



# Long Term Financial Plan

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## Acknowledgement of Country

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

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



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# Long Term Financial Plan

## About this document

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

The purpose of the LTFP is to express in financial terms, the activities that Council proposes to undertake over the medium to long term, in delivering its strategic objectives.

The LTFP includes 10 years of financial projections. Most importantly, it includes information on a set of financial indicators which articulate how Council is performing with regards to financial sustainability.

The LTFP is a projection which is based on information known at the time. In making these projections it is also necessary to make assumptions. As such, the process of review of the LTFP is iterative, it can change as new or updated information is presented.

The financial projections contained within the LTFP provide an indication of Council's direction and financial capacity rather than predicting its future financial performance and position. The LTFP should be viewed as a guide to future actions or opportunities, which in turn encourages long-term thinking about the impact of decisions made today on Council's future financial sustainability.

### *Why do we have a LTFP?*

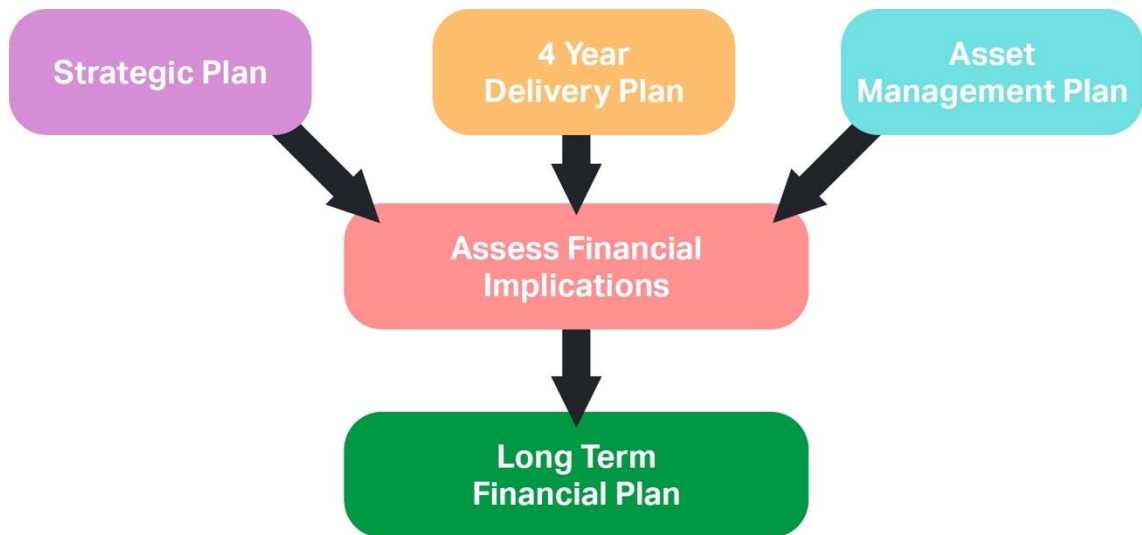
While Council is required under legislation to produce a LTFP, it is more than a compliance document. Council uses the LTFP to consider the long-term impacts of its decisions. It helps provide clarity on the financial implications of decisions in the long-term to ensure we are managing resources responsibly both 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.

### *How it is developed and reviewed?*

When developing our Strategic Plan, Annual Business Plan and Asset Management Plan, Council assesses the financial implications of each objective, investment or new service. We take these 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. Because these factors can change, the LTFP is reviewed annually to ensure financial information remains robust. We run this process in line with the annual budget cycle, taking into consideration any new projects or services that Council decides to introduce.

## *The 2022/23 LTFP*

This year there are some challenging impacts that have long term financial implications. This plan provides information on those challenges and explains the strategies for managing them to support Council's focus on maintaining 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.

# Long Term Financial Plan



## 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 ensures Council can deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner over the medium to longer term.

This year, Council has faced some challenging impacts that have the potential to impact on our long-term financial position if we do not retain our proactive focus on financial sustainability.

### *Growth*

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 have increased by 2.6% or 1,100 properties in 2021/22. This rate of growth far exceeds the state-wide average and historic averages within our own City.

Growth provides great opportunity to improve the lifestyle and services in our community, but also puts increasing demand on Council resources to service new suburbs and more residents. 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.

### *Inflationary pressures*

Like much of the business community, local government is facing some significant cost and inflationary pressures in 2022/23 and beyond. The consumer price index (CPI), wage price index (WPI) and interest rates are important assumptions used in long term financial projections. All these indices have increased significantly since 2021/22 and are forecast to increase across the life of this plan. To maintain long-term financial sustainability, we need to fund the increased costs to deliver our services.

### *Asset revaluation*

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 new infrastructure when it needs to. This is especially true for the City of Playford as we have an ongoing tension between having to invest in new infrastructure for our growth areas whilst maintaining our existing community assets.

In 2021/22 Council was required to undergo a revaluation of its existing assets. This is a legislative requirement, required at least every five years. The revaluation ensures our financial statements fairly represent the financial position of Council and that Council is collecting sufficient funds over time to fund the renewal of its assets when they come to the end of their life. Council remains committed to the principle of

# Long Term Financial Plan

financial sustainability - that each generation 'pays their way' for the services and assets that they consume.

The outcome of the revaluation resulted in a material increase in the value of Council's asset base which in turn increases depreciation expenditure. This has long term financial implications which needs to be managed responsibly.

## *Operating position*

Council is committed to maintaining a positive operating position. Since 2019/20 Council has achieved a positive operating position. Despite the impact of the asset revaluation and other inflationary pressures in 2022/23, Council has been able to retain a positive operating position through a combination of continuous improvement savings, grant funds, developer contributions, growth revenue and a moderate increase in rate revenue of 2.85% which is below the level of inflation.

Inflationary pressures are forecast to remain over the medium to long term and have been factored into the expenditure and revenue projections from 2023/24. While a positive operating surplus is maintained across the life of the plan, this is enabled through the collection of grant revenues and developer contributions which will need to be expended across future years in line with community needs.

To sustainably manage the inflationary pressures and future investment needs an additional 0.5% rate rise has provisionally been applied in Years 2 and 3 of the LTFP. Council will continue to monitor the long term implications of inflationary pressures to ensure ongoing financial sustainability. This rating approach is in line with Council's desire to remain financially sustainable over the medium to long term and will enable Council to cover cost pressures, the impact of the asset revaluation and continue provision of existing services.

## *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 impact for our community.

# Strategic Planning Framework

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





# Strategic Planning Framework



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



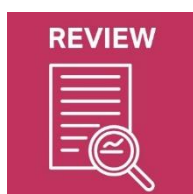
### PLAN

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 **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 can support delivery of planned services, manage debt and support and promote the growth of the city.

LTFP modelling provides a high-level budget framework to guide us in understanding the future impact of decisions made today. It assumes that Council will continue to use debt in the short term to long term as a mechanism for funding new services and 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 are:

- Positive operating position
- Debt management
- Managing asset and service growth

### Positive operating position

A key component of Financial Sustainability is a positive operating position. This means that Council is living within its means and can afford to pay for the services it delivers.

### Debt Management

To support a growing community Council has, and continues to, borrow 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 we have pathways to repay that debt in a way that delivers intergenerational equity.

### 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)
- Operations and Maintenance
- Renewal (referred to below as Asset Management Plan)
- Disposal

### New Projects and Services

Year one of this LTFP includes \$25.073M in capital expenditure to fund new projects and services. Refer to the 2022/23 Annual Business Plan for further details.

Other significant capital projects from Council's Four-Year Delivery Plan (years 2-4) have been incorporated only where Council has already made a commitment to progress or there is a legal obligation for work to be undertaken (e.g. Infrastructure Deeds).

### Asset Management Plan (AMP)

The LTFP reflects the financial forecast for the 10-year AMP, 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.

