted in savings of over \$16.9M since 2011. 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.

Council has identified \$0.6M of savings during the 2023/24 budget process which will be used to partially fund the increased cost of services, projects and cost pressures.

# Key Assumptions

## Investment Decisions

Investment decisions relate to projects or services requiring an upfront capital outlay with an expected future financial return. The investments are intended to be self-funded over time, which in turn allows Council to bring new services to the community without a rate increase. Investment decisions produce substantial benefits to the community, such as:

- relief on the pressure to raise rates as investments generate a broadening of our rate base
- new services to the community
- future positive financial returns
- equity across generations.

The investment decision included in the LTFP centres on the development of the CBD. Only projects where there is a legal commitment are included.

## Repurposing of Assets

A key direction in our Finance Strategy is the elimination of historic debt incurred to fund deficits (bad debt) through the repurposing of assets. This strategy identifies Council-owned properties that are surplus to community requirements. The identified assets will be disposed of and the proceeds used to reduce debt, and the property may contribute to an increase in rate revenue. The increased rate revenue will in turn reduce bad debt through increased operating surpluses.

Proposed asset disposals are only included in the LTFP when there is a high level of certainty associated with the disposal.

The key outcome of this strategy is to improve Council's debt profile by removing the legacy debt created by years of operating deficits. Council will focus on delivering a financially sustainable budget by utilising debt to achieve intergenerational equity and reduce future rate rises and impacts on households. This strategy is more about debt management than debt reduction.



# Risks

---

While the Long Term Financial Plan is based on the latest available information, it is a predictive document and subject to certain risks.





# Risks

## Risks

The following section highlights risks to Council's long-term financial position. The analysis focuses on those risks that have the highest sensitivity to movement.

Delivering on the LTFP's ten-year targets is subject to certain inherent risks and influences, including:

- unforeseen economic changes or circumstances
- unforeseen political changes or circumstances
- market conditions and cost pressures.

## Service Delivery

Any changes to service levels in response to community expectations and needs, legislative requirements or changing economic conditions are managed via the annual business planning process.

Council's ability to respond to such financial pressures cannot be absorbed into current budgets without adversely impacting current service standards. As such these pressures create a direct cost impact for the community.

## Electricity

The electricity market has seen sharp increases during 2022/23, reflective of a market response to gas and coal pricing and the transition to renewables. The LTFP incorporates an estimate for the electricity cost pressure indexed by CPI, totalling \$3.9M over the life of the Plan.

Energy regulators are predicting further pressure to continue into 2023/24. Electricity and gas costs together comprise around 2% of Council's expense budget. Council will continue to monitor a broad range of options to minimise its exposure to electricity pricing and secure the lowest cost pricing possible in current markets.

## Waste Management

Household waste management is one of the key services that Council provides, costing around 11% of the annual operating budget. It includes collecting and processing of the waste from the three kerbside bins, along with the hard-waste collection and drop-off services.

Waste collection is managed through the Northern Adelaide Waste Management Authority (NAWMA), a Council-owned subsidiary. Waste management has been, and is expected to continue to be, a cost pressure for Council.

Cost pressures arise from collecting and processing the waste along with participation by the community. Collection and processing costs are associated with changes in contract costs and the State Government Waste Levy. Participation is dependent on the community use of the services. An on-going risk is that the State Government may pass on an increased waste levy as has happened previously.

## Indexation

CPI is regarded as Australia's key measure of household inflation, designed to provide a general measure of the cost of living. Assumptions about future CPI movements are based on data projected by Deloitte Access Economics. However, forecast CPI rates are subject to change as



# Risks

economic conditions change. The past 12 months have demonstrated a significant 5.6% increase in the 2023/24 inflation forecast using the same index.

Movement in CPI affects rate increases, expenditure on services and asset replacement costs. As the cost of doing business increases, Council's costs increase, as does the need to ensure financial sustainability.

Council will continue to monitor the long-term implications of inflationary pressures to ensure ongoing financial sustainability.

## Interest Rates

Movements in interest rates have the potential to substantially affect the future forecast financial position of the LTFP. Interest rate impacts are closely monitored and managed through Council's treasury management practices. The mix of variable and fixed interest debt facilities are considered in conjunction with the treasury management policy to minimise the impact of interest rate changes.

## Sensitivity Analysis

The table below summarises the potential impact to Council's operating expenditure over the 10-year LTFP as a result of a 1% increase in each index, each year. There are significant impacts to Council's operating expenditure which would have to be funded via rates or other revenue. The change in variable interest rates is low due to Council's debt management practices.

Index	10-year Impact Operating Expenditure
Interest Rates	Increase of \$3.7M
CPI	Increase of \$34.7M
WPI	Increase of \$37.1M

## Investment Decisions

All Investment decisions contain inherent risks and uncertainty. Council has ensured that these risks are minimised via our Risk Management Framework.

## Capital Delivery

Like the rest of the economy, Council has been experiencing supply chain disruptions which could cause delays and unexpected increases in the cost of service and infrastructure delivery. These disruptions have been incorporated in the LTFP through the higher indexes.

## Growth

As the City of Playford is a high growth Council we make assumptions in our LTFP for growth in the form of developer contributions and rate revenue. These assumptions are based on the best and most current available data at the time of drafting. Despite this, there is inherent risk in any future assumptions which could have impacts on the future forecast financial position of Council.

# Long Term Financial Plan Results

---

The financial projections contained within the LTFP provide an indication of Council's direction and financial capacity.





# Long Term Financial Plan Results

## Financial Plan Summary

The following section provides an overview of the key financial data and ratios resulting from the Plan.

Long Term Financial Plan 2023/24	Current 2022/23 \$mill	Year 1 2023/24 \$mill	Year 2 2024/25 \$mill	Year 3 2025/26 \$mill	Year 4 2026/27 \$mill	Year 5 2027/28 \$mill	Year 6 2028/29 \$mill	Year 7 2029/30 \$mill	Year 8 2030/31 \$mill	Year 9 2031/32 \$mill	Year 10 2032/33 \$mill	10 Year Average
<b>Operating Result - Surplus (Deficit)</b>	<b>4.4</b>	<b>7.8</b>	<b>5.2</b>	<b>5.2</b>	<b>5.0</b>	<b>5.1</b>	<b>5.1</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>5.3</b>
Non-Structural Items	4.1	6.3	3.7	3.7	3.6	3.5	3.5	3.2	3.2	3.1	3.1	3.7
<b>Structural Operating Surplus/(Deficit)</b>	<b>0.3</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.4</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>1.6</b>
Operating Surplus Ratio	3.6%	5.6%	3.7%	3.5%	3.3%	3.2%	3.1%	2.9%	2.7%	2.6%	2.5%	3.3%
Structural Surplus Ratio	0.3%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
<b>Closing Balance Borrowings</b>	<b>113.2</b>	<b>109.5</b>	<b>105.2</b>	<b>104.8</b>	<b>103.7</b>	<b>94.9</b>	<b>83.0</b>	<b>79.8</b>	<b>75.2</b>	<b>59.9</b>	<b>55.5</b>	<b>87.2</b>

## Key financial data summary

### Sustainable Surplus

Council is committed to maintaining a sustainable operating surplus as part of its Finance Strategy.

