LONG TERM FINANCIAL PLAN
2020/21-2029/30

City of Playford

Cover Picture: Nature Play Area in the Parra Wirra National Park.

https://www.playford.sa.gov.au/explore/venues-and-facilities/parks-reserves-and-playgrounds/para-wirra-conservation-park

Long Term Financial Plan 2020-21/ 2029-2030
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1. EXECUTIVE SUMMARY

“Council has the financial capacity to meet its long term commitments”

The City of Playford’s Long Term Financial Plan (LTFP) ensures Council can deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner.

Over recent times the LTFP has developed into a robust decision making tool rather than just a compliance tool. Working as a scenario based model, it can be utilised to assess the financial implications of decisions over the long term. In addition, it is used as a means to check that each decision is considered holistically in the Council’s current financial context and aligns with the finance strategy.

The LTFP accounts for the long term impact of delivery in line with the strategic plan. Year one of this plan forms the basis of the 2020/21 Annual Business Plan.

In developing the LTFP there are some assumptions made on influences such as Consumer Price Index (CPI), interest rates, market conditions and valuations. The plan therefore includes a sensitivity analysis detailing some of the potential risks associated with these assumptions and external factors to ensure our plan is robust enough to deal with any impact in these areas.

As a final output the LTFP delivers a comprehensive set of financial indicators and statements as per legislative requirements. It is worth noting that the LTFP is a projective report based on information known at the time. As such the process of review of the LTFP is iterative and can change as new or updated information is presented.

Overall the LTFP provides clarity and guidance to ensure that all Council decisions are aligned with some higher level financial parameters and our Strategic Plan. The LTFP confirms that Council has the financial capacity to meet its long term commitments.

2. FINANCIAL PLANNING CONTEXT AND ASSUMPTIONS

The formation of the Long Term Financial Plan (LTFP) considers various aspects which include, but are not limited to:

- Updated financial information for maintaining existing service levels
- Cost drivers such as Consumer Price Index (CPI) and interest rates.
- Rate revenue changes
- Budget cost pressures
- Impact of cost shifting through legislative changes, additional compliance requirements by the State Government.
- Growth impact
- Ensuring infrastructure and buildings are replaced as required by Council's Asset Management Plan.
- Investments and benefits associated with continuous improvement
- Impacts of any changes to Government grant funding, including prepayments.
- Development of new and enhanced services and assets
- Implementation of financial sustainability initiatives
- Alignment with the delivery of the approved Strategic Plan.

MAINTENANCE OF EXISTING SERVICE LEVELS

The LTFP is based on a "business as usual" assumption, which means that the Council will continue to provide existing services at the current service levels.

Any variances to the service standards, external cost pressures and any service efficiencies are managed via separate approvals during the annual business planning process inclusive of community consultation.

Therefore, the "business as usual" assumption does not take into account any changes in direction or service levels in response to community expectations and needs, legislative requirements, or changing economic conditions.

COST DRIVERS

There are three main cost drivers for the LTFP – Consumer Price Index (CPI), interest rates and Wage Price Index (WPI).

The information for these drivers is based on published Australian Bureau of Statistics data or other independent data sources such as Deloitte Access Economics Business Outlook. The assumptions are also subject to review by Council's Corporate Governance Committee.

CPI rates are applied to the majority of costs excluding salaries and wages to account for the cost of living increases which are likely to apply over time. Interest rates are applied to all variable borrowings in line with our treasury management policy.

With regards to salaries and wages, the LTFP would normally reflect an Enterprise Agreement percentage increase for year 1. In preparing the budget for 2020/21 Council was able to identify short term, financially sustainable, measures which will generate operational savings. These savings have been used to offset the wage indexation for 2020/21. Beyond year 1, the LTFP includes future Enterprise Agreement increases in line with Wage Price Index estimates provided by Deloitte Access Economics Business Outlook, for each year thereafter. The LTFP excludes the superannuation guarantee increases above 9.5% from 2021-22, however this will be closely monitored in future LTFP reviews.

The application of cost drivers is a standard process in financial projections and allows for consideration of the change in the value and steady economic conditions over time.

RATE REVENUES

The LTFP ensures that the application of the approved Rating Policy is consistent across the 10 year plan. As such the rate revenues are usually increased each year of the plan by the General Index. The General Index is calculated as a weighted average of the Consumer Price Index and the Wage Price Index, as explained in the Rating Policy. Should any changes occur with the policy, they would directly impact future versions of the LTFP.

In preparing the budget for 2020/21 Council was able to identify short term, financially sustainable, measures which will generate operational savings. These savings have been used to offset the General Index increase for 2020/21.

The LTFP includes the following forecast rates increases:

Year	Estimated General Index Increase	Cost Shifting	Increase for new services	Savings on previous initiatives	Total Increase
2020/21	0.0%	0.39%	0.12%	-0.06%	0.45%
2021/22	2.01%				2.01%
2022/23	2.48%				2.48%
2023/24	2.52%				2.52%

The future estimates on potential rate increases over the next three years are a guide only. As per legislation any rate increase would have to be considered via the annual business planning process for the relevant year.

COST PRESSURES AND COST SHIFTING

The cost of services is subject to external pressures such as economic and government changes. In 2016 and again in 2019, the State Government approved the increase of the Waste Levy which directly impacted the cost of Council's waste management services. Increases in this levy were done without consultation and hence made planning for such cost shifts difficult. The impact of the 2019 increase in the Waste Levy also flowed into the 2020/21 budget due to a staged implementation over a six month period. In 2017, the State Government shifted the responsibility of the Nuisance and Litter Act to Local Government which has also resulted in a direct cost impact for Council. Council's ability to respond to such 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.

PLAYFORD GROWTH AREAS

It is predicted that the northern urban fringe of Adelaide will experience the most rapid growth of any area in South Australia over the medium to long term.

The LTFP includes detailed predictions of growth 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 to fund the construction of capital infrastructure (often in later years).
- Additional rate revenue resulting from new residents and businesses and additional expenditures to provide services.
- 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. The following table provides a summary of residential growth rate income included in the LTFP.

Long Term Financial Plan 2020/21		Rates Residential - Growth ($'000)
Year 1	2020/21	1,159
Year 2	2021/22	1,205
Year 3	2022/23	1,305
Year 4	2023/24	1,268
Year 5	2024/25	1,259
Year 6	2025/26	1,343
Year 7	2026/27	1,427
Year 8	2027/28	1,482
Year 9	2028/29	1,536
Year 10	2029/30	1,524

In addition, Council entered into agreements between landowners, Council and the State Government for the expansion of the Virginia and Angle Vale townships and the Playford North Extension area. These agreements ensure roads, drainage, parks and community buildings will be constructed to support the growth of 9,597 new dwellings over the next 20 years.

ASSET MANAGEMENT PLAN

The LTFP provides for continued funding of the asset replacement program that matches the Asset Management Plan. This will ensure Council's infrastructure is replaced when required and maintained to existing standards.