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

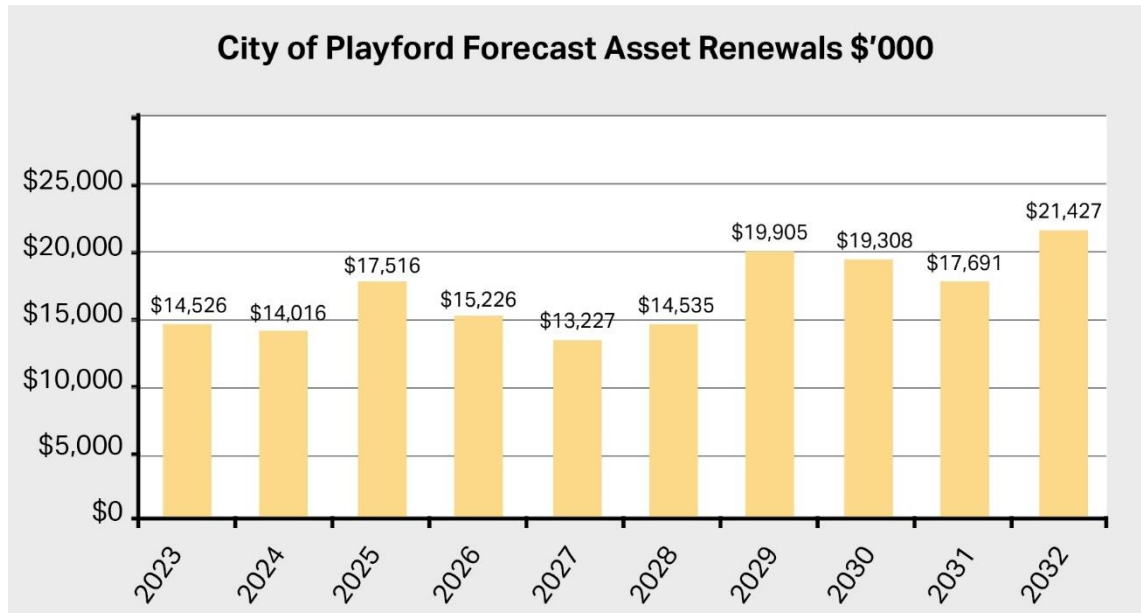
Council's rolling 10-year renewal program is updated each year to take into account the latest asset data (predicted remaining life and asset condition). This identifies when and what assets require replacement, and in combination with the LTFP, demonstrates how asset renewal can be achieved in a financially sustainable manner. Costs associated with Council's assets form a significant part of Council's operations. Depreciation alone accounts for an average of 22% 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 is significantly higher.

Any changes to the lifecycle estimates, particularly the cost of asset renewal, would have a significant impact on this plan.

The LTFP includes \$14.526M in Year One for Asset Renewal. Refer to the 2022/23 Annual Business Plan for further detail.

# Asset Management

The LTFP includes \$167.428M in asset renewal over 10 years:



## Revaluation of Assets

In 2021/22 Council was required to undergo a revaluation of its existing assets. This is a legislative requirement, required at a maximum interval of five years. The purpose of the revaluation is to ensure that our financial statements fairly represent the financial position of Council, but most importantly it ensures that 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 of this requirement is ensuring Council is maintaining intergenerational equity, by spreading the burden of paying for community assets across generations.

The outcome of the revaluation resulted in an uplift in the value of Council's assets which in turn led to a material increase in depreciation expenditure which has long term financial implications. The depreciation impact for 2022/23 is \$3.3M.



# 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. This LTFP assumes that Council will continue to provide existing services at the current service levels. Any changes to our service delivery will be endorsed by Council and may impact future LTFPs if there are financial implications.

### Cost Drivers

Cost drivers comprise:

- Consumer Price Index (CPI)
- Wage Price Index (WPI
- Interest Rates); and
- Revenue Index

The application of cost drivers allows for consideration of inflationary pressures and economic conditions over time.

CPI is applied to the majority of Council expenditure, excluding salaries and wages, to account for the increase in the cost of providing Council services. CPI for Year 1 of 3.3% as sourced from the Australian Bureau of Statistics (December release), shows a significant increase from 1% in 2021/22. Years 2-10 are based on the Deloitte Forecast Economics December 2021 Release. Overall, the LTFP has assumed CPI between 2.3%-3.3% per annum.

WPI is applied to salaries and wages to account for salary increases over the 10-year plan. Years 1-2 of this Plan are based on the current negotiated Enterprise Agreement of 2.5% per annum. Years 3-10 are based on Deloitte Forecast Economics December 2021 Release. Overall, the LTFP has assumed an index of between 2.5%-3.3% per annum. The LTFP also includes the additional statutory superannuation guarantee charge increase from 2022/23 through to 2025/26. See table below for statutory increases to Superannuation Guarantee Charge included in the LTFP.

# Key Assumptions

Year	Increase	Total Superannuation Guarantee
2022/23	0.5%	10.5%
2023/24	0.5%	11%
2024/25	0.5%	11.5%
2025/26	0.5%	12%

Interest costs are based on projected debt levels. Existing interest rates are applied to fixed debt, the Local Government Financing Authority (LGFA) lending rates are applied to variable debt for Years 1 and 2 and the Deloitte Access Economics Business Outlook rates are applied to variable debt in Years 3-10.

The table below summarises the cost drivers included in the LTFP.

Driver	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
Consumer Price Index	3.30%	2.30%	2.30%	2.40%	2.30%	2.40%	2.50%	2.30%	2.40%	2.30%
Wage Price Index	2.50%	2.50%	2.80%	2.80%	2.80%	2.90%	3.10%	3.20%	3.30%	3.30%
Revenue Index	2.85%	2.78%	2.89%	2.45%	2.39%	2.49%	2.62%	2.55%	2.64%	2.58%
Interest Rates	2.86%	3.22%	3.81%	4.24%	4.27%	4.33%	4.19%	3.84%	3.64%	3.47%

## Rate Revenue

The City of Playford's Rating Policy is applied consistently across the LTFP, with revenue increasing each year of the plan by a Revenue Index. The Revenue Index is calculated as a weighted Consumer Price Index and Wage Price Index which is proportionate to the mix of Council's expenditure.

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

The Revenue Index has been applied to the previous year's rate revenue each year. Year 1 of the LTFP is based on an increase in rate revenue from existing ratepayers, of 2.85%.

To sustainably manage the inflationary pressures and future investment an additional 0.5% above the revenue index has provisionally been applied in Years 2 and 3 of the LTFP. This rating approach is in line with Council's desire to remain financially sustainable over the medium to long term and will enable Council to cover cost pressures, the impact of the asset revaluation and continue provision of existing services.

The assumed average rate increase for years 2-10 of the Plan is between 2.39%-2.89% per annum.



# Key Assumptions

## 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.

The rate of growth of the city has a number of 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 the Council is not reliant on growth to maintain a strong sustainable financial position and assumes residential rates growth of between \$1.21M-\$1.51M 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. These Deed Agreements ensure roads, drainage, parks and community buildings will be constructed to support the growth of new dwellings over the next 20 years.

## Grants

Council receives significant revenue through Federal Government Financial Assistance Grants (FAGs). 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 FAGs, Council has included a number of other one-off grants in the LTFP, in Years One and Two. These include Roads to Recovery and Local Roads and Community Infrastructure grants.

# Key Assumptions

## Capital investment decisions

Investment decisions relate to those new services requiring capital outlay upfront and/or operating returns to materialise in the future. These investments have the ability to be self-funded over time thereby allowing Council to bring new services to the community that do not need to be funded via 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 to date is focused on the development of the CBD.

## Repurposing of assets

A key direction in our Finance Strategy is the elimination of bad debt through the repurposing of assets. This strategy aims to identify Council-owned properties which are potentially surplus to community requirements. The identified assets will be disposed of, and the proceeds used to reduce debt and increase 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 older and bad debts created by years of deficits. Council will focus on utilising good debt for community or investment-based decisions in a financially sustainable manner. This strategy is more about debt management rather 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 analysis highlights potential 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.