The operating surplus over the 10 years of the LTFP remains positive and the operating surplus ratio is towards the lower end of the target range for this ratio with an average of 3.3%. This ratio includes the revenue Council receives from grants and contributions which will be spent on future infrastructure projects when the needs of our growing community are known.

To ensure Council uses money wisely in the short term we also monitor the structural surplus ratio which adjusts for once-off grants/contributions. Our LTFP has a structural surplus within the Council endorsed target range over the life of the LTFP.

The operating surplus in 2023/24 is \$7.8M, which reflects the budget required to deliver existing services to agreed service standards as well as the new and enhanced services as detailed in the 2023/24 Annual Business Plan. This is the surplus required to deliver a financially sustainable budget, keep rate increases to a minimum, manage future contingencies and continue to deliver services to the standard we have been achieving.

### Closing Balance Borrowings

The LTFP shows that borrowings decrease slightly in 2023/24 from the budgeted debt position. This is due to the continued operating surplus, asset sales, and responsible asset management plan. Over the 10-year LTFP the debt reduces significantly. This is due to new capital expenditure being estimated at an average of the two most current years of historical actuals plus the current year forecast, coupled with ongoing cashflow from operations in excess of the short-term funding requirements for the annual asset renewal program. While it may appear that Council has “extra

# Long Term Financial Plan Results

money” these funds are committed to replacing assets which will come to the end of life over the next 20–50 years. This ensures intergenerational equity – the idea that each generation pays their fair share for the use of an asset or resource.

## Reserves Policy

The LTFP applies the existing Council policy for reserves where all funds collected for reserves will be applied to temporarily reduce borrowings. The policy aims to reduce the interest cost to Council over the long term.

The reserves currently held by Council and used to offset borrowings are:

- Open Space Reserve
- Playford Alive Initiatives Fund (committed to by the Playford Alive Steering Committee)
- Growth Areas Infrastructure Reserves.

The reserve balances included in the LTFP are as follows:

Reserves Balance	Year 1 2023/24 \$mill	Year 2 2024/25 \$mill	Year 3 2025/26 \$mill	Year 4 2026/27 \$mill	Year 5 2027/28 \$mill	Year 6 2028/29 \$mill	Year 7 2029/30 \$mill	Year 8 2030/31 \$mill	Year 9 2031/32 \$mill	Year 10 2032/33 \$mill
Reserves Balance	8.1	9.5	10.9	12.1	13.3	14.4	15.3	16.2	16.9	17.7

If Council’s policy for reserves was amended and the reserves were no longer used to temporarily reduce variable borrowings, the debt balance would be estimated as follows:

Reserve Policy not applied	Year 1 2023/24 \$mill	Year 2 2024/25 \$mill	Year 3 2025/26 \$mill	Year 4 2026/27 \$mill	Year 5 2027/28 \$mill	Year 6 2028/29 \$mill	Year 7 2029/30 \$mill	Year 8 2030/31 \$mill	Year 9 2031/32 \$mill	Year 10 2032/33 \$mill
Total Debt	109.5	105.2	104.8	103.7	94.9	83.0	79.8	75.2	59.9	55.5



# Financial Indicators

---

Council has six key performance indicators (KPIs) which it uses to track its financial sustainability. These are reviewed annually as a way of monitoring our performance.

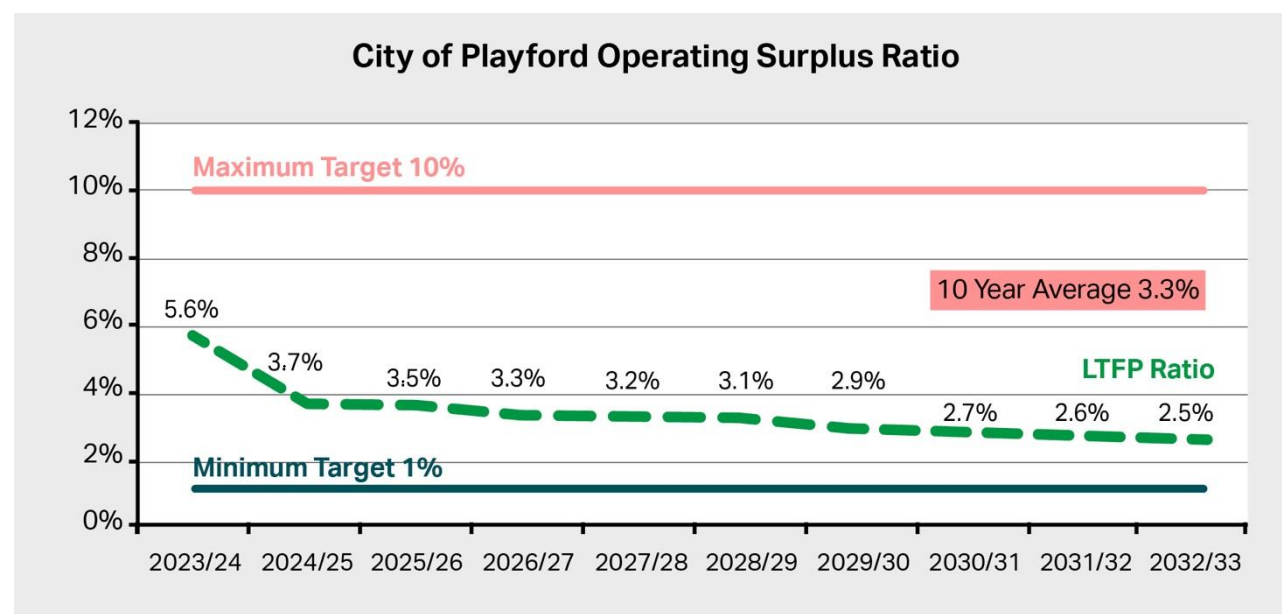




# Financial Indicators

Council's Financial Sustainability Policy provides the financial ratios and targets by which Council's financial performance and financial sustainability can be assessed. This section provides a summary of Council's performance against the financial ratios.

## Operating Surplus Ratio



**Calculated as** Operating Result / Total Operating Income

**Indicates** Financial Sustainability

**Target** Between 1% and 10%

### Long Term Financial Plan Commentary:

The Operating Surplus Ratio indicates Council's ability to service its operations from expected income, while maintaining long-term financial sustainability. Council is committed to maintaining an operating surplus within the target range over the duration of the LTFP as part of its Finance Strategy.