The LTFP includes investment in replacement and renewal of existing assets as defined in the Asset Management Plan comprising of $190.6 million (excluding indexation) over the 10 year period including:

- Renewal of roads, kerbs, drainage and other transport assets $81.8 million
- Replacement of footpaths and streetscape assets $31.2 million
- Replacement of buildings $13.5 million
- Replacement of fleet and plant assets $28.6 million
- Renewal of playgrounds, irrigation and other park structures $21.1 million
- Renewal of corporate assets $14.4 million

CONTINUOUS IMPROVEMENT

Since 2011 Council has delivered two Continuous Improvement programs, achieving a total $14.2 million in savings. Continuous Improvement savings can be allocated to services to reduce the rate burden of providing new or enhanced services to the community or can be used to improve Council's operating result. Improving the operating result also provides the additional benefit of reducing bad debt.

The table below highlights the Continuous Improvement Savings delivered over the last four years, including the equivalent rate rise.

Financial Year	$'000	% Rate Equivalent
2017/18	1,034	1.5%
2018/19	940	1.3%
2019/20	2,583	3.4%
2020/21	1,151	1.4%
Total	5,708	7.6%

GOVERNMENT GRANT FUNDING

A substantial portion of Council's revenue is directly related to Government funding. The most significant of those funding streams is the Federal Government Financial Assistance Grants (FAG's). The Australian Accounting Standards applying to Local Government require disclosure of these grants as income in the year that they are received. The LTFP assumes that these funds will all be paid in the year to which they relate. However, in both 2017/18 and 2018/19 Council received a payment equivalent to half of the allocated Financial Assistance Grant in June.

For the purposes of long term planning, the assumption has been made that the Grants will not be paid in advance. This provides a consistency and comparability of the financial performance over the life of the plan and removes the impact of timing variability caused by these prepayments.

CAPITAL PROJECTS

The LTFP in conjunction with the Annual Business Plan covers capital expenditure on new and enhanced assets. These projects include the continuation of:

- Virginia Main Street Upgrade
- Virginia Institute Park Upgrade
- Stormwater Deeds – Stebonheath Road Culvert
- Footpath Shading/Tree Replacement
- New Footpath Project
- Sport & Recreation Minor Projects
- Goulds Creek Road Acquisition & Upgrade
- Open Space Program
- Angle Vale Community Sports Centre

Other capital projects that have been considered in the context of a four year planning horizon, but have been given no budget allocation at this stage are:

- Freemont Park Stage 3
- Rural Road Sealing Project
- Stebonheath Road Upgrade
- Traffic infrastructure Deeds

The full summary of 2020/21 new and enhanced capital expenditure is provided in the capital projects section of the Annual Business Plan.

CAPITAL INVESTMENT DECISIONS

Council may also be considering a number of investment decisions in 2020-21. Investment decisions relate to those new services requiring capital outlay upfront with capital 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 are not 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

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. An analysis of the financial impact of the main risks is detailed further in Section 4 of this report.

The investment decisions included in the plan to date are focused on the development of the CBD and the Precinct.

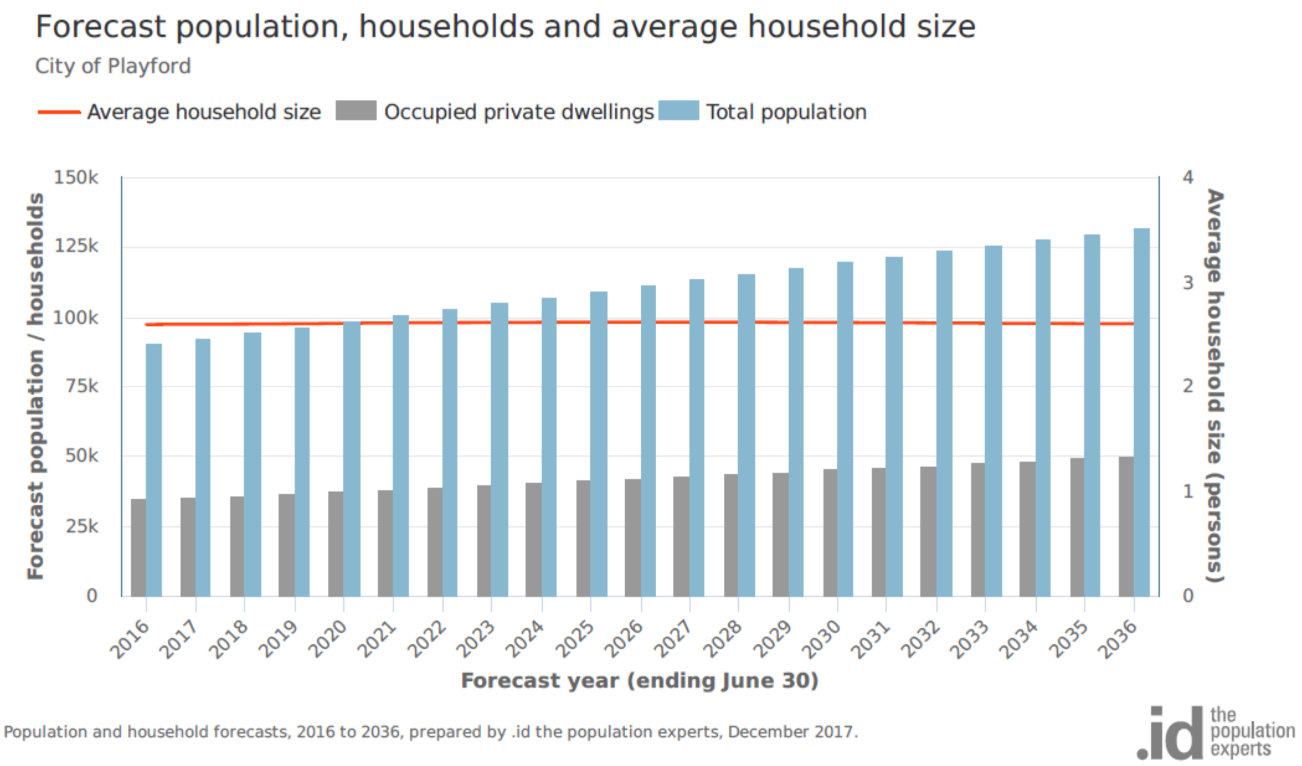
REPURPOSING OF ASSETS

In 2019, Council agreed to support a key direction in the finance strategy aimed at eliminating bad debt through the repurposing of Playford assets. This strategy aims to identify Council owned properties which are potentially surplus to community requirements. Once identified these assets will be disposed of, with a view to using the proceeds to reduce debt and increase rate revenue. The increased rate revenue will in turn reduce bad debt through increased operating surpluses.

The key outcome of this strategy is to improve Council's debt profile by removing older, bad debts crated by years of deficits. Council will instead 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.