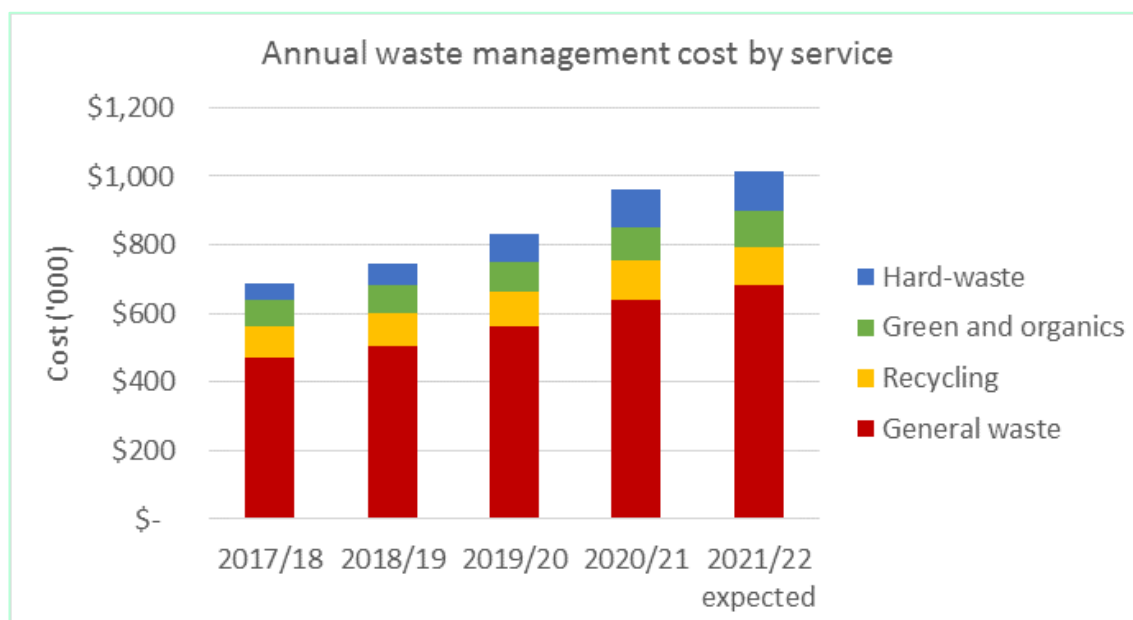
Council's ability to respond to such financial pressures cannot be absorbed into current budgets without adversely impacting current service standards. As such these pressures create a direct cost impact for the community.

## Waste Management

Household waste management is one of the key services that Council provides, costing around 9% 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), which is a Council-owned subsidiary. Waste management has been and is expected to continue to add a cost pressure for Council. The graph below shows the increased waste management costs over the last five years.

# Risks



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 or with the State Government Waste Levy. Participation is dependent on the community use of the services.

In 2022/23 the impact on the waste budget is \$0.3M driven by the increased use of the hard-waste service. There is uncertainty about the longevity of these participation increases.

An on-going risk is that the State Government will pass on an increased waste levy as has happened previously.

## Cost Drivers

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 future CPI rates are only best estimates.

Movement in CPI impacts on rate increases, expenditure on services and asset replacement costs.

Given CPI is used as a part of the calculation for the Revenue Index applied to rate revenue, the movement in CPI affects both revenue and cost assumptions and therefore have minor impacts to the operating result.

Since drafting the LTFP further forecasts of inflation have indicated higher than anticipated inflationary pressures which have not been factored in the Final LTFP. Council will continue to monitor the long term implications of inflationary pressures to ensure ongoing financial sustainability.

# Risks

Movements in interest rates have the potential to substantially affect the delivery of the LTFP. Interest rate impacts are closely monitored through Council's treasury management. The debt mix of variable and fixed interest facilities are managed to ensure the impact of interest rate changes are minimised.

## Sensitivity Analysis

The table below summarises the potential impact to Councils operating expenditure over the 10-year LTFP, as a result of a 1% increase in each cost driver, each year. Significant impacts to Council's operating expenditure which would have to be funded via rate or other revenue.

Cost Driver	Impact Operating Expenditure
Interest Rates	Increase of \$1.4M
CPI	Increase of \$25.9M
WPI	Increase of \$30.4M

## Rate Revenue Index

The rate revenue index is the index applied to rate revenue in the LTFP.

When assessing financial performance Council uses an internal key performance indicator, which adjusts for one off revenue items which artificially inflate Council's operating position, and these are not long-term funding options for Council services. This revenue includes developer contributions and one-off grant funding.

To ensure Council is maintaining its commitment to financial sustainability we need to consider rates within the context of the adjusted and sustainable operating position. Therefore, an additional 0.5% above the revenue index has provisionally been applied in Years 2 and 3 of the LTFP. The additional 0.5% in rates over 2 years ensures that Council remains financially sustainable over the medium to long term and will enable Council to cover cost pressures, the impact of the asset revaluation and continue provision of existing services. Without the additional rates Council will have a shortfall in funding for its ongoing operations to the tune of \$8.6M, when adjusted for one off revenue items across the 10-year plan.



# Risks

## Investment Decisions

Investment decisions have a projective nature and as such come with some risks. Council has ensured that these risks are minimised via our Risk Management Framework.

## COVID-19 Pandemic

The COVID 19 pandemic has impacted our national economy and our community over the past two years.

Like the rest of the economy, Council has been experiencing supply chain disruptions which could cause unexpected increases in the cost of service delivery or the delivery of new infrastructure.

The potential future impacts of the pandemic have not been reflected in the LTFP. Any long-term impacts of the pandemic have not yet been determined but will continue to be monitored.

## Growth

As 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. There are inherent risks in making these assumptions which can have significant impacts on the 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 2022/23	Current 2021/22 \$mill	Year 1 2022/23 \$mill	Year 2 2023/24 \$mill	Year 3 2024/25 \$mill	Year 4 2025/26 \$mill	Year 5 2026/27 \$mill	Year 6 2027/28 \$mill	Year 7 2028/29 \$mill	Year 8 2029/30 \$mill	Year 9 2030/31 \$mill	Year 10 2031/32 \$mill	10 Year Average
Operating Income	117.4	120.8	125.0	130.1	134.7	138.9	143.6	148.6	153.3	158.6	163.8	141.7
Operating Expenditure	114.0	118.9	123.4	127.2	130.9	134.9	138.6	143.2	147.9	153.1	157.8	137.6
<b>Operating Result - Surplus (Deficit)</b>	<b>3.5</b>	<b>1.9</b>	<b>1.6</b>	<b>2.9</b>	<b>3.8</b>	<b>4.0</b>	<b>5.0</b>	<b>5.4</b>	<b>5.5</b>	<b>5.5</b>	<b>6.0</b>	<b>4.2</b>
Closing Balance Borrowings	136.8	142.9	125.8	110.5	91.2	76.5	72.3	68.4	64.8	61.0	57.2	87.0

## Key financial data summary

### Operating result

Council's budgeted surplus in 2022/23 is \$1.9 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 the 2022/23 Annual Business Plan. The variation to the 2021/22 revised budget surplus of \$3.5 million is largely a result of external cost pressures and the impact of the asset revaluation.

Council is committed to an ongoing operating surplus as part of its finance strategy to maintain long-term financial sustainability. Whilst the LTFP demonstrates a positive operating surplus across the full 10 years the results include one-off operating grants/contributions. These grants/contributions will need to be spent on future infrastructure projects when the needs of our growing community are known. With this in mind, Council monitors a financial indicator which adjusts for one-off grants/contributions, as part of the suite of information to track long term financial sustainability. This indicator forecasts that the underlying operating position (i.e. after adjustment for grants/contributions) will be lower than the operating surpluses projected in the LTFP but in a surplus position over the medium to long term.

### Closing balance borrowings

The LTFP shows that borrowings increase in 2022/23 from the budgeted debt position due to the investment in new infrastructure. Over the 10-year LTFP the debt ceiling reduces significantly. This is partly due to the receipt of one-off operating grants and contributions, which need to be spent on infrastructure projects into the future.). The primary reason is due to Council having 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 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 of resource.