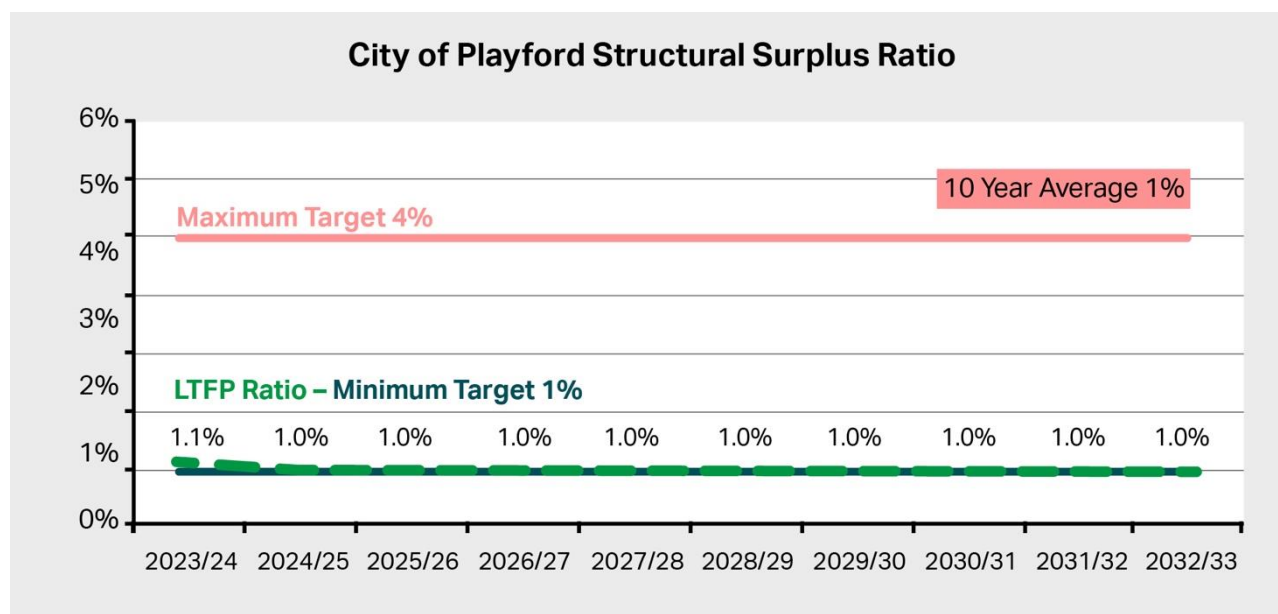
The operating surplus ratio remains within the target range over the 10 years of the LTFP despite the cost pressures and increasing costs of doing business. This is through a combination of grant revenue, developer contributions, continuous improvement savings and rate revenue which covers the costs associated with new projects and inflation.

The downward trend in the ratio over the 10 years reflects declining estimates for developer contributions and grants which are not certain at this time. Council closely monitors development across our city and the availability of future grants so the assumptions underlying these estimates can be updated.



# Financial Indicators

## Structural Surplus Ratio



### Calculated as

Structural Operating Result / Structural Operating Income

### Indicates

Financial Sustainability

### Target

Between 1% and 4%

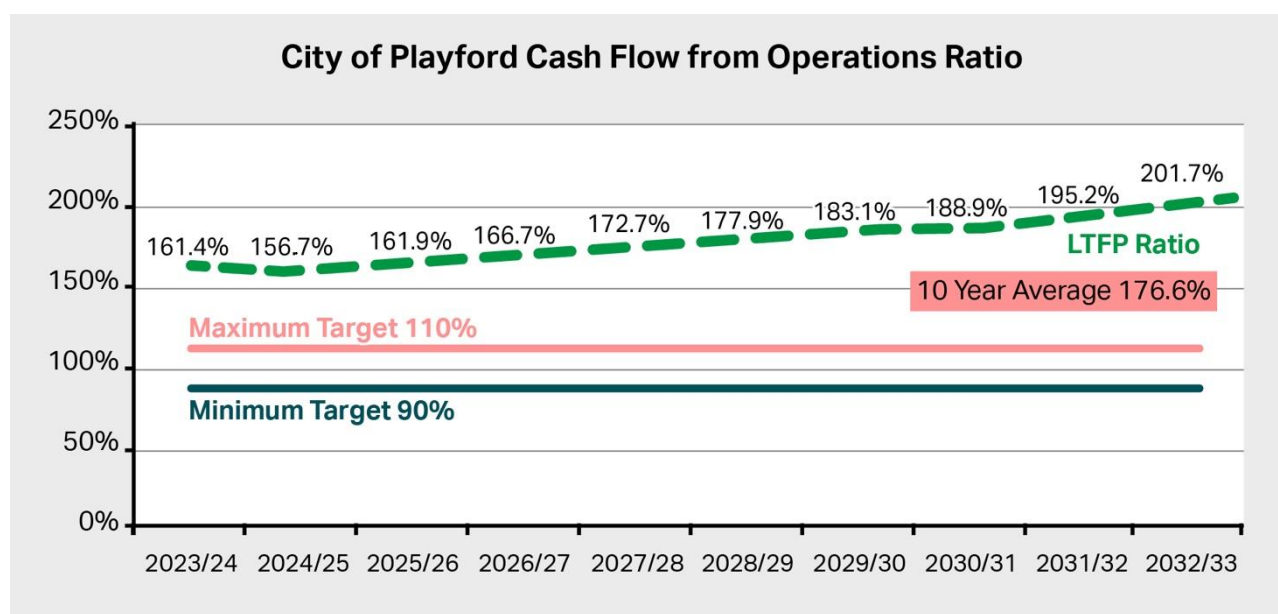
### Long Term Financial Plan Commentary:

The structural surplus ratio excludes once-off operating grants and contributions which need to be spent on future infrastructure projects. It demonstrates whether Council has a sustainable source or revenue to cover its underlying operating costs.

The structural surplus ratio is steady across the 10 years of the LTFP at 1% - the lower end of the target range for this ratio. Planning to achieve the lower end of the target range achieves a financially sustainable position whilst moderating the impact on rates for ratepayers.

# Financial Indicators

## Cash Flow from Operations Ratio



**Calculated as** Cash Flow from Operations / Asset Management Plan Replacement Annuity

**Indicates** If Council is generating enough cash from operations to cover the replacement of assets over time

**Target** Between 90% and 110%, allowing for annual variation

### Long Term Financial Plan Commentary:

Council's Cash Flow from Operations increases over the life of the Plan. This indicates Council will have sufficient cash reserves to replace infrastructure as it ages.