3. CEO STATEMENT ON FINANCIAL SUSTAINABILITY

City of Playford (Playford) has been growing since its formation in 1997. After 23 years of historical growth Playford is still projected to experience long periods of higher than average growth when compared to other South Australian councils and indeed many councils across Australia. Growth projections currently forecast an increase from 38,741 dwellings in 2019 to over 52,000 dwellings by 2036.



Financial sustainability is key to ensuring that Council is able to continue to effectively manage this growth for the benefit of its existing community and for those generations to come.

Defined by the Local Government Association (LGA), financial sustainability is where Council's long-term financial performance and position is sustainable with planned long-term service and infrastructure levels and standards being met without unplanned increases in rates or disruptive cuts to services.

In simple terms, the principle of financial sustainability is that each generation 'pays their way' for the services and assets that they consume. With a recent sustained focus on efficiency Playford is now operating in surplus and will continue with operating surpluses, limiting the creation of 'bad' debt derived from deficit budgets. With strategies being developed and executed to reduce 'bad' debt and with 'good' debt associated with high quality community assets being sustainably managed over the asset life, Playford's commitment to the achievement and maintenance of financial sustainability will continue to provide benefits to its growing community.

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. This ensures measured decision making, performance measurement and regulatory reporting for the benefit of the organisation and the community it serves.

FINANCE STRATEGY

Council's finance strategy is based on achieving a long term financial position that is able to deliver planned services, manage debt and support and promote the growth of the city.

The Long Term Financial Plan (LTFP) modelling provides a high level budget framework to guide us when preparing the budget detail and ensure we understand the future impact of decisions made today.

The modelling assumes that Council will continue to use debt in the short term and longer term as a mechanism for funding new or enhanced assets as a way of achieving inter-generational 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:

Break-even operating result as defined by the LGA

Both 2019/20 and 2020/21 see Council achieve an operating surplus, compared to prior year deficits. The improvement is largely due to the impact of the Continuous Improvement savings being directed to the operating position as well as the implementation of financial sustainability initiatives. Council intends to continue to reduce the reliance on income sources that cannot be influenced such as grant funding. This will strengthen the sustainability of our future operating position.

Debt Management Strategy

Effective debt management provides security on Councils financial sustainability. The LGA prescribes debt as a suitable way to provide intergenerational equity to ensure that all generations share the responsibility for the assets and services they consume. Debt management therefore requires an understanding of debt purpose, debt profile e.g. fixed or variable and a clear repayment strategy. Management of these key areas ensures that debt is sustainable regardless of the level.

Asset Growth Management

Council accepts responsibility for providing a high standard of assets and services to the community. In doing so, it is essential to have strong financial management surrounding asset growth. In order to provide assets Council must ensure that the assets are funded. With Financial Sustainability at the core of Council's Finance Strategy, rate increases are a financially sustainable funding mechanism, for the provision of new and enhanced services as well as cost pressures or cost shifting. While this funding pathway is still relevant, Council has taken on the responsibility of trying to alleviate this reliance by assessing other assets and means to fund them. As a result the Council continues to focus on investment assets. These assets are self-funded and require little or no reliance on ratepayer funding whilst still addressing the issue of intergenerational equity as the returns are delivered over time.

Overall the finance strategy underpins the Council's ability to deliver on financial sustainability. This Long Term Financial Plan projects that Council is well equipped to manage the demands of a growing council for years to come.

LONG TERM FINANCIAL PLAN RESULTS

The LTFP forecasts a solid improvement in Council's financial position and performance over time. Council's current debt position is largely contributed to by years of operating in deficit and the Long Term Financial Plan accounts for the repayment of these in the short to medium term through the achievement of surpluses and targeted debt strategies. In addition, investment decisions such as the Northern CBD will drive greater returns to contribute to long term surpluses. The positive impact of operating surpluses helps to reduce the debt over the 10 year term. 2020/21 sees Council achieve a surplus budget and a commitment to improve surplus positions over the 10 year term.

Long Term Financial Plan 2020/21	Current 2019/20 $mill	Year 1 2020/21 $mill	Year 2 2021/22 $mill	Year 3 2022/23 $mill	Year 4 2023/24 $mill	Year 5 2024/25 $mill	5 Year Average $mill	10 Year Average
Operating Income	106.9	111.9	113.5	118.2	122.8	125.6	118.4	129.4
Operating Expenditure	106.2	108.1	111.7	116.1	119.8	122.6	115.7	125.7
Operating Result - Surplus (Deficit)	**0.7**	**3.8**	**1.8**	**2.1**	**3.0**	**3.0**	**2.7**	**3.7**
Closing Balance Borrowings	166.3*	175.6	180.6	168.2	147.5	139.1	162.2	136.4

*The approved total debt ceiling for 2019/20 budget is $173.1M. Total forecasted debt within this Long Term Financial Plan is reduced to $166.3M for 2019/20 due to delayed capital project expenditure.

Council is forecasting budgeted ratios within the ranges adopted by Council in the medium to long term.

The following table lists the financial indicators that Council uses in assessing financial sustainability.

Long Term Financial Plan 2020/21	Current 2019/20 %	Year 1 2020/21 %	Year 2 2021/22 %	Year 3 2022/23 %	Year 4 2023/24 %	Year 5 2024/25 %	5 Year Average %	10 Year Average %
Operating Surplus Ratio (0-10%)	0.7%	3.5%	1.5%	1.9%	2.4%	2.4%	2.3%	2.8%
Cash Flow From Operations Ratio (90-110%)	80.9%	127.8%	121.6%	124.3%	131.4%	135.6%	128.1%	140.6%
Asset Renewal Funding Ratio (90-110%)	108.3%	102.3%	102.7%	93.4%	93.7%	93.2%	97.1%	92.5%
Net Financial Liabilities Ratio (50-160%)	170.1%	170.8%	173.4%	156.4%	134.1%	124.9%	151.9%	122.7%
Interest Expense Ratio (3-10%)	7.9%	6.1%	6.9%	6.9%	6.3%	5.1%	6.2%	4.9%

The above averages indicate that Council anticipates borrowings to improve over the next 10 years and along with a $408 million increase in the levels of property, plant and equipment in the balance sheet. The positive signs in the balance sheet are reflective of growth, continuous improvement and Council's commitment to financial sustainability.

4. OUR PLANS FOR THE FUTURE

PLAYFORD COMMUNITY VISION 2043

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. This visions facilitates the community, government and stakeholders working together to deliver the community's aspirations.

The goals of prosperity, liveability and happiness are still relevant as we look forward and plan for the future growth of our City.

STRATEGIC PLAN

The current Strategic Plan 2016-20 was endorsed in July 2016 and states Council's four-year goals for transitioning the City of Playford into South Australia's leading smart city, driving social and economic prosperity.

The *Local Government Act 1999 (the Act)* requires that a comprehensive review of a Council's Strategic Plan must be undertaken within two years of each general election of Council and that members of the public are given reasonable opportunity to be involved in the development of the Plan.

The process of undertaking a review of the Strategic Plan and the strategic direction of Council has commenced, and will provide a relevant and meaningful opportunity for our community to have influence over Council's direction over the next four years.