# Long Term Financial Plan Results

Note, that Council approved a debt facility of \$155M which is more than the forecasted \$142.9M final balance at 30<sup>th</sup> of June 2023. The additional debt facility is required to fund cashflow movements throughout 2022/23.

## Reserves policy

The LTFP assumes 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. This only applies to variable borrowings and not fixed loans. Once variable borrowings are repaid it is assumed that Council will invest any excess cash reserves in low-risk deposits.

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:

Long Term Financial Plan 2022/23	Year 1 2022/23 \$mill	Year 2 2023/24 \$mill	Year 3 2024/25 \$mill	Year 4 2025/26 \$mill	Year 5 2026/27 \$mill	Year 6 2027/28 \$mill	Year 7 2028/29 \$mill	Year 8 2029/30 \$mill	Year 9 2030/31 \$mill	Year 10 2031/32 \$mill
Reserves Balance	1.8	4.2	7.6	11.0	14.2	17.4	20.6	23.4	26.3	29.1

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:

Long Term Financial Plan 2022/23	Year 1 2022/23 \$mill	Year 2 2023/24 \$mill	Year 3 2024/25 \$mill	Year 4 2025/26 \$mill	Year 5 2026/27 \$mill	Year 6 2027/28 \$mill	Year 7 2028/29 \$mill	Year 8 2029/30 \$mill	Year 9 2030/31 \$mill	Year 10 2031/32 \$mill
Total Debt	144.7	130.0	118.1	102.2	76.5	72.3	68.4	64.8	61.0	57.2

Note: Debt balance remaining in years 5 through to year 10 represent fixed loans only after the full repayment of variable debt.

# Financial Indicators

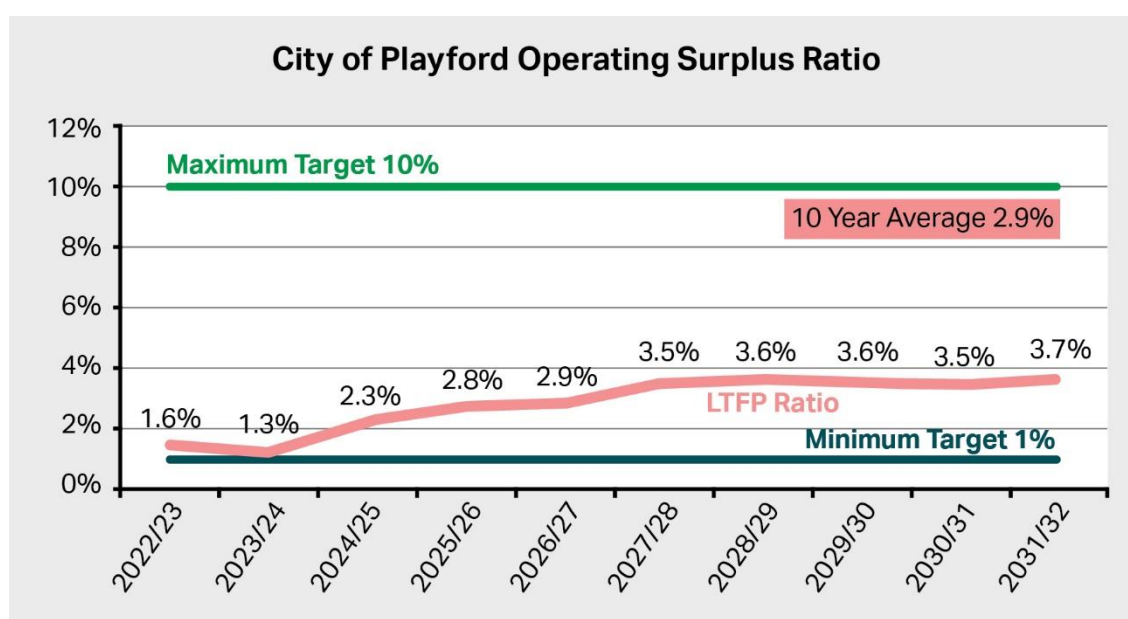
Council has five key performance indicators (KPIs) which it uses to track its financial sustainability. These are reviewed annually as a way of monitoring our performance.



# Financial Indicators

Council's Financial Sustainability Policy provides the financial indicators 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 indicators.

## Financial Indicator 1 - Operating Surplus Ratio



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

**Indicates** Financial Sustainability

**Target** Between 1% and 10%

### Long Term Financial Plan Commentary:

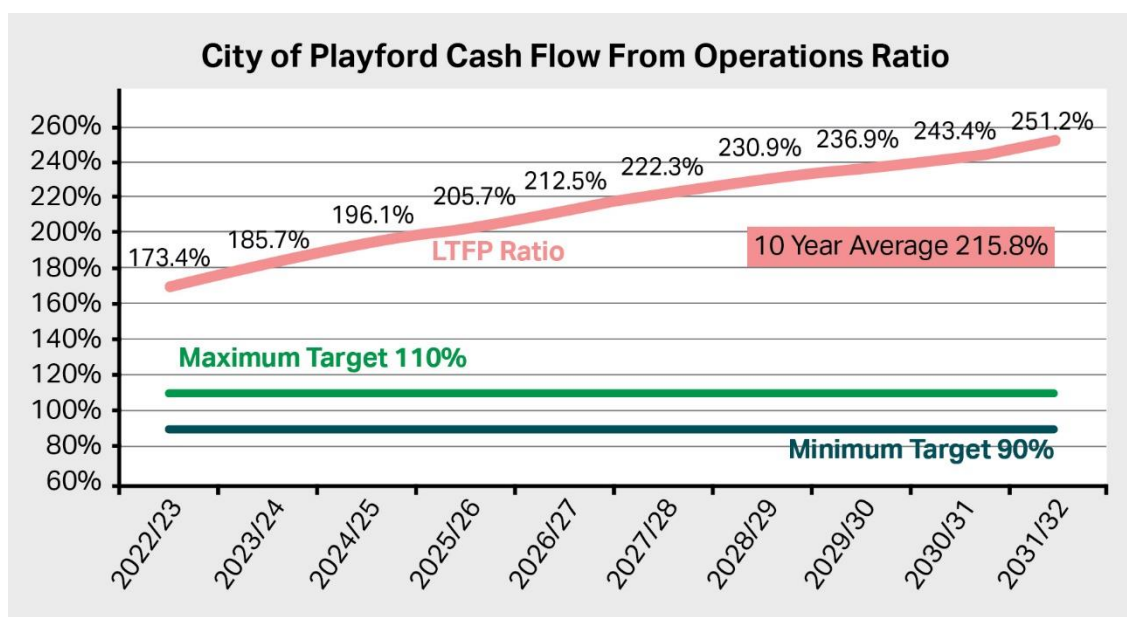
The Operating Surplus Ratio indicates Council's ability to service its operations from expected income, while maintaining long-term financial sustainability. Council is committed to retaining an operating surplus as a key part of its finance strategy. Council returned to budget surplus from 2019/20 and this is forecast to strengthen and remain within the target range over the medium to long term.

The operating surplus includes one-off operating grants/contributions which will need to be spent on future infrastructure projects. With this in mind, Council uses a further indicator which adjusts for one-off grants/contributions. This indicator forecasts that the underlying operating position (i.e. after adjustment for grants/contributions) will be lower than the operating surpluses projected in the LTFP but return to a surplus position over the medium to long term.