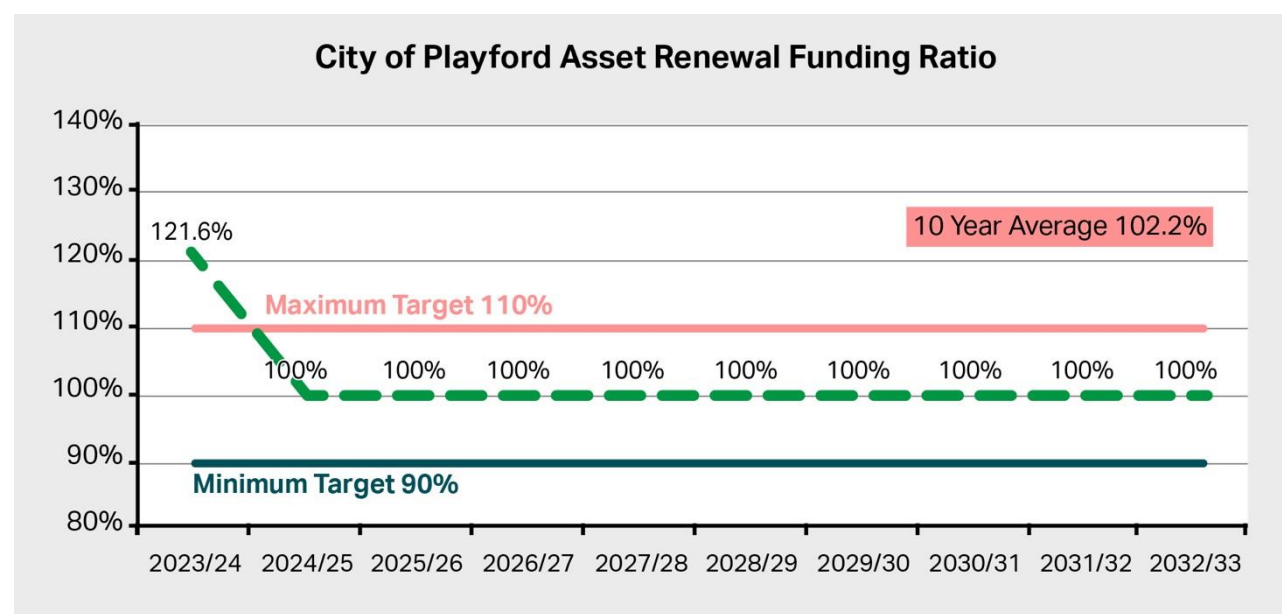
Over the 10 years of the LTFP, this ratio is above the target range. While it may appear that Council has "extra" money, this is not the case due to timing lags:

- Once-off operating grants and developer contributions received in the near term will need to be held in reserve, then spent on infrastructure projects in the future to meet the needs of our growing community.
- Cashflows from operations in excess of the short-term funding requirements for the annual asset renewal program. 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.



# Financial Indicators

## Asset Renewal Funding Ratio



**Calculated as** Amount spent on the replacement of assets (net of sale proceeds from replaced assets) / Amount Planned to be spent in SAMP.

**Indicates** If Council is performing the required work to replace assets and maintain the level of service.

**Target** Between 90% and 110%

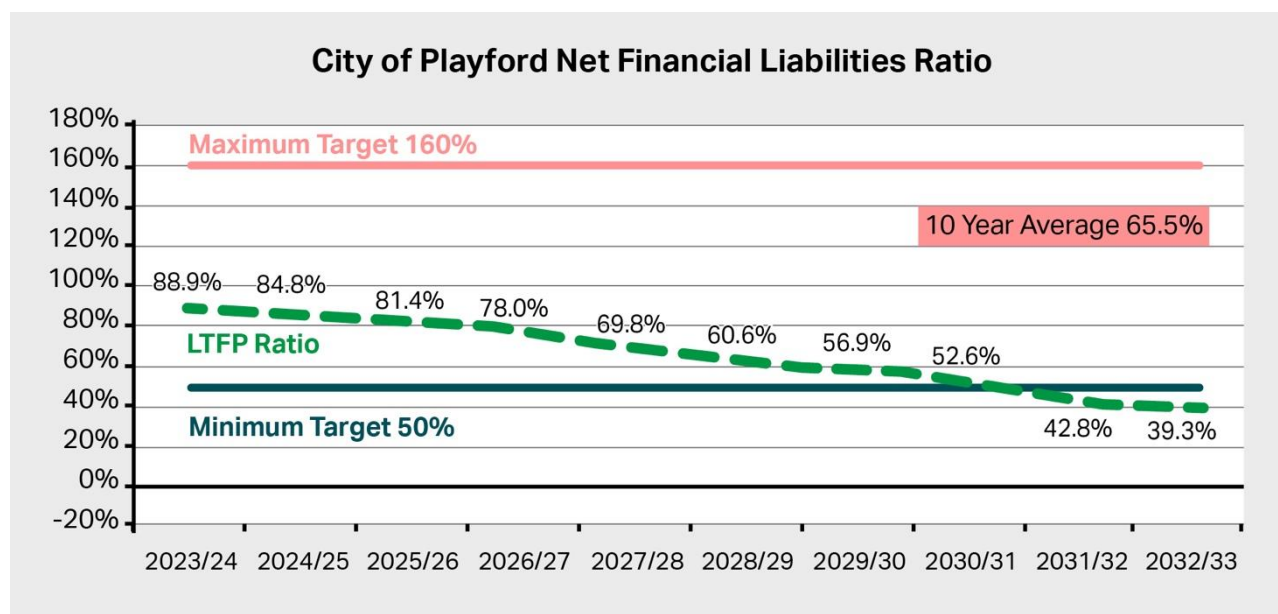
### Long Term Financial Plan Commentary:

Council's Strategic Asset Management Plan determines when assets need to be replaced. A ratio of 100% means Council is spending exactly what is needed as per the Strategic Asset Management Plan. Spending within the target ranges shows that Council is replacing assets and infrastructure at a time that optimises asset lifespan – not too early and not too late.

The result for 2023/24 is slightly higher than the target range at 121.6% due to carry-forward of capital expenditure from 2022/23. This is a combination of projects which were planned to be delivered over multiple years and some projects where external factors have limited our ability to deliver projects this financial year and some renewal works deferred to align with other projects and reduced disruption to the community. This ratio returns to within the target range by year 2 of the LTFP.

# Financial Indicators

## Net Financial Liabilities Ratio



**Calculated as** Net financial liabilities <sup>1</sup> / Total Operating Income

**Indicates** The extent to which Council is managing its debt

**Target** Between 50% and 160%

### Long Term Financial Plan Commentary:

Funding the replacement of existing assets or the construction of new assets through borrowings addresses intergenerational equity – the idea that each generation pays their fair share for the use of an asset or resource. The Net Financial Liabilities ratio shows the extent to which Council is managing its debt. The target range for this ratio allows for delivery of assets as our community develops. This ratio is considered in conjunction with the Interest Expense Ratio (ratio 6).

Our considered approach to developing the Annual Business Plan and Budget ensures we remain within the target range for this ratio in 2023/24 and the majority of the 10-year period.