HOW DOES THIS DOCUMENT FIT IN WITH OTHER COUNCIL DOCUMENTS?

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

LONG TERM FINANCIAL PLAN

The City of Playford's Long Term Financial Plan (LTFP) ensures Council can deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner. A key component of the LTFP is the measurement and reporting of Council's financial sustainability ratios. These ratios ensure that Council is operating in a fiscally responsible manner and guides decision-making on major projects. Council uses its financial ratios to ensure its finances remain sustainable in the long term.

ASSET MANAGEMENT PLAN

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

ANNUAL BUSINESS PLAN AND BUDGET

Whilst our Strategic Plan is under review, this Annual Business Plan and Budget continues to maintain our clear focus on improving our core service delivery to support the overall liveability, prosperity and happiness of the City, as identified in the Playford Community Vision 2043.This document provides further details on the services and projects that will be funded in the next 12 months

LEGISLATIVE COMPLIANCE

Long term financial plans of at least 10 years are mandated by the South Australian Local Government Act (1999) and South Australian Local Government (Financial Management) Regulations (2011) Regulation 5. The Long Term Financial Plan must include:

- Financial statements that are prepared in accordance with the South Australian Local Government model financial statements.
- Uniform presentation of finances.
- Estimates of Operating Surplus Ratio, Asset Renewal Funding Ratio and Net Financial Liabilities Ratio.

To ensure openness and accountability, this plan includes all of the above statutory requirements as well as all of the SA Local Government sector agreed financial indicators and some additional financial indicators developed by Council.

5. ANALYSIS OF RISKS ASSOCIATED WITH THE LONG TERM FINANCIAL PLAN

Delivering on the LTFP's 10-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

The following analysis highlights the key risks within the LTFP and separates them into two categories: variable risks that are modelled within a sensitivity analysis and those risks that are unlikely to create long-term variability to the reported results. In order to minimise the inherent risks of the LTFP Council reviews and updates the LTFP on a regular basis.

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

5.1. EXTERNAL INFLUENCES AND RISKS

The following risks are highlighted as having the highest sensitivity to movement. The long-term financial plan includes a “medium” based approach with a low and high scenario being modelled on the operating result for each of the risks below.

INTEREST RATES

Movements in interest rates have the potential to substantially affect the delivery of the LTFP. The plan includes interest rates of approximately 4% over the life of the plan.

As an estimate, should the interest rate vary by 1% over the life of the plan, this would have a direct impact on the operating surplus of approximately $0.8 million by the final year of the LTFP.

Interest rate impacts are closely monitored through Councils treasury management and the debt mix of variable and fixed interest facilities are managed to ensure the impact of interest rate changes are minimised.

CONSUMER PRICE INDEX (ALL ADELAIDE)

The Consumer Price Index (CPI) is regarded as Australia’s key measure of household inflation. It is designed to provide a general measure of price inflation for the Australian household sector as a whole. Assumptions about future CPI movements are based on data projected by Deloitte Access Economics, however, as with interest rate forecasts, future CPI rates are only best estimates.

Movement in CPI impacts on rate increases, expenditure on services and asset replacement costs. The LTFP includes CPI of 2.1% for 2020-21, and for year 2-10 forecasts range from 2.0% to 2.6%.

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

COVID 19 PANDEMIC

This year our national economy and our community have been heavily impacted by the COVID 19 pandemic. The pandemic is not just health crisis but also an economic crisis. Non-essential industries have been hit the hardest and new stimulus packages have been released by the government to support our economy through the crisis. It is expected that there will be no improvement on the current state for the rest of 2020.

Some of the identified outcomes of the crisis are as follows:

- Reduced interest rates to inspire consumer spending
- Broader Public sector increasing its activity as it adapts to meet the needs of society
- Governments looking to speed up infrastructure spending to stimulate the economy
- Increased grant funding for local governments
- Residential construction could stop or could be delayed if approvals remain low
- Economic growth has halted and the recovery could be as sharp as the decline post-virus

Council has responded to the crisis with the following principles in mind:

- Essential services are still being delivered to the community in their time of need
- First and foremost, maintain the safety of our staff and community
- Sustainable service delivery to match community demand
- Workforce management to ensure all staff meaningfully employed.

The impact of the COVID 19 pandemic has not been reflected in the LTFP. This is because the LTFP is drafted on the principles of financial sustainability and long term planning for our community. At the time of drafting the LTFP any long term impacts of the COVID 19 pandemic were not yet known or understood.

STATE GOVERNMENT CHANGES TO PUBLIC HOUSING

The South Australian Housing Trust (SAHT) currently owns and manages over 3,329 properties in the City of Playford, that are not eligible for mandatory rebates. In 2015 the State Government transferred approximately 480 public housing properties owned and controlled by the SAHT to a Community Housing Provider (CHP). Anglicare was announced as that CHP to manage these properties and SAHT advised Council they would continue to pay rates for a period of 3 years only. At the conclusion of this 3 year agreement, legislation mandated that Council must provide a 75% rate rebate to any houses controlled by CHPs.

In January 2019, the three year agreement in relation to the 480 houses ended and Council was mandated under legislation to provide the 75% rebate to those transferred stock.

This has directly impacted Council revenue, as previously this rebate is not applicable to State Government controlled housing (SAHT).

We continue to see further transfers to CHP's such as Aboriginal Family Support Services but at this stage we are unaware of any further stock transfers and will continue to monitor the decisions made by the State Government in this area to ensure cost impacts of future rebates are managed accordingly.

POTENTIAL RATE CAPPING

Of all the potential future risks to the Long Term Financial Plan perhaps the biggest is Rate Capping. Rate Capping continues to be considered and could be introduced by the State Government, which would mean that the Council's future ability to generate income and provide services to the community would be restricted.

Rate capping does not recognise the impact on revenue from externally imposed decisions from different levels of government e.g. cost shifting, non-indexation of grants to cover inflation, increase in levies and additional regulatory requirements. Council would need to apply for exemptions to cover such costs which could be a costly and time consuming process. Council already provides transparency when setting rates and consults with the community.

WASTE MANAGEMENT

Household waste management is one of the key services that Council provides, costing around 7% of the annual operating budget. Waste collection is managed through a partly Council-owned subsidiary of the Northern Adelaide Waste Management Authority (NAWMA).

Council faces a number of risks in relation to waste management such as future increases in the State's Solid Waste Levy and lower recycling commodity market due to China SWORD Policy shift, which is being felt across Australia and globally. Exposure to commodity markets continue to be a high risk, with the markets dropping the continued difficulty in accessing key markets for recycled material. Similar stances are being taken up by other Asian countries, further limiting markets. NAWMA contracts out waste management services from many third party providers on behalf of member councils. NAWMA has mitigated some of the risk of future increases by securing long term contracts and closely monitoring the recycling commodity market.