# Financial Indicators

## Financial Indicator 2 - 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:

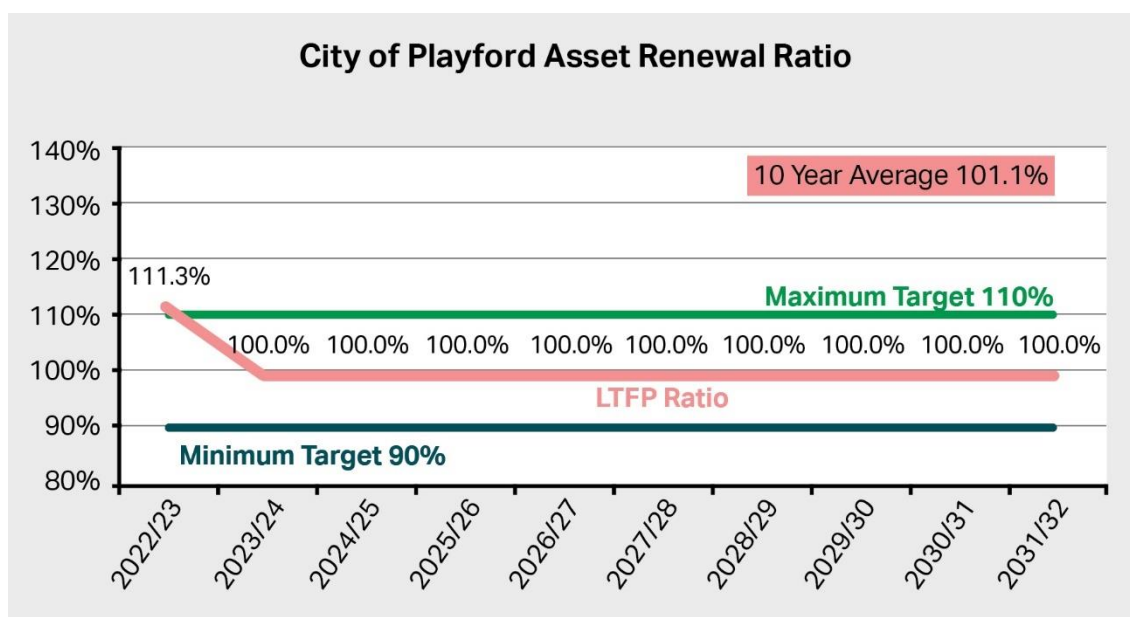
Council's Cash Flow from Operations increases over the life of the plan. This means Council will have sufficient reserves to replace infrastructure as it ages.

Over the 10 years this ratio is above the target range. While it may appear that Council has "extra" money, this is not the case. The receipt of one-off operating grants and estimated developer contributions will need to be spent on infrastructure projects into the future to meet the needs of our growing community.

Council also has cashflow 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

## Financial Indicator 3 - 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 AMP.

### 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:

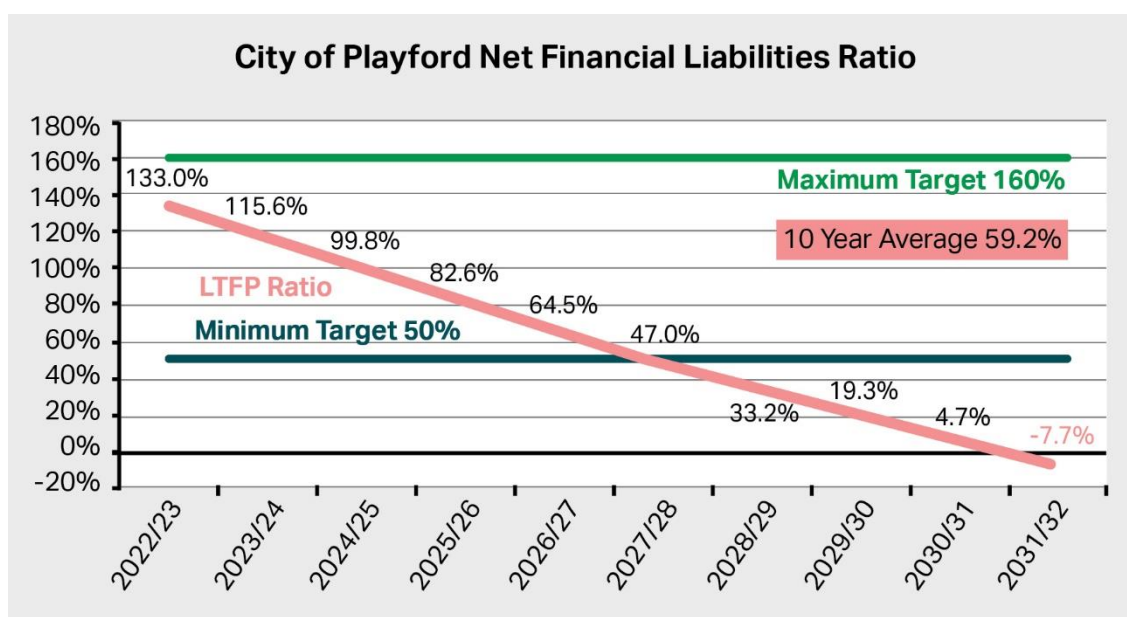
Council's Asset Management Plans determine when assets need to be replaced. If Council is achieving close to 100% for this measure, then it is replacing assets and infrastructure at a time that optimises asset lifespan – not too early and not too late.

The result for 2022-23 is slightly higher than the target range at 111.3% due to carry forward of capital expenditure from 2021-22. 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.

The ratio returns within the target range by year 2 of the LTFP.

# Financial Indicators

## Financial Indicator 4 - Net Financial Liabilities Ratio



**Calculated as** Net financial liabilities<sup>a</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. This ratio highlights how debt can be used as a financially sustainable way to fund asset and service delivery, rather than funding through operating income alone.

Given the growth within Playford, this measure needs to be flexible to allow for the delivery of assets as our community develops. The target allows for flexibility while maintaining Council's commitment to maintaining a responsible operating surplus.

The level of debt affects the amount of interest that Council pays, and so this ratio is considered in conjunction with the Interest Expense Ratio (ratio 5).

Our considered approach to developing the Annual Business Plan and Budget ensures we remain within the target range for this ratio in 2022/23 and on average over the 10 year period. We are focused on delivering affordable services and infrastructure and are well placed to service our debt.



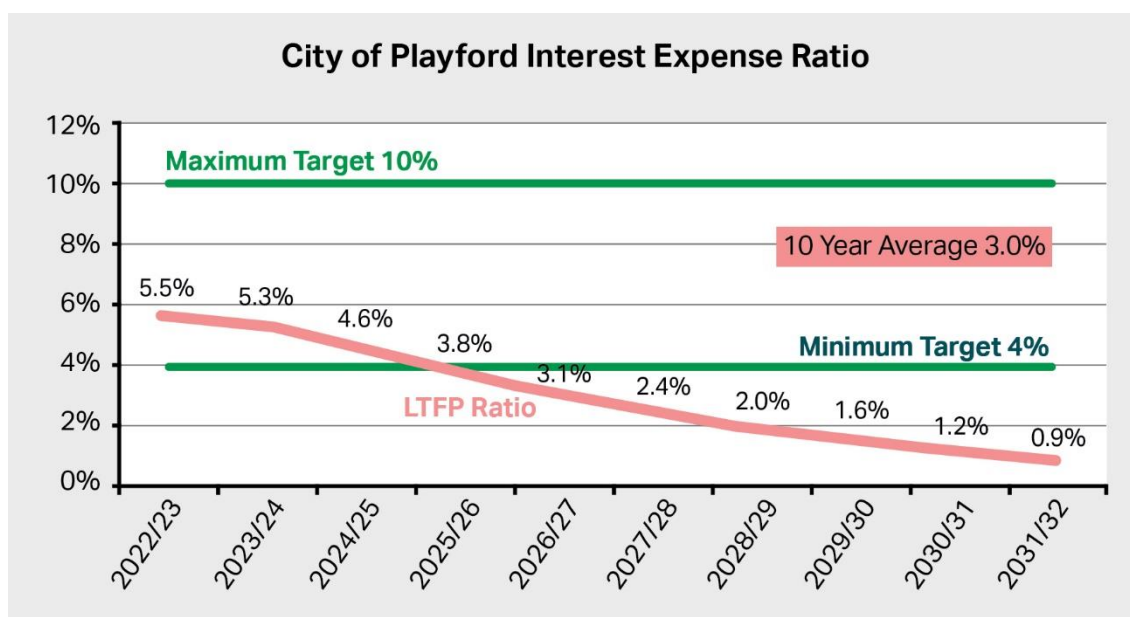
# Financial Indicators

The longer-term projections included in the LTFP suggest lower levels of net liabilities over the 10 years with Council falling below the target range by 2027-28. This reflects our approach to developing the LTFP on the basis of business as usual i.e. to provide the same level of service to our community. It incorporates our best understanding of the future rate revenue and developer contributions that will accrue to the City of Playford as a result of our fast-growing community, however it does not capture how we will spend those funds on new services and infrastructure. These decisions are made progressively as the needs of our changing community become known. This ensures we deliver value for money services and the downward trend demonstrates the financial capacity for Council to deliver services into the future.