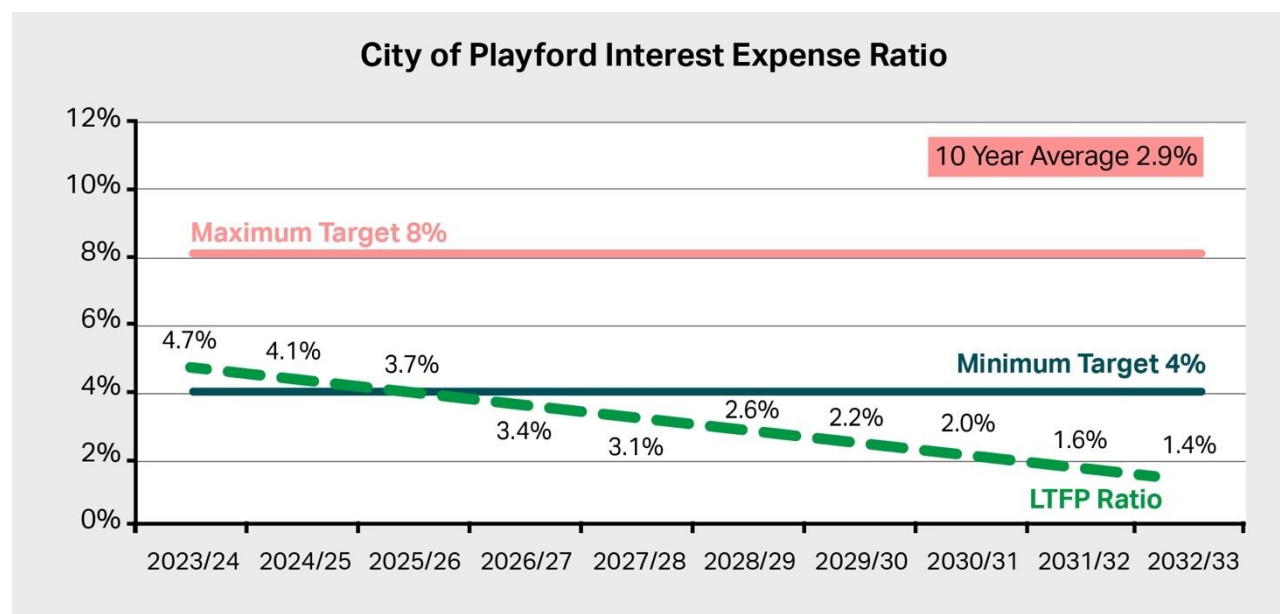
Our focus on sustainable surpluses, responsible debt management and repurposing of assets sees a declining net asset ratio over the life of the LTFP. The ratio also demonstrates the future borrowing capacity of Council to replace assets which will come to the end of life over the next 20 to 50 years.

<sup>1</sup> Net financial liabilities are total liabilities less cash and other financial assets readily convertible to cash.



# Financial Indicators

## Interest Expense Ratio



**Calculated as** Interest expense less interest income / General rate income (less Regional Landscape Levy)

**Indicates** Affordability of Council's debt

**Target** Between 4% and 8%

### Long Term Financial Plan Commentary:

The target range of 4% to 8% provides flexibility to introduce new projects and services, while keeping the cost of debt affordable.

The Interest Expense Ratio is budgeted to be within the target range until 2026/27, after which the ratio moves below the target range. This reflects Council's focus on responsible debt management and only delivering services our community has told us they want through a responsible budget.

A low Interest Expense Ratio enables Council to manage interest rate risk which is particularly important given the uncertainty in interest rates at this time.

This ratio, combined with the Net Financial Liabilities ratio, indicates the capacity of Council to borrow if required over the medium to longer term. Building borrowing capacity to meet the growing needs of our new and existing communities and to meet the future commitments associated with developer contributions is important.

# Financial Statements

---

Financial statements provide information about the financial position, financial performance and cash flows of Council.





# Financial Statements

## Financial Statements

### Uniform Presentation of Finances

The *Uniform Presentation of Finances* statement provides a high-level summary of both operating and capital investment activities enabling comparisons between councils.

### Statement of Comprehensive Income

The *Statement of comprehensive Income* presents the operating income, expenses and result. It also presents those amounts that are classified as capital income and other comprehensive income. It is based on the model financial statements as required under the *Local Government Act 1999*. Amounts included within this statement are used to calculate a number of the financial indicators that assist in assessing our financial performance and viability over time.

### Balance Sheet

The *Balance Sheet* provides a projection of total 'community wealth' (total equity). The balance sheet summarises our financial worth at a specific point in time including assets, liabilities and net equity. Amounts included within the balance sheet are used to calculate a number of the financial indicators that assist in assessing our financial position and viability over time.

### Statement of Changes in Equity

The *Statement of Changes in Equity* is used to illustrate the movement between the equity shown in the balance sheet at the beginning of an accounting period and the equity at the end of a period. It also provides details of reserves currently held including forecast movements.

### Statement of Cash Flows

The *Statement of Cash Flows* forecasts incoming and outgoing cash for the financial year. It also explains changes in the balance sheet and statement of comprehensive income affected by cash and cash equivalents. The statement is useful in determining the short-term viability of Council, particularly our ability to meet cash commitments.

# Financial Statements

## Projected financial statements 2023-24 / 2032-33

<b>City of Playford</b>												
<b>10 Year Financial Plan for the Years ending 30 June 2033</b>												
<b>UNIFORM PRESENTATION OF FINANCES - GENERAL</b>	<b>Actuals</b>	<b>Current Year</b>	<b>Projected Years</b>									
<b>FUND</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>	<b>2032/33</b>
<b>Scenario: Rolled over from V13 (with 21/22 as base year)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating Activities</b>												
Income	124,239,000	123,054,798	138,992,017	141,438,802	147,505,220	153,451,958	159,810,257	165,666,655	171,763,468	178,391,723	185,161,037	192,373,763
less Expenses	(108,687,000)	(118,609,448)	(131,187,342)	(136,275,789)	(142,304,877)	(148,426,879)	(154,709,474)	(160,594,223)	(166,867,192)	(173,514,391)	(180,298,326)	(187,522,008)
<b>Operating Surplus / (Deficit)</b>	<b>15,552,000</b>	<b>4,445,350</b>	<b>7,804,674</b>	<b>5,163,013</b>	<b>5,200,343</b>	<b>5,025,080</b>	<b>5,100,783</b>	<b>5,072,432</b>	<b>4,896,276</b>	<b>4,877,332</b>	<b>4,862,711</b>	<b>4,851,755</b>
<b>Capital Activities</b>												
<b>less (Net Outlays) on Existing Assets</b>												
Capital Expenditure on Renewal and Replacement of Existing Assets	(15,110,000)	(19,800,463)	(24,145,473)	(26,125,749)	(26,109,382)	(26,649,200)	(20,313,371)	(18,639,926)	(28,457,377)	(28,650,774)	(19,402,318)	(31,880,738)
add back Depreciation, Amortisation and Impairment	25,537,000	27,571,636	30,502,306	32,199,690	33,506,147	34,828,845	36,210,109	37,523,270	38,982,932	40,438,911	41,941,172	43,538,563
add back Proceeds from Sale of Replaced Assets	1,361,000	-	-	-	-	-	-	-	-	-	-	-
<b>(Net Outlays) on Existing Assets</b>	<b>11,788,000</b>	<b>7,771,173</b>	<b>6,356,833</b>	<b>6,073,941</b>	<b>7,396,765</b>	<b>8,179,645</b>	<b>15,896,738</b>	<b>18,883,344</b>	<b>10,525,555</b>	<b>11,788,137</b>	<b>22,538,854</b>	<b>11,657,825</b>
<b>less (Net Outlays) on New and Upgraded Assets</b>												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(13,839,000)	(32,451,908)	(38,078,568)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)
add back Amounts Received Specifically for New and Upgraded Assets	2,516,000	10,061,241	8,667,771	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	4,334,000	4,111,000	17,540,000	5,180,250	-	-	-	-	-	-	-	-
<b>(Net Outlays) on New and Upgraded Assets</b>	<b>(6,989,000)</b>	<b>(18,279,667)</b>	<b>(11,870,797)</b>	<b>(8,170,501)</b>	<b>(13,350,751)</b>	<b>(13,350,751)</b>	<b>(13,350,751)</b>	<b>(13,350,751)</b>	<b>(13,350,751)</b>	<b>(13,350,751)</b>	<b>(13,350,751)</b>	<b>(13,350,751)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>20,351,000</b>	<b>(6,063,144)</b>	<b>2,290,711</b>	<b>3,066,453</b>	<b>(753,643)</b>	<b>(146,026)</b>	<b>7,646,770</b>	<b>10,605,025</b>	<b>2,071,080</b>	<b>3,314,718</b>	<b>14,050,813</b>	<b>3,158,830</b>