On 4 July 2016 the State Government announced increases to its Landfill Levy, which Council pays on the tonnes of material disposed to landfill. The planned increase will take the Levy from $62/tonne at the start of 2016-17 to $103/tonne within four years. By 2019-20 the projected Landfill Levy payments by the City of Playford are over $2 million per year.

On 18 June 2019 the State Government unexpectedly announced a further increase to the Landfill levy. The increase was applied to the $103/tonne to be $110/tonne effective 1 July and a subsequent increase to $140/tonne effective 1 January 2020. At this stage there has been no communication with the State Government with regards to their intention to hold this rate or continue to increase in future years, which in turn means planning for waste costs for the future years is difficult. However, we have been working proactively to deliver high quality waste management services and keep waste costs to a minimum, in order to increase our financial sustainability and resilience against external economic factors.

NATURAL RESOURCES - FUEL

The amount of fuel required to operate Council's plant, equipment and pool vehicle fleet is substantial and movements in the price of fuel can significantly affect Council's financial position.

To help mitigate the rising cost of fuel Council operates a fuel efficient car fleet by purchasing hybrid and smaller engine vehicles to increase fuel efficiency. Council's heavy plant and equipment is also specified with the most economical and environmentally sensitive Euro V diesel engines.

This plan assumes that any increase in the price of fuel will be funded with an inflationary increase in rate revenue.

NATURAL RESOURCES – WATER

A critical element of Council's prosperity is the provision of a sustainable water supply that can be used to provide a high level of amenity to the City's parks and gardens.

Council is continuing to expand its Recycled Water Business to secure alternative water sources to mains water with reticulated storm water for its parks and sporting grounds as well as introducing efficient irrigation and landscaping techniques and processes. Council is working with schools and other potential users regarding the sale of reticulated storm water to provide a revenue stream offsetting the costs of maintaining the infrastructure.

To ensure that Council is not reliant on returns from this project, Council has not included savings from the sale of water for internal use in the LTFP assumptions.

ELECTRICITY

The City of Playford like all South Australians continues to be impacted by a volatile national electricity market.

To help mitigate the rising cost and use of electricity Council has invested heavily in renewable energy and continues to look for energy reductions e.g. installation of Solar PV systems on buildings where Council is responsible for the energy usage, global roll-outs of LED lighting, installation of VSD's and energy management systems to control usage. Council has been able to secure competitive electricity contracts to mitigate some of the risk of future increases.

This Plan assumes that any increase in the price of electricity will be funded with an inflationary increase in rate revenue.

VARIABLE CLIMATIC CONDITIONS

From year to year changes in weather conditions can affect Council's operating result, given that high rainfall could result in the need for further park and verge maintenance and lower rainfall may result in higher water charges.

The impacts of extreme events such as flooding or bush fire also create unexpected budget burdens. Council has a risk management action plan in place to mitigate these risks.

RISK MANAGEMENT

Council does not insure its road and drainage infrastructure. The risk associated with this is the significant cost associated with unscheduled repairs or replacement that may occur due to unforeseen circumstances such as extreme weather events. Council accepts this risk because the cost of mitigating it through insuring these assets is too high.

5.2. INTERNAL INFLUENCES AND RISKS

INFRASTRUCTURE ASSET MANAGEMENT

Local Government is an extremely asset intensive industry. Council has around $1.3 billion of assets, which increases to $1.7 billion over the next 10 years. The amount that Council expends to maintain these assets is critical to ensuring that they perform and deliver the services as intended for their full useful life.

Infrastructure assets are a significant part of the Council's operations with depreciation alone accounting for an average of 19% of the Council's annual operating budget over the 10 year plan. Including the cost of maintaining and operating these assets this number is significantly higher. The LTFP is dependent on the quality of information provided in Council's Asset Management Plan (AMP).

The AMP ensures Council's infrastructure, buildings and other assets are managed to an appropriate standard. The AMP highlights, based on condition ratings, when and what assets require replacement and forecasts how that can be achieved in a financially sustainable manner.

The AMP also estimates the levels of depreciation required for assets based on asset age, obsolescence and condition rating. Any change to the AMP estimates would have a significant impact on Council's operating result.

INVESTMENT DECISIONS – NORTHERN CBD

The City of Playford (Playford) has committed to ensuring that Elizabeth will secure its place as the CBD of the North: the place to go for retail, arts and entertainment, commerce, government and social services, sport, health, education and training. This concept was endorsed by Council on 27 August 2013.

As part of the 2016-17 budget Council funded CBD stage 1 Civil Construction which is included in the LTFP and supported by a prudential review. The project consisted of the creation of 12 fully serviced development allotments, new street and streetscape infrastructure and Prince George Plaza.

Council's CBD Project, relates to the redevelopment and expansion of Elizabeth Regional Centre to provide an expanded range of local services to support our growing community.

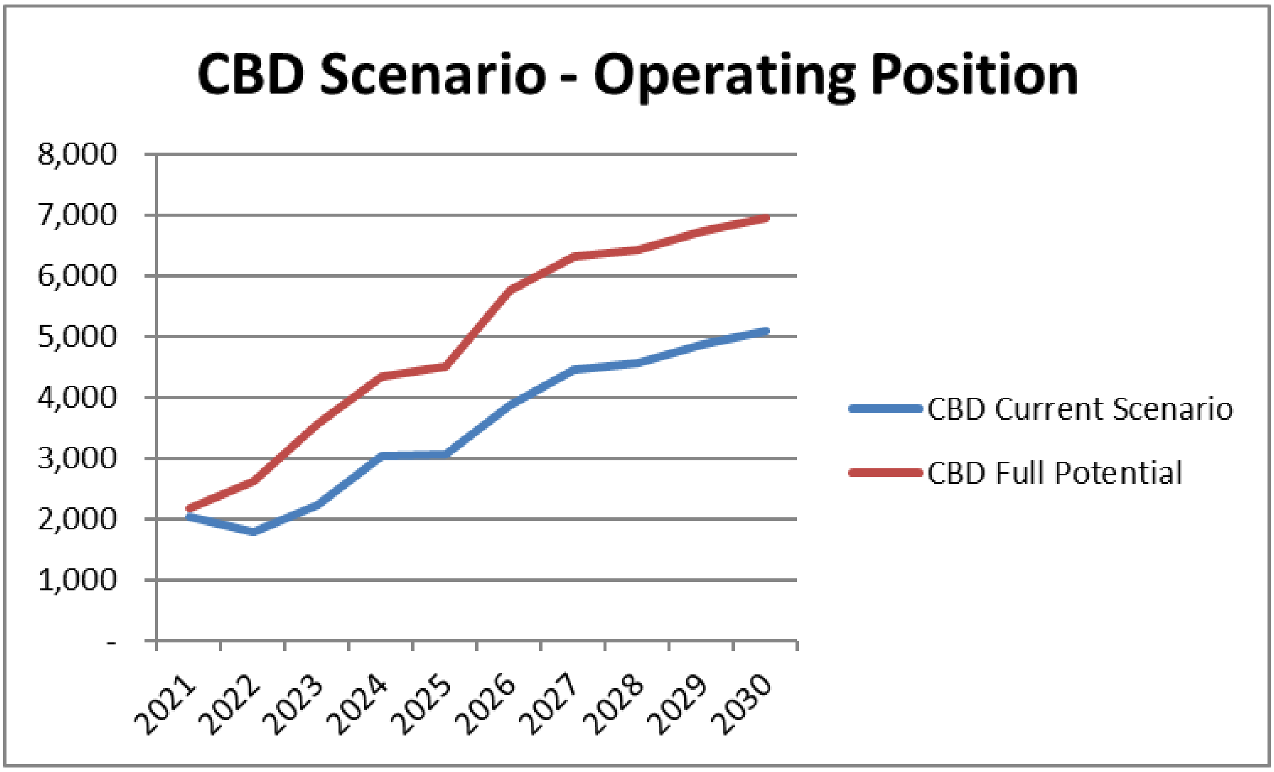
A number of projects have been included in the LTFP for the CBD investment:

- Retail tenancies
- Facilitation of Medical Centre development
- Facilitation of Hotel development
- Prince Charles Street Upgrade
- Associated CBD Land Sales

The sensitivity analysis below shows the comparison of the current projects listed above as the CBD Current Scenario to the full potential of the CBD development and the impact the full development could have on the operating position of Council.

The full potential scenario includes but is not limited to:

- Future land sales
- Additional rate revenue from potential investments
- Anticipated returns to be realised within a 10 year period.


CBD Scenario - Operating Position
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
CBD Current Scenario
CBD Full Potential

6. FINANCIAL PLAN SUMMARY

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

Long Term Financial Plan 2020/21	Current 2019/20 $mill	Year 1 2020/21 $mill	Year 2 2021/22 $mill	Year 3 2022/23 $mill	Year 4 2023/24 $mill	Year 5 2024/25 $mill	Year 6 2025/26 $mill	Year 7 2026/27 $mill	Year 8 2027/28 $mill	Year 9 2028/29 $mill	Year 10 2029/30 $mill	10 Year Average
Operating Income	106.9	111.9	113.5	118.2	122.8	125.6	130.3	135.3	140.3	145.4	150.2	129.4
Operating Expenditure	106.2	108.1	111.7	116.1	119.8	122.6	126.5	130.9	135.9	140.7	144.7	125.7
Operating Result - Surplus (Deficit)	**0.7**	**3.8**	**1.8**	**2.1**	**3.0**	**3.0**	**3.8**	**4.4**	**4.4**	**4.7**	**5.7**	**3.6**
Closing Balance Borrowings	166.3	175.6	180.6	168.2	147.5	139.1	131.9	121.9	112.4	100.0	86.3	136.4
Rates increase above general index	1.4%	0.45%	-	-	-	-	-	-	-	-	-	-
Estimated General Index	1.9%	0.0%	2.0%	2.5%	2.5%	2.4%	2.4%	2.6%	2.8%	2.6%	2.4%	2.2%

6.1. KEY FINANCIAL DATA SUMMARY

OPERATING RESULT

Council's budget surplus is $3.8 million, which reflects the budget required to deliver existing services to agreed service standards as well as the new and enhanced services as detailed in this plan. The variation to the 2019/20 revised budget surplus of $0.702 million is largely result of interest saving and continuous improvement savings which have been directly removed from expenses to improve the operating result. In addition, some minor favourable movements in the Federal Assistance Grants have also contributed to the surplus. The adjusted surplus for 2019/20 is $0.702 million.

Council has been committed to returning to operating surplus as a key strategy of the Council's long-term financial sustainability, with 2019/20 being the first surplus, which this LTFP demonstrates will continue into the future.

CLOSING BALANCE BORROWINGS

The LTFP shows that borrowings improve over the next few years mainly due the positive impact of anticipated years of operating surplus. In addition to surplus achievement, Council has adopted a finance strategy that aims to target the repayment of old debt. The interest on borrowings is also within Council's Interest Expense ratio of 10%.

RESERVES POLICY

The Long Term Financial Plan includes the existing Council policy that all funds collected for reserves can be applied to offset borrowings.

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 long-term financial plan are as follows:

Long Term Financial Plan 2020/21	Year 1 **2020/21** $mill	Year 2 **2021/22** $mill	Year 3 **2022/23** $mill	Year 4 **2023/24** $mill	Year 5 **2024/25** $mill	Year 6 **2025/26** $mill	Year 7 **2026/27** $mill	Year 8 **2027/28** $mill	Year 9 **2028/29** $mill	Year 10 **2029/30** $mill
Reserves Balance	4.1	4.6	5.1	5.6	6.1	6.7	7.4	7.9	8.5	9.0

Should these reserves not be used to offset borrowings, the key ratios affected by borrowings would remain within target at the following levels.

Long Term Financial Plan 2020/21	**Year 1** **2020/21** **%**	**Year 2** **2021/22** **%**	**Year 3** **2022/23** **%**	**Year 4** **2023/24** **%**	**Year 5** **2024/25** **%**	**Year 6** **2025/26** **%**	**Year 7** **2026/27** **%**	**Year 8** **2027/28** **%**	**Year 9** **2028/29** **%**	**Year 10** **2029/30** **%**
Net Financial Liabilities Ratio (50-160%)	171%	173%	156%	134%	125%	115%	104%	94%	83%	71%

For the first two years of the plan, the ratio exceeds Council's adopted maximum target range but reduces over the life of the plan.

6.2. FINANCIAL INDICATORS SUMMARY

The following table provides a summary of Council's financial indicators. This table provides the best approach to comparing Council's performance from year to year, given the effects of inflation and growth.