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

# Financial Indicators

## Financial Indicator 5 - Interest Expense Ratio



**Calculated as** Interest expense less interest income / General rate income (less NRM levy)

**Indicates** Affordability of Council's debt

**Target** Between 4% and 8%

### Long Term Financial Plan commentary:

Performance against this ratio over the past 3 years has varied between 5% and 7%, considerably lower than the historic maximum target range of 10%. This reflects Council's focus on responsible debt management and the recent low interest rate environment.

Council has reduced the target range for this ratio to 4% to 8% (previously 3% to 10%). Given Playford is at a significant stage of development, the new target range allows flexibility to service our growing community, afford the cost of debt and continue operations as usual.

Council's projected cost of borrowings remain within the target range until 2023-24 and then fall below target range for the remaining years. As with the net liabilities ratio this is due to the approach taken to develop the LTFP on the assumption of business as usual. It demonstrates that there is capacity to service borrowings into the future for assets that will meet the future needs of growing community.



# 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 commitment

# Financial Statements

## Projected financial statements 2022-23 / 2031-32

<b>City of Playford</b>												
<b>10 Year Financial Plan for the Years ending 30 June 2032</b>												
<b>UNIFORM PRESENTATION OF FINANCES - GENERAL FUND</b>												
	Actuals	Current Year	Projected Years									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating Activities</b>												
Income	115,888,000	117,429,513	120,816,828	125,015,383	130,104,243	134,681,661	138,878,459	143,597,543	148,558,889	153,338,461	158,631,635	163,834,797
less Expenses	(104,506,000)	(113,955,456)	(118,936,859)	(123,408,551)	(127,157,748)	(130,902,582)	(134,901,052)	(138,607,433)	(143,165,768)	(147,873,375)	(153,136,237)	(157,798,255)
<b>Operating Surplus / (Deficit)</b>	<b>11,382,000</b>	<b>3,474,057</b>	<b>1,879,969</b>	<b>1,606,832</b>	<b>2,946,494</b>	<b>3,779,079</b>	<b>3,977,407</b>	<b>4,990,110</b>	<b>5,393,122</b>	<b>5,465,086</b>	<b>5,495,398</b>	<b>6,036,542</b>
<b>Capital Activities</b>												
<b>less (Net Outlays) on Existing Assets</b>												
Capital Expenditure on Renewal and Replacement of Existing Assets	(21,089,000)	(22,229,731)	(16,167,000)	(14,016,000)	(17,516,001)	(15,226,001)	(13,277,001)	(14,535,000)	(19,905,001)	(19,308,001)	(17,691,001)	(21,427,000)
add back Depreciation, Amortisation and Impairment	21,495,000	25,246,318	27,571,636	28,509,301	29,251,424	30,025,296	30,841,591	31,670,486	32,554,612	33,497,009	34,420,658	35,408,213
add back Proceeds from Sale of Replaced Assets	1,455,000	-	-	-	-	-	-	-	-	-	-	-
<b>(Net Outlays) on Existing Assets</b>	<b>1,861,000</b>	<b>3,016,587</b>	<b>11,404,636</b>	<b>14,493,301</b>	<b>11,735,423</b>	<b>14,799,295</b>	<b>17,564,590</b>	<b>17,135,486</b>	<b>12,649,611</b>	<b>14,189,008</b>	<b>16,729,657</b>	<b>13,981,213</b>
<b>less (Net Outlays) on New and Upgraded Assets</b>												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(13,901,000)	(34,258,129)	(39,233,816)	-	-	-	-	-	-	-	-	-
add back Amounts Received Specifically for New and Upgraded Assets	1,380,000	11,726,303	11,435,920	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	4,030,000	-	8,906,250	-	-	-	-	-	-	-	-	-
<b>(Net Outlays) on New and Upgraded Assets</b>	<b>(8,491,000)</b>	<b>(22,531,826)</b>	<b>(18,891,646)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>4,752,000</b>	<b>(16,041,182)</b>	<b>(5,607,041)</b>	<b>16,100,133</b>	<b>14,681,918</b>	<b>18,578,374</b>	<b>21,541,998</b>	<b>22,125,596</b>	<b>18,042,733</b>	<b>19,654,094</b>	<b>22,225,055</b>	<b>20,017,755</b>

# Financial Statements

City of Playford												
10 Year Financial Plan for the Years ending 30 June 2032												
STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND												
	Actuals	Current Year	Projected Years									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income</b>												
Rates	83,635,000	86,632,415	91,584,698	95,741,632	100,698,707	104,453,175	108,088,856	111,955,036	116,107,747	120,273,580	124,640,223	129,074,387
Statutory Charges	2,565,000	2,114,700	2,233,700	2,285,075	2,337,632	2,393,735	2,448,791	2,507,562	2,570,251	2,629,367	2,692,472	2,754,399
User Charges	3,205,000	5,817,723	6,007,965	6,146,148	6,287,509	6,642,409	6,795,184	6,958,268	7,132,225	7,296,266	7,471,376	7,643,218
Grants, Subsidies and Contributions	23,912,000	21,893,442	20,228,945	20,069,696	19,996,010	20,395,617	20,594,261	20,948,246	21,299,611	21,444,133	21,851,094	22,147,284
Investment Income	9,000	12,838	8,750	8,177	7,571	6,931	148,836	412,303	618,424	850,807	1,117,563	1,342,275
Reimbursements	871,000	581,395	516,770	528,655	540,814	553,794	566,531	580,128	594,631	608,308	622,907	637,234
Other Income	1,050,000	344,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000
Net gain - equity accounted Council businesses	641,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
<b>Total Income</b>	<b>115,888,000</b>	<b>117,429,513</b>	<b>120,816,828</b>	<b>125,015,383</b>	<b>130,104,243</b>	<b>134,681,661</b>	<b>138,878,459</b>	<b>143,597,543</b>	<b>148,558,889</b>	<b>153,338,461</b>	<b>158,631,635</b>	<b>163,834,797</b>
<b>Expenses</b>												
Employee Costs	41,218,000	43,540,813	44,276,755	46,201,140	48,252,093	50,305,471	52,173,592	54,162,408	56,335,606	58,624,422	61,034,870	63,531,321
Materials, Contracts & Other Expenses	37,452,000	40,172,808	41,986,711	43,592,073	44,984,827	46,514,817	48,364,547	49,569,799	51,248,008	52,861,397	54,921,690	56,236,100
Depreciation, Amortisation & Impairment	21,495,000	25,246,318	27,571,636	28,509,301	29,251,424	30,025,296	30,841,591	31,670,486	32,554,612	33,497,009	34,420,658	35,408,213
Finance Costs	4,253,000	4,893,817	5,001,200	5,005,482	4,568,848	3,956,442	3,420,765	3,104,184	2,926,985	2,789,992	2,658,462	2,522,065
Net loss - Equity Accounted Council Businesses	88,000	101,700	100,556	100,556	100,556	100,556	100,556	100,556	100,556	100,556	100,556	100,556
<b>Total Expenses</b>	<b>104,506,000</b>	<b>113,955,456</b>	<b>118,936,859</b>	<b>123,408,551</b>	<b>127,157,748</b>	<b>130,902,582</b>	<b>134,901,052</b>	<b>138,607,433</b>	<b>143,165,768</b>	<b>147,873,375</b>	<b>153,136,237</b>	<b>157,798,255</b>
<b>Operating Surplus / (Deficit)</b>	<b>11,382,000</b>	<b>3,474,057</b>	<b>1,879,969</b>	<b>1,606,832</b>	<b>2,946,494</b>	<b>3,779,079</b>	<b>3,977,407</b>	<b>4,990,110</b>	<b>5,393,122</b>	<b>5,465,086</b>	<b>5,495,398</b>	<b>6,036,542</b>
Asset Disposal & Fair Value Adjustments	(1,736,000)	-	3,843,571	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	1,380,000	11,726,303	11,435,920	-	-	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	16,812,000	20,000,000	15,894,000	17,568,667	17,820,889	17,094,519	17,494,692	17,470,034	17,353,082	17,439,269	17,420,795	17,404,382
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit)</b>	<b>27,838,000</b>	<b>35,200,360</b>	<b>33,053,460</b>	<b>19,175,499</b>	<b>20,767,383</b>	<b>20,873,598</b>	<b>21,472,099</b>	<b>22,460,144</b>	<b>22,746,204</b>	<b>22,904,355</b>	<b>22,916,193</b>	<b>23,440,924</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	11,773,000	211,974,538	29,181,432	21,791,857	22,559,586	24,427,617	24,210,337	26,031,644	27,968,636	26,656,410	28,708,714	28,351,685
Share of Other Comprehensive Income - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
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>11,802,000</b>	<b>211,974,538</b>	<b>29,181,432</b>	<b>21,791,857</b>	<b>22,559,586</b>	<b>24,427,617</b>	<b>24,210,337</b>	<b>26,031,644</b>	<b>27,968,636</b>	<b>26,656,410</b>	<b>28,708,714</b>	<b>28,351,685</b>
<b>Total Comprehensive Income</b>	<b>39,640,000</b>	<b>247,174,898</b>	<b>62,234,892</b>	<b>40,967,356</b>	<b>43,326,970</b>	<b>45,301,215</b>	<b>45,682,436</b>	<b>48,491,787</b>	<b>50,714,839</b>	<b>49,560,765</b>	<b>51,624,907</b>	<b>51,792,609</b>