# Financial Statements

<b>City of Playford</b>												
<b>10 Year Financial Plan for the Years ending 30 June 2033</b>												
<b>STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND</b>												
	Actuals	Current Year	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income</b>												
Rates	86,346,000	91,584,698	102,004,416	107,475,655	112,826,386	118,222,264	123,879,018	129,070,736	134,710,547	140,630,567	146,747,342	153,170,738
Statutory Charges	2,852,000	2,233,700	2,888,416	2,962,985	3,036,062	3,112,248	3,190,552	3,267,974	3,342,800	3,419,243	3,500,716	3,584,711
User Charges	3,929,000	6,007,965	6,046,579	6,202,680	6,355,659	6,515,145	6,679,067	6,841,140	6,997,782	7,157,806	7,328,361	7,504,195
Grants, Subsidies and Contributions	29,150,000	22,466,915	27,187,134	23,916,178	24,390,340	24,689,408	25,132,177	25,541,046	25,750,877	26,206,628	26,590,054	27,101,961
Investment Income	10,000	8,750	51,873	51,267	50,627	49,950	49,237	48,485	47,692	46,858	45,980	45,057
Reimbursements	905,000	516,770	636,770	653,209	669,319	686,115	703,378	720,446	736,942	753,794	771,755	790,272
Other Income	205,000	203,000	176,828	176,828	176,828	176,828	176,828	176,828	176,828	176,828	176,828	176,828
Net gain - equity accounted Council businesses	842,000	33,000	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>124,239,000</b>	<b>123,054,798</b>	<b>138,992,017</b>	<b>141,438,802</b>	<b>147,505,220</b>	<b>153,451,958</b>	<b>159,810,257</b>	<b>165,666,655</b>	<b>171,763,468</b>	<b>178,391,723</b>	<b>185,161,037</b>	<b>192,373,763</b>
<b>Expenses</b>												
Employee Costs	41,719,000	44,281,931	47,719,266	50,438,937	53,017,191	55,505,486	58,142,946	60,762,048	63,486,129	66,353,703	69,357,306	72,506,690
Materials, Contracts & Other Expenses	37,507,000	42,085,124	47,624,525	48,664,671	51,005,513	53,448,281	55,978,064	58,410,133	60,850,578	63,362,407	66,018,291	68,768,606
Depreciation, Amortisation & Impairment	25,537,000	27,571,636	30,502,306	32,199,690	33,506,147	34,828,845	36,210,109	37,523,270	38,982,932	40,438,911	41,941,172	43,538,563
Finance Costs	3,847,000	4,570,200	4,756,282	4,387,529	4,191,065	4,059,305	3,793,392	3,313,810	2,962,591	2,774,408	2,396,596	2,123,187
Net loss - Equity Accounted Council Businesses	77,000	100,556	584,962	584,962	584,962	584,962	584,962	584,962	584,962	584,962	584,962	584,962
<b>Total Expenses</b>	<b>108,687,000</b>	<b>118,609,448</b>	<b>131,187,342</b>	<b>136,275,789</b>	<b>142,304,877</b>	<b>148,426,879</b>	<b>154,709,474</b>	<b>160,594,223</b>	<b>166,867,192</b>	<b>173,514,391</b>	<b>180,298,326</b>	<b>187,522,008</b>
<b>Operating Surplus / (Deficit)</b>	<b>15,552,000</b>	<b>4,445,350</b>	<b>7,804,674</b>	<b>5,163,013</b>	<b>5,200,343</b>	<b>5,025,080</b>	<b>5,100,783</b>	<b>5,072,432</b>	<b>4,896,276</b>	<b>4,877,332</b>	<b>4,862,711</b>	<b>4,851,755</b>
Asset Disposal & Fair Value Adjustments	(4,769,000)	-	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	2,516,000	8,701,328	15,961,198	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163
Physical Resources Received Free of Charge	48,511,000	33,000,000	25,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit)</b>	<b>61,810,000</b>	<b>46,146,678</b>	<b>48,765,872</b>	<b>29,589,176</b>	<b>29,626,506</b>	<b>29,451,243</b>	<b>29,526,946</b>	<b>29,498,595</b>	<b>29,322,439</b>	<b>29,303,495</b>	<b>29,288,874</b>	<b>29,277,918</b>
<b>Other Comprehensive Income</b>												
<b>Amounts which will not be reclassified subsequently to operating result</b>												
Changes in Revaluation Surplus - I,PP&E	215,794,000	83,820,537	46,024,349	31,664,481	31,941,889	34,185,563	35,995,170	36,221,907	35,528,244	37,001,393	40,133,934	41,812,030
Share of Other Comprehensive Income - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	(689,000)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Revalued I,PP&E	-	-	-	-	-	-	-	-	-	-	-	-
Net assets transferred - Council restructure	-	-	-	-	-	-	-	-	-	-	-	-
Other	29,000	-	-	-	-	-	-	-	-	-	-	-
<b>Amounts which will be reclassified subsequently to operating result</b>												
Available-for-Sale Financial Instruments - Change in Fair Value	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Available-for-Sale Financial Instruments	-	-	-	-	-	-	-	-	-	-	-	-
Movements in Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>215,134,000</b>	<b>83,820,537</b>	<b>46,024,349</b>	<b>31,664,481</b>	<b>31,941,889</b>	<b>34,185,563</b>	<b>35,995,170</b>	<b>36,221,907</b>	<b>35,528,244</b>	<b>37,001,393</b>	<b>40,133,934</b>	<b>41,812,030</b>
<b>Total Comprehensive Income</b>	<b>276,944,000</b>	<b>129,967,215</b>	<b>94,790,221</b>	<b>61,253,657</b>	<b>61,568,394</b>	<b>63,636,806</b>	<b>65,522,116</b>	<b>65,720,502</b>	<b>64,850,683</b>	<b>66,304,887</b>	<b>69,422,808</b>	<b>71,089,949</b>