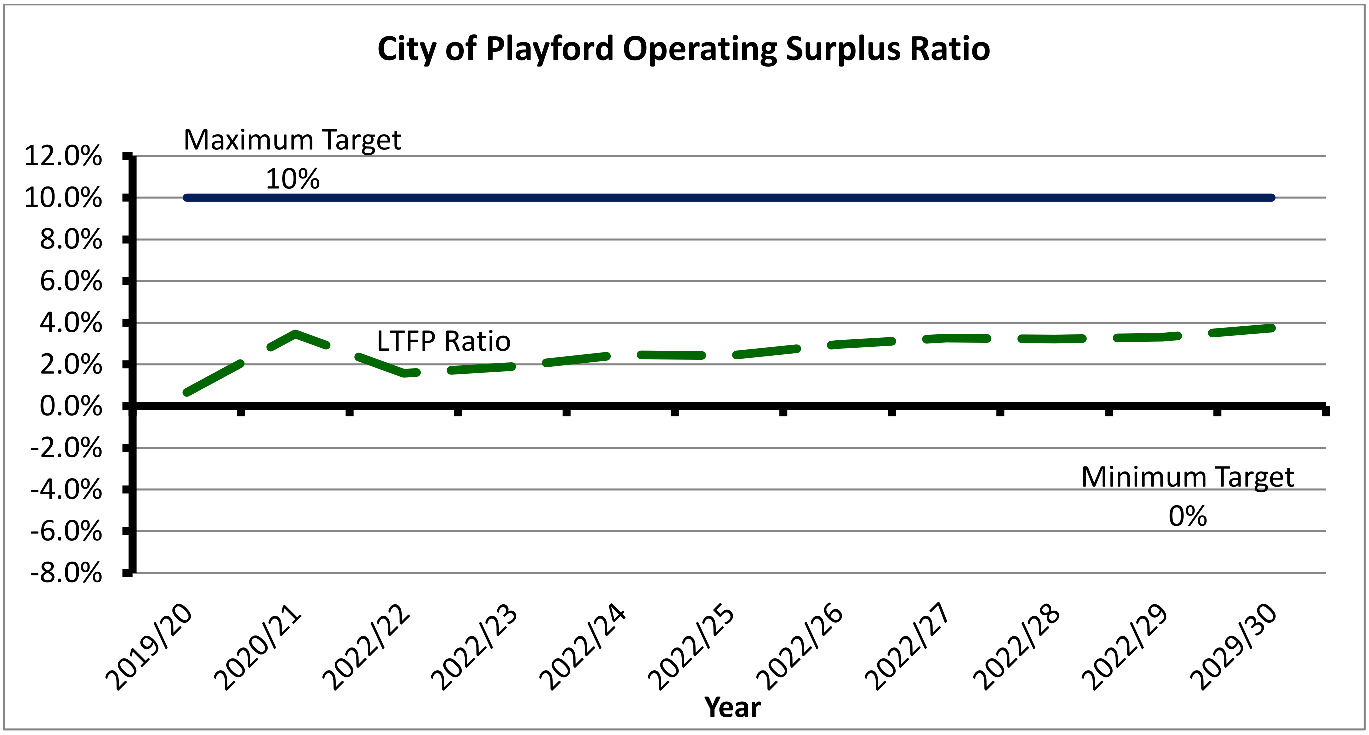
Long Term Financial Plan 2020/21	Current 2019/20 %	Year 1 2020/21 %	Year 2 2021/22 %	Year 3 2022/23 %	Year 4 2023/24 %	Year 5 2024/25 %	5 Year Average %	Year 6 2025/26 %	Year 7 2026/27 %	Year 8 2027/28 %	Year 9 2028/29 %	Year 10 2029/30 %	10 Year Average %
Operating Surplus Ratio (0-10%)	0.7%	3.5%	1.5%	1.9%	2.4%	2.4%	2.3%	2.9%	3.2%	3.2%	3.3%	3.7%	2.8%
Cash Flow From Operations Ratio (90-110%)	80.9%	127.8%	121.6%	124.3%	131.4%	135.6%	128.1%	142.0%	148.1%	151.6%	157.6%	165.7%	140.6%
Asset Renewal Funding Ratio (90-110%)	108.3%	102.3%	102.7%	93.4%	93.7%	93.2%	97.1%	105.0%	104.5%	103.0%	108.4%	95.7%	100.2%
Net Financial Liabilities Ratio (50-160%)	170.1%	170.8%	173.4%	156.4%	134.1%	124.9%	151.9%	115.3%	104.1%	94.2%	82.7%	71.4%	122.7%
Interest Expense Ratio (3-10%)	7.9%	6.1%	6.9%	6.9%	6.3%	5.1%	6.2%	4.5%	4.1%	3.6%	3.4%	2.4%	4.9%

A detailed discussion of all financial indicators is included in Section 7

7. FINANCIAL INDICATORS

Council has adopted five key ratios and targets as part of its Financial Sustainability Ratio and Targets Policy.

7.1. FINANCIAL INDICATOR 1 - OPERATING SURPLUS RATIO



Calculated:

Operating Result / Total Operating Income

Purpose:

This ratio is designed to highlight the financial performance for the year and is a key indicator for financial sustainability. The ratio expresses the operating result as a percentage of Council's total income.

A positive result on this ratio indicates that current residents are able to fully fund the cost of services provided to them by Council. It also suggests the income available to fund capital or repay debt. A negative result indicates that Council is operating at a level beyond their means which will present long term financial issues.

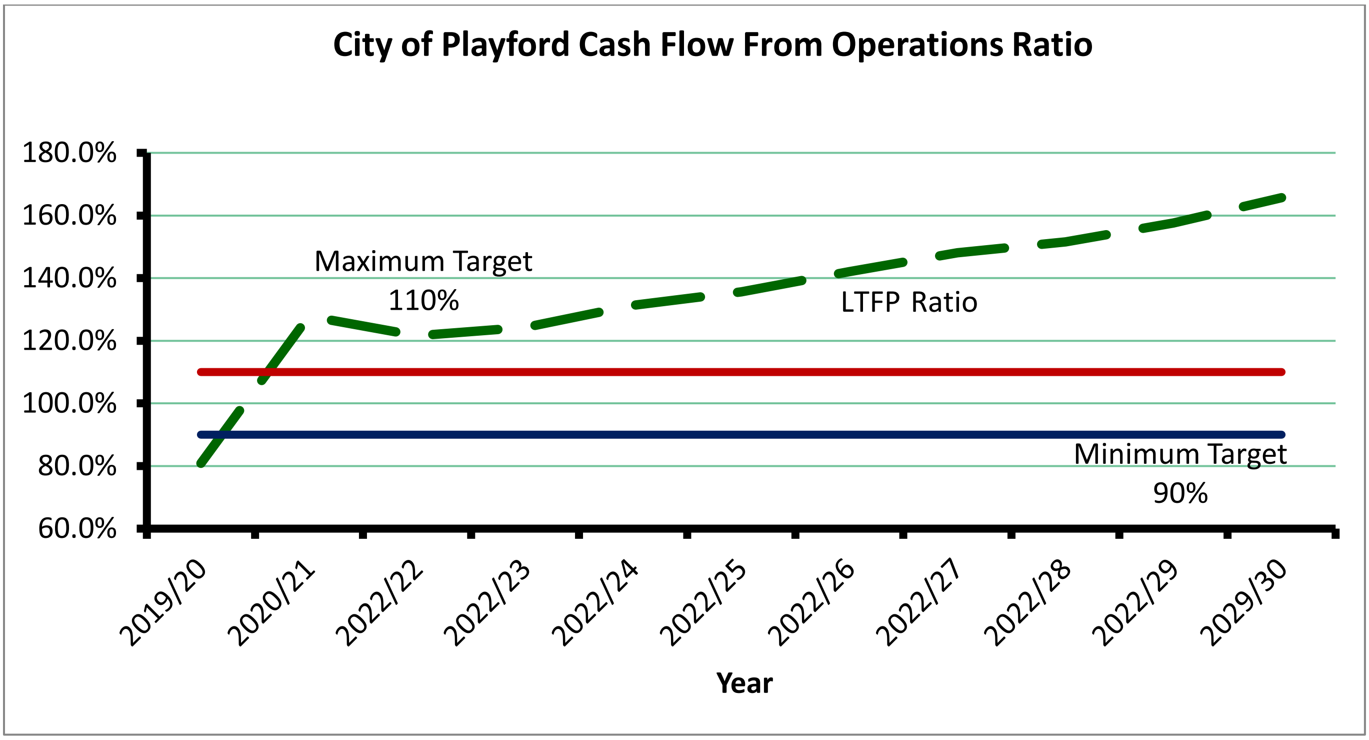
Target:

Council does not specifically target an operating deficit or a large operating surplus, both of these results negatively affecting intergenerational equity. Council has adopted a target ratio between 0% and 10%.