\*Note that Current Year Budget for Assets Disposals and Fair Value Adjustments, differs to Budget Review 2 due to changed assumptions in the LTFP regarding assets held for sale. \$7.2M in asset disposals removed and replaced, with gain on disposal moving through revaluation reserve.



# Financial Statements

City of Playford 10 Year Financial Plan for the Years ending 30 June 2032 STATEMENT OF FINANCIAL POSITION - GENERAL FUND												
	Actuals	Current Year	Projected Years									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	122,000	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	6,228,000	6,450,832	6,520,967	6,456,155	6,727,604	6,971,702	7,189,353	7,428,946	7,683,290	7,929,648	8,198,333	8,427,211
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	146,000	172,254	180,031	186,915	192,887	199,447	207,378	212,546	219,742	226,660	235,494	241,130
Other Current Assets	558,000	556,185	581,298	603,524	622,807	643,989	669,598	686,285	709,519	731,857	760,381	778,579
Non-current assets classified as "Held for Sale"	6,472,000	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>13,526,000</b>	<b>8,679,270</b>	<b>8,782,297</b>	<b>8,746,594</b>	<b>9,043,297</b>	<b>9,315,138</b>	<b>9,566,329</b>	<b>9,827,777</b>	<b>10,112,551</b>	<b>10,388,164</b>	<b>10,694,208</b>	<b>10,946,920</b>
<b>Non-Current Assets</b>												
Financial Assets	295,000	272,097	247,864	222,249	195,198	166,655	7,756,041	26,269,183	41,053,928	57,815,829	77,149,278	93,956,664
Equity Accounted Investments in Council Businesses	9,965,000	9,896,300	9,828,744	9,761,188	9,693,632	9,626,076	9,558,520	9,490,964	9,423,408	9,355,852	9,288,296	9,220,740
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,271,126,000	1,529,232,136	1,596,551,414	1,621,042,341	1,649,302,442	1,675,614,356	1,699,351,538	1,725,287,262	1,757,500,204	1,786,973,883	1,815,911,524	1,847,232,796
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	10,681,000	15,838,045	16,360,700	16,736,997	17,121,948	17,532,874	17,936,130	18,366,597	18,825,762	19,258,755	19,720,965	20,174,547
<b>Total Non-Current Assets</b>	<b>1,292,067,000</b>	<b>1,555,238,578</b>	<b>1,622,988,722</b>	<b>1,647,762,774</b>	<b>1,676,313,219</b>	<b>1,702,939,961</b>	<b>1,734,602,229</b>	<b>1,779,414,007</b>	<b>1,826,803,302</b>	<b>1,873,404,319</b>	<b>1,922,070,064</b>	<b>1,970,584,748</b>
<b>TOTAL ASSETS</b>	<b>1,305,593,000</b>	<b>1,563,917,849</b>	<b>1,631,771,019</b>	<b>1,656,509,368</b>	<b>1,685,356,517</b>	<b>1,712,255,100</b>	<b>1,744,168,558</b>	<b>1,789,241,784</b>	<b>1,836,915,853</b>	<b>1,883,792,483</b>	<b>1,932,764,271</b>	<b>1,981,531,668</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	19,223,000	19,094,674	18,525,106	19,263,214	19,978,303	20,675,667	21,471,766	22,068,281	22,834,927	23,580,990	24,484,160	25,146,014
Borrowings	6,565,000	6,597,669	7,010,652	5,808,351	4,940,826	4,023,864	4,169,993	3,967,135	3,595,029	3,726,558	3,862,956	4,004,403
Provisions	6,036,000	6,097,881	6,209,586	6,324,085	6,441,789	6,562,788	6,687,175	6,815,170	6,947,132	7,083,317	7,223,997	7,369,319
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>31,824,000</b>	<b>31,790,223</b>	<b>31,745,344</b>	<b>31,395,650</b>	<b>31,360,917</b>	<b>31,262,319</b>	<b>32,328,934</b>	<b>32,850,586</b>	<b>33,377,088</b>	<b>34,390,865</b>	<b>35,571,112</b>	<b>36,519,736</b>
<b>Non-Current Liabilities</b>												
Cash Advance Debenture	57,144,000	45,868,250	44,702,016	34,549,528	24,997,383	10,691,762	-	-	-	-	-	-
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	61,908,000	84,376,885	91,182,780	85,431,874	80,514,174	76,490,310	72,320,317	68,353,182	64,758,154	61,031,596	57,168,641	53,164,238
Provisions	1,292,000	1,282,592	1,306,088	1,330,171	1,354,928	1,380,378	1,406,541	1,433,463	1,461,219	1,489,863	1,519,453	1,550,019
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>120,344,000</b>	<b>131,527,727</b>	<b>137,190,885</b>	<b>121,311,573</b>	<b>106,866,485</b>	<b>88,562,450</b>	<b>73,726,858</b>	<b>69,786,645</b>	<b>66,219,373</b>	<b>62,521,459</b>	<b>58,688,094</b>	<b>54,714,257</b>
<b>TOTAL LIABILITIES</b>	<b>152,168,000</b>	<b>163,317,951</b>	<b>168,936,229</b>	<b>152,707,223</b>	<b>138,227,402</b>	<b>119,824,770</b>	<b>106,055,792</b>	<b>102,637,231</b>	<b>99,596,460</b>	<b>96,912,325</b>	<b>94,259,206</b>	<b>91,233,994</b>
<b>Net Assets</b>	<b>1,153,425,000</b>	<b>1,400,599,898</b>	<b>1,462,834,790</b>	<b>1,503,802,145</b>	<b>1,547,129,115</b>	<b>1,592,430,330</b>	<b>1,638,112,766</b>	<b>1,686,604,553</b>	<b>1,737,319,393</b>	<b>1,786,880,158</b>	<b>1,838,505,065</b>	<b>1,890,297,674</b>
<b>EQUITY</b>												
Accumulated Surplus	496,160,000	532,797,401	574,115,242	590,817,705	608,220,367	625,700,450	643,944,281	663,210,617	682,825,990	702,845,716	722,887,408	743,566,945
Asset Revaluation Reserves	645,797,000	857,771,538	886,952,970	908,744,827	931,304,413	955,732,030	979,942,367	1,005,974,010	1,033,942,646	1,060,599,056	1,089,307,770	1,117,659,456
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	11,468,000	10,030,959	1,766,578	4,239,614	7,604,335	10,997,850	14,226,118	17,419,926	20,550,757	23,435,386	26,309,887	29,071,274
<b>Total Equity</b>	<b>1,153,425,000</b>	<b>1,400,599,898</b>	<b>1,462,834,790</b>	<b>1,503,802,145</b>	<b>1,547,129,115</b>	<b>1,592,430,330</b>	<b>1,638,112,766</b>	<b>1,686,604,553</b>	<b>1,737,319,393</b>	<b>1,786,880,158</b>	<b>1,838,505,065</b>	<b>1,890,297,674</b>