# Financial Statements

City of Playford												
10 Year Financial Plan for the Years ending 30 June 2033												
STATEMENT OF FINANCIAL POSITION - GENERAL FUND												
	Actuals	Current Year	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	1,818,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Trade & Other Receivables	6,426,000	6,320,575	7,291,793	7,132,634	7,432,337	7,730,650	8,046,126	8,337,625	8,643,022	8,970,916	9,268,726	9,623,494
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	192,000	185,284	209,672	214,251	224,557	235,311	246,449	257,156	267,901	278,959	290,652	302,760
Other Current Assets	757,000	617,405	698,670	713,930	748,271	784,107	821,220	856,899	892,702	929,551	968,514	1,008,862
Non-current assets classified as "Held for Sale"	5,156,000	17,540,000	5,180,250	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>14,349,000</b>	<b>26,163,264</b>	<b>14,880,385</b>	<b>9,560,814</b>	<b>9,905,164</b>	<b>10,250,068</b>	<b>10,613,795</b>	<b>10,951,680</b>	<b>11,303,624</b>	<b>11,679,426</b>	<b>12,027,892</b>	<b>12,435,116</b>
<b>Non-Current Assets</b>												
Financial Assets	273,000	248,387	222,772	195,721	167,178	137,086	105,385	72,013	36,906	0	0	0
Equity Accounted Investments in Council Businesses	10,759,000	10,691,444	10,106,482	9,521,520	8,936,558	8,351,596	7,766,634	7,181,672	6,596,710	6,011,748	5,426,786	4,841,824
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,527,134,000	1,652,160,290	1,749,726,123	1,813,093,577	1,875,415,614	1,939,198,446	1,997,073,792	2,052,189,269	2,114,968,872	2,177,959,041	2,233,331,035	2,301,262,155
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	12,726,000	12,726,000	12,726,000	12,726,000	12,726,000	12,726,000	12,726,000	12,726,000	12,726,000	12,726,000	12,726,000	12,726,000
<b>Total Non-Current Assets</b>	<b>1,550,892,000</b>	<b>1,675,826,121</b>	<b>1,772,781,377</b>	<b>1,835,536,818</b>	<b>1,897,245,351</b>	<b>1,960,413,128</b>	<b>2,017,671,811</b>	<b>2,072,168,954</b>	<b>2,134,328,488</b>	<b>2,196,696,789</b>	<b>2,251,483,822</b>	<b>2,318,829,979</b>
<b>TOTAL ASSETS</b>	<b>1,565,241,000</b>	<b>1,701,989,385</b>	<b>1,787,661,762</b>	<b>1,845,097,633</b>	<b>1,907,150,515</b>	<b>1,970,663,197</b>	<b>2,028,285,606</b>	<b>2,083,120,634</b>	<b>2,145,632,112</b>	<b>2,208,376,216</b>	<b>2,263,511,714</b>	<b>2,331,265,095</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	20,575,000	20,622,216	15,083,174	15,412,599	16,153,968	16,927,617	17,728,825	18,499,087	19,272,000	20,067,522	20,908,668	21,779,721
Borrowings	6,314,000	6,522,406	5,302,839	4,440,983	3,504,633	3,635,822	3,417,595	3,029,676	3,144,939	3,264,601	3,388,833	3,517,808
Provisions	6,429,000	6,460,719	6,575,019	6,693,010	6,814,540	6,939,856	7,069,190	7,202,673	7,340,441	7,482,704	7,629,653	7,781,498
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>33,318,000</b>	<b>33,605,341</b>	<b>26,961,032</b>	<b>26,546,592</b>	<b>26,473,140</b>	<b>27,503,296</b>	<b>28,215,610</b>	<b>28,731,436</b>	<b>29,757,381</b>	<b>30,814,828</b>	<b>31,927,154</b>	<b>33,079,027</b>
<b>Non-Current Liabilities</b>												
Cash Advance Debenture	29,540,000	42,442,787	45,247,810	46,260,381	50,297,137	52,752,058	47,530,158	39,130,178	38,880,700	37,496,849	25,454,830	24,451,940
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	70,729,000	64,216,560	58,913,720	54,472,738	50,968,104	47,332,282	43,914,686	40,885,010	37,740,071	34,475,469	31,086,636	27,568,827
Provisions	1,269,000	1,372,483	1,396,764	1,421,829	1,447,646	1,474,268	1,501,743	1,530,100	1,559,366	1,589,588	1,620,805	1,653,062
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>101,538,000</b>	<b>108,031,829</b>	<b>105,558,294</b>	<b>102,154,948</b>	<b>102,712,887</b>	<b>101,558,608</b>	<b>92,946,587</b>	<b>81,545,287</b>	<b>78,180,137</b>	<b>73,561,906</b>	<b>58,162,271</b>	<b>53,673,829</b>
<b>TOTAL LIABILITIES</b>	<b>134,856,000</b>	<b>141,637,170</b>	<b>132,519,326</b>	<b>128,701,540</b>	<b>129,186,028</b>	<b>129,061,903</b>	<b>121,162,197</b>	<b>110,276,723</b>	<b>107,937,518</b>	<b>104,376,734</b>	<b>90,089,425</b>	<b>86,752,857</b>
<b>Net Assets</b>	<b>1,430,385,000</b>	<b>1,560,352,215</b>	<b>1,655,142,436</b>	<b>1,716,396,093</b>	<b>1,777,964,487</b>	<b>1,841,601,293</b>	<b>1,907,123,409</b>	<b>1,972,843,911</b>	<b>2,037,694,594</b>	<b>2,103,999,482</b>	<b>2,173,422,289</b>	<b>2,244,512,238</b>
<b>EQUITY</b>												
Accumulated Surplus	415,270,000	461,649,479	515,341,328	543,564,454	571,796,115	600,017,759	628,349,567	656,716,000	685,152,480	713,580,144	742,106,301	770,621,502
Asset Revaluation Reserves	1,001,855,000	1,085,675,537	1,131,699,886	1,163,364,366	1,195,306,255	1,229,491,818	1,265,486,988	1,301,708,895	1,337,237,139	1,374,238,532	1,414,372,466	1,456,184,496
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	13,260,000	13,027,199	8,101,222	9,467,273	10,862,118	12,091,716	13,286,854	14,419,016	15,304,975	16,180,806	16,943,523	17,706,240
<b>Total Equity</b>	<b>1,430,385,000</b>	<b>1,560,352,215</b>	<b>1,655,142,436</b>	<b>1,716,396,093</b>	<b>1,777,964,487</b>	<b>1,841,601,293</b>	<b>1,907,123,409</b>	<b>1,972,843,911</b>	<b>2,037,694,594</b>	<b>2,103,999,482</b>	<b>2,173,422,289</b>	<b>2,244,512,238</b>