# Financial Statements

<b>City of Playford</b>												
<b>10 Year Financial Plan for the Years ending 30 June 2032</b>												
<b>STATEMENT OF CHANGES IN EQUITY - GENERAL FUND</b>	<b>Actuals</b>	<b>Current Year</b>	<b>Projected Years</b>									
	<b>2020/21</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>Opening Balance</b>	1,113,785,000	1,153,425,000	1,400,599,898	1,462,834,790	1,503,802,145	1,547,129,115	1,592,430,330	1,638,112,766	1,686,604,553	1,737,319,393	1,786,880,158	1,838,505,065
Net Surplus / (Deficit) for Year	27,838,000	35,200,360	33,053,460	19,175,499	20,767,383	20,873,598	21,472,099	22,460,144	22,746,204	22,904,355	22,916,193	23,440,924
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	11,773,000	211,974,538	29,181,432	21,791,857	22,559,586	24,427,617	24,210,337	26,031,644	27,968,636	26,656,410	28,708,714	28,351,685
- Available for Sale Financial Instruments: change in fair value	-	-	-	-	-	-	-	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	-	-	-	-	-	-	-	-	-	-	-	-
- 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	-	-	-	-	-	-	-	-	-	-	-	-
- Other Movements	29,000	-	-	-	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income</b>	11,802,000	211,974,538	29,181,432	21,791,857	22,559,586	24,427,617	24,210,337	26,031,644	27,968,636	26,656,410	28,708,714	28,351,685
<b>Total Comprehensive Income</b>	39,640,000	247,174,898	62,234,892	40,967,356	43,326,970	45,301,215	45,682,436	48,491,787	50,714,839	49,560,765	51,624,907	51,792,609
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>	<b>1,153,425,000</b>	<b>1,400,599,898</b>	<b>1,462,834,790</b>	<b>1,503,802,145</b>	<b>1,547,129,115</b>	<b>1,592,430,330</b>	<b>1,638,112,766</b>	<b>1,686,604,553</b>	<b>1,737,319,393</b>	<b>1,786,880,158</b>	<b>1,838,505,065</b>	<b>1,890,297,674</b>

# Financial Statements

City of Playford												
10 Year Financial Plan for the Years ending 30 June 2032												
STATEMENT OF CASH FLOWS - GENERAL FUND												
	Actuals	Current Year	Projected Years									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	-	82,616,414	91,584,970	95,741,856	100,698,980	104,453,381	108,089,056	111,955,249	116,107,976	120,273,809	124,640,463	129,074,630
Statutory Charges	-	2,184,367	2,224,715	2,281,196	2,333,664	2,389,499	2,444,634	2,503,125	2,565,518	2,624,904	2,687,708	2,749,723
User Charges	-	5,665,030	5,993,602	6,135,715	6,276,836	6,615,614	6,783,649	6,945,955	7,119,091	7,283,881	7,458,155	7,630,244
Grants, Subsidies and Contributions (operating purpose)	-	22,527,203	20,426,691	20,361,775	19,998,947	20,379,690	20,586,344	20,934,138	21,285,607	21,438,373	21,834,874	22,135,479
Investment Receipts	9,000	13,120	8,838	8,189	7,584	6,945	145,774	406,619	613,977	845,793	1,111,808	1,337,427
Reimbursements	-	610,080	520,468	527,975	540,118	553,051	565,802	579,350	593,801	607,525	622,072	636,414
Other	129,033,000	411,905	213,646	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000
Payments:												
Payments to Employees	-	(43,488,340)	(44,141,554)	(46,062,559)	(48,109,632)	(50,159,021)	(52,023,042)	(54,007,492)	(56,175,887)	(58,459,592)	(60,864,601)	(63,355,432)
Payments for Materials, Contracts & Other Expenses	(86,123,000)	(37,176,109)	(42,847,078)	(43,094,202)	(44,552,892)	(46,040,322)	(47,790,891)	(49,196,015)	(50,727,545)	(52,361,037)	(54,282,732)	(55,828,462)
Finance Payments	(4,253,000)	(4,893,817)	(5,001,200)	(5,005,482)	(4,568,848)	(3,956,442)	(3,420,765)	(3,104,184)	(2,926,985)	(2,789,992)	(2,658,462)	(2,522,065)
Net Cash provided (or used in) Operating Activities	38,666,000	28,469,855	28,983,098	31,097,463	32,827,757	34,445,396	35,583,562	37,219,745	38,658,551	39,666,665	40,752,284	42,060,959
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	1,380,000	11,726,303	11,435,920	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	1,455,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	4,030,000	-	8,906,250	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Non Current Assets "Held for Sale"	-	6,472,000	-	-	-	-	-	-	-	-	-	-
Net Disposal of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Developments	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	23,000	19,000	22,903	24,233	25,615	27,051	28,543	30,092	31,701	33,372	35,107	36,383
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Expenditure on Renewal/Replacement of Assets	(21,089,000)	(22,229,731)	(16,167,000)	(14,016,000)	(17,516,001)	(15,226,001)	(13,277,001)	(14,535,000)	(19,905,001)	(19,308,001)	(17,691,001)	(21,427,000)
Expenditure on New/Upgraded Assets	(13,901,000)	(34,258,129)	(39,233,816)	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Net Purchase of Investment Securities	-	-	-	-	-	-	(7,619,477)	(18,544,844)	(14,818,117)	(16,797,008)	(19,369,832)	(16,807,386)
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	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(28,102,000)	(38,270,557)	(35,035,743)	(13,991,767)	(17,490,386)	(15,198,950)	(20,867,936)	(33,049,752)	(34,691,416)	(36,071,637)	(37,025,727)	(38,198,003)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from CAD	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Borrowings	66,529,000	29,027,160	13,723,043	-	-	-	-	-	-	-	-	-
Receipt of Funds from Leases	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Aged Care Facility Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Bonds & Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Receipts from Other Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of CAD	-	(11,275,750)	(1,166,233)	(10,152,489)	(9,552,145)	(14,305,621)	(10,691,762)	-	-	-	-	-
Repayments of Borrowings	(78,701,000)	(6,451,160)	(6,411,114)	(6,917,148)	(5,750,906)	(4,917,700)	(4,023,864)	(4,169,993)	(3,967,135)	(3,595,028)	(3,726,558)	(3,862,955)
Repayment of Principal Portion of Lease Liabilities	(154,000)	(121,547)	(93,051)	(36,059)	(34,319)	(23,125)	-	-	-	-	-	-
Repayment of Aged Care Facility Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds & Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Payments of Other Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(12,326,000)	11,178,703	6,052,645	(17,105,696)	(15,337,370)	(19,246,446)	(14,715,626)	(4,169,993)	(3,967,135)	(3,595,028)	(3,726,558)	(3,862,955)
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,762,000)	1,378,000	-	-	-	-	-	-	-	-	-	-
plus: Cash & Cash Equivalents - beginning of year	1,884,000	122,000	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
Cash & Cash Equivalents - end of the year	122,000	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
Cash & Cash Equivalents - end of the year	122,000	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
Investments - end of the year	-	-	-	-	-	-	7,815,641	26,190,032	40,982,438	57,779,446	77,149,278	93,956,664
Cash, Cash Equivalents & Investments - end of the year	122,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	9,315,641	27,690,032	42,482,438	59,279,446	78,649,278	95,456,664