# Financial Statements

City of Playford												
10 Year Financial Plan for the Years ending 30 June 2033												
STATEMENT OF CHANGES IN EQUITY - GENERAL FUND												
	Actuals	Current Year	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	1,153,441,000	1,430,385,000	1,560,352,215	1,655,142,436	1,716,396,093	1,777,964,487	1,841,601,293	1,907,123,409	1,972,843,911	2,037,694,594	2,103,999,482	2,173,422,289
Net Surplus / (Deficit) for Year	61,810,000	46,146,678	48,765,872	29,589,176	29,626,506	29,451,243	29,526,946	29,498,595	29,322,439	29,303,495	29,288,874	29,277,918
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	215,794,000	83,820,537	46,024,349	31,664,481	31,941,889	34,185,563	35,995,170	36,221,907	35,528,244	37,001,393	40,133,934	41,812,030
- Available for Sale Financial Instruments: change in fair value	-	-	-	-	-	-	-	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	(689,000)	-	-	-	-	-	-	-	-	-	-	-
- Transfer to Accumulated Surplus on Sale of I,PP&E	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer to Acc. Surplus on Sale of AFS Financial Instruments	-	-	-	-	-	-	-	-	-	-	-	-
- Share of OCI - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
- Other Equity Adjustments - Equity Accounted Council Businesses	29,000	-	-	-	-	-	-	-	-	-	-	-
- Other Movements	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	215,134,000	83,820,537	46,024,349	31,664,481	31,941,889	34,185,563	35,995,170	36,221,907	35,528,244	37,001,393	40,133,934	41,812,030
Total Comprehensive Income	276,944,000	129,967,215	94,790,221	61,253,657	61,568,394	63,636,806	65,522,116	65,720,502	64,850,683	66,304,887	69,422,808	71,089,949
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	1,430,385,000	1,560,352,215	1,655,142,436	1,716,396,093	1,777,964,487	1,841,601,293	1,907,123,409	1,972,843,911	2,037,694,594	2,103,999,482	2,173,422,289	2,244,512,238

# Financial Statements

City of Playford 10 Year Financial Plan for the Years ending 30 June 2033 STATEMENT OF CASH FLOWS - GENERAL FUND												
	Actuals	Current Year	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates Receipts	86,551,000	91,584,969	101,547,038	107,212,398	112,569,389	117,961,684	123,607,044	128,821,324	134,439,505	140,346,183	146,453,527	152,862,190
Statutory Charges	2,852,000	2,224,716	2,820,888	2,955,294	3,028,525	3,104,390	3,182,476	3,259,988	3,335,083	3,411,359	3,492,313	3,576,048
User Charges	4,242,000	5,993,601	6,042,597	6,186,580	6,339,880	6,498,696	6,662,160	6,824,424	6,981,626	7,141,301	7,310,770	7,486,060
Grants, Subsidies and Contributions (operating purpose)	29,228,000	22,386,785	26,755,101	24,365,276	24,373,866	24,679,017	25,116,793	25,526,840	25,743,586	26,190,793	26,576,732	27,084,176
Investment Receipts	10,000	8,838	50,972	51,280	50,640	49,965	49,252	48,500	47,709	46,875	45,998	45,077
Reimbursements	980,000	520,468	626,057	651,741	667,881	684,615	701,836	718,922	735,469	752,289	770,152	788,619
Other	6,464,000	213,646	179,527	176,828	176,828	176,828	176,828	176,828	176,828	176,828	176,828	176,828
<b>Payments:</b>												
Payments to Employees	(41,885,000)	(44,146,730)	(47,580,685)	(50,295,881)	(52,869,844)	(55,353,547)	(57,986,138)	(60,600,207)	(63,319,094)	(66,181,219)	(69,179,140)	(72,322,587)
Payments for Materials, Contracts & Other Expenses	(42,989,000)	(43,056,078)	(45,975,793)	(48,355,085)	(50,308,791)	(52,721,222)	(55,225,106)	(57,686,259)	(60,124,211)	(62,614,793)	(65,227,801)	(67,950,009)
Finance Payments	(3,847,000)	(4,570,200)	(4,756,282)	(4,387,529)	(4,191,065)	(4,059,305)	(3,793,392)	(3,313,810)	(2,962,591)	(2,774,408)	(2,396,596)	(2,123,187)
<b>Net Cash provided (or used in) Operating Activities</b>	41,606,000	31,160,016	39,709,420	38,560,903	39,837,309	41,021,120	42,491,753	43,776,551	45,053,910	46,495,209	48,022,784	49,623,212
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Amounts Received Specifically for New/Upgraded Assets	2,516,000	10,061,241	8,667,771	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163	4,426,163
Sale of Replaced Assets	1,361,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	4,334,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Non Current Assets "Held for Sale"	-	4,111,000	17,540,000	5,180,250	-	-	-	-	-	-	-	-
Net Disposal of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Developments	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	18,000	23,380	24,233	25,615	27,051	28,543	30,092	31,701	33,372	35,107	36,906	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Expenditure on Renewal/Replacement of Assets	(15,110,000)	(19,800,463)	(24,145,473)	(26,125,749)	(26,109,382)	(26,649,200)	(20,313,371)	(18,639,926)	(28,457,377)	(28,650,774)	(19,402,318)	(31,880,738)
Expenditure on New/Upgraded Assets	(13,839,000)	(32,451,908)	(38,078,568)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)	(17,776,914)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Net Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Development of Real Estate for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure on Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Loans Made to Community Groups	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	(20,720,000)	(38,056,750)	(35,992,037)	(34,270,635)	(39,433,082)	(39,971,408)	(33,634,030)	(31,958,976)	(41,774,756)	(41,966,418)	(32,716,163)	(45,231,489)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from CAD	-	12,902,787	2,805,023	1,012,572	4,036,755	2,454,921	-	-	-	-	-	-
Proceeds from Borrowings	138,615,000	-	-	-	-	-	-	-	-	-	-	-
Receipt of Funds from Leases	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Aged Care Facility Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Bonds & Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Receipts from Other Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Repayments of CAD	-	-	-	-	-	-	(5,221,900)	(8,399,980)	(249,477)	(1,383,851)	(12,042,019)	(1,002,890)
Repayments of Borrowings	(157,671,000)	(6,173,681)	(6,440,276)	(5,260,313)	(4,412,992)	(3,504,633)	(3,635,823)	(3,417,595)	(3,029,677)	(3,144,939)	(3,264,602)	(3,388,833)
Repayment of Principal Portion of Lease Liabilities	(134,000)	(150,371)	(82,130)	(42,526)	(27,991)	-	-	-	-	-	-	-
Repayment of Aged Care Facility Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds & Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Payments of Other Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	(19,190,000)	6,578,734	(3,717,383)	(4,290,268)	(404,227)	(1,049,712)	(8,857,723)	(11,817,575)	(3,279,154)	(4,528,790)	(15,306,621)	(4,391,723)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	1,696,000	(318,000)	-	-	-	-	-	-	-	-	-	-
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	122,000	1,818,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Cash &amp; Cash Equivalents - end of the year</b>	1,818,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Cash &amp; Cash Equivalents - end of the year</b>	1,818,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Investments - end of the year</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	1,818,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000