Long Term Financial Plan Commentary:

Council has been committed to operating in surplus with 2019-20 being the first year of budgeted surplus. This produces a positive operating surplus indicator which strengthens over the medium to long term as Council moves to a sustainable surplus. Council is committed to retaining an operating surplus as a key strategy of the Council's long-term financial sustainability.

7.2. FINANCIAL INDICATOR 2 - CASH FLOW FROM OPERATIONS RATIO



Calculated as:

Cash Flow from Operations / Asset Management Plan Replacement Annuity

Purpose:

This ratio measures whether Council is generating enough cash from its operations to cover the replacement of assets over time. This ensures that Council is delivering intergenerational equity and also provides the capacity to repay the borrowings used to fund the large capital cost over time from a sustainable income source, thus putting Council in a position to be able to re-borrow funds for asset replacement in the future.

Target:

The target range is designed to accommodate annual variation, but in general Council should be targeting around 100%, to ensure enough cash from operations is available to cover the replacement of assets over time. This enables the delivery of intergenerational equity and a sustainable use of borrowings that can be repaid over the life of the asset and re-borrowed when the replacement is due. Council has adopted a target ratio between 90% and 110%.

A lower ratio indicates that Council is not generating enough cash from operations to cover asset replacement (less than 100%) and one of two things is potentially happening, neither of which is desirable. Namely:

- Council is running down the condition of its assets by not replacing them at the rate they need to be replaced (declining service levels); or
- Council is funding the replacement of assets from unsustainable sources of income that will lead to an increasing level of borrowings over time.

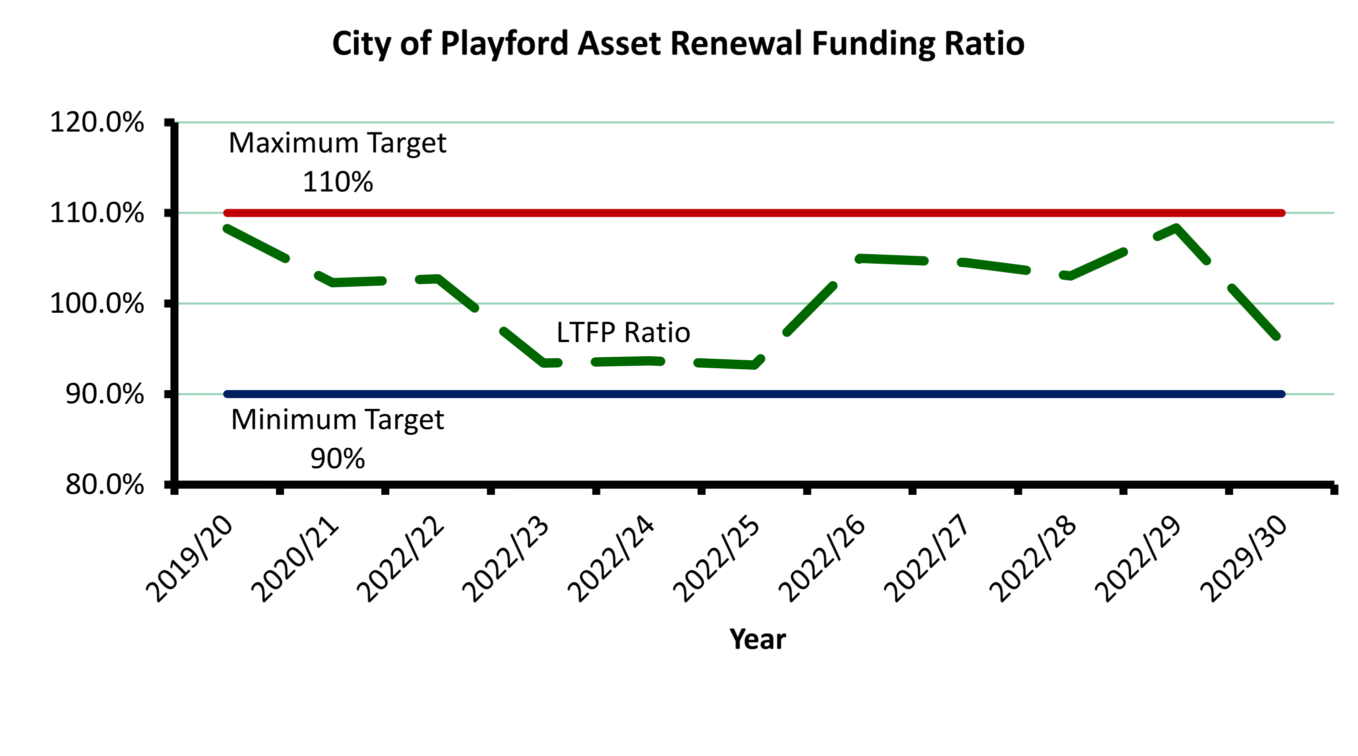
Long Term Financial Plan Commentary:

The 2019/20 result is below the Council's target range, which is largely due to $5.4 million of Federal Assistance Grants pre-paid in 2018/19. The 2020/21 and the five year average reflects the Council operating in surplus.

Council's Cash Flow from Operations Ratio improves over the life of the plan. The ratio is above the target range from year 1, which reflects Council putting reserves aside to replace new assets received from developers through growth township areas. While the impact of these developer contributions appears favourable they are committed to long term capital expenditure and this will normalise as the growth area infrastructure commences.

Over the next 10 years Council will receive approximately $97 million of road and infrastructure assets that will require replacement over the next 20 to 50 years. Unless sufficient reserves are set aside, Council will be unable to fund the replacement of this infrastructure as it ages.

7.3. 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 Asset Management Plan (AMP)

Purpose:

This is a measure of the extent to which Council is replacing assets at a rate that ensures consistent service delivery as determined by the Asset Management Plans (AMPs).

Council's AMPs determine, for the given level of service, when assets need to be replaced to ensure that level of service is maintained. If Council is achieving close to 100% for this measure then it is maintaining the current service levels delivered by assets. This ratio simply measures if Council is performing the required work to replace assets and maintain the level of service.

Target:

In general, Council should be targeting around 100% of the replacement works determined by the Asset Management Plans to ensure consistent service delivery.

A lower ratio suggests that Council is not maintaining assets and infrastructure in order to optimize asset lives. A higher ratio suggests that Council is replacing assets earlier than needed. Council has adopted a target ratio between 90% and 110%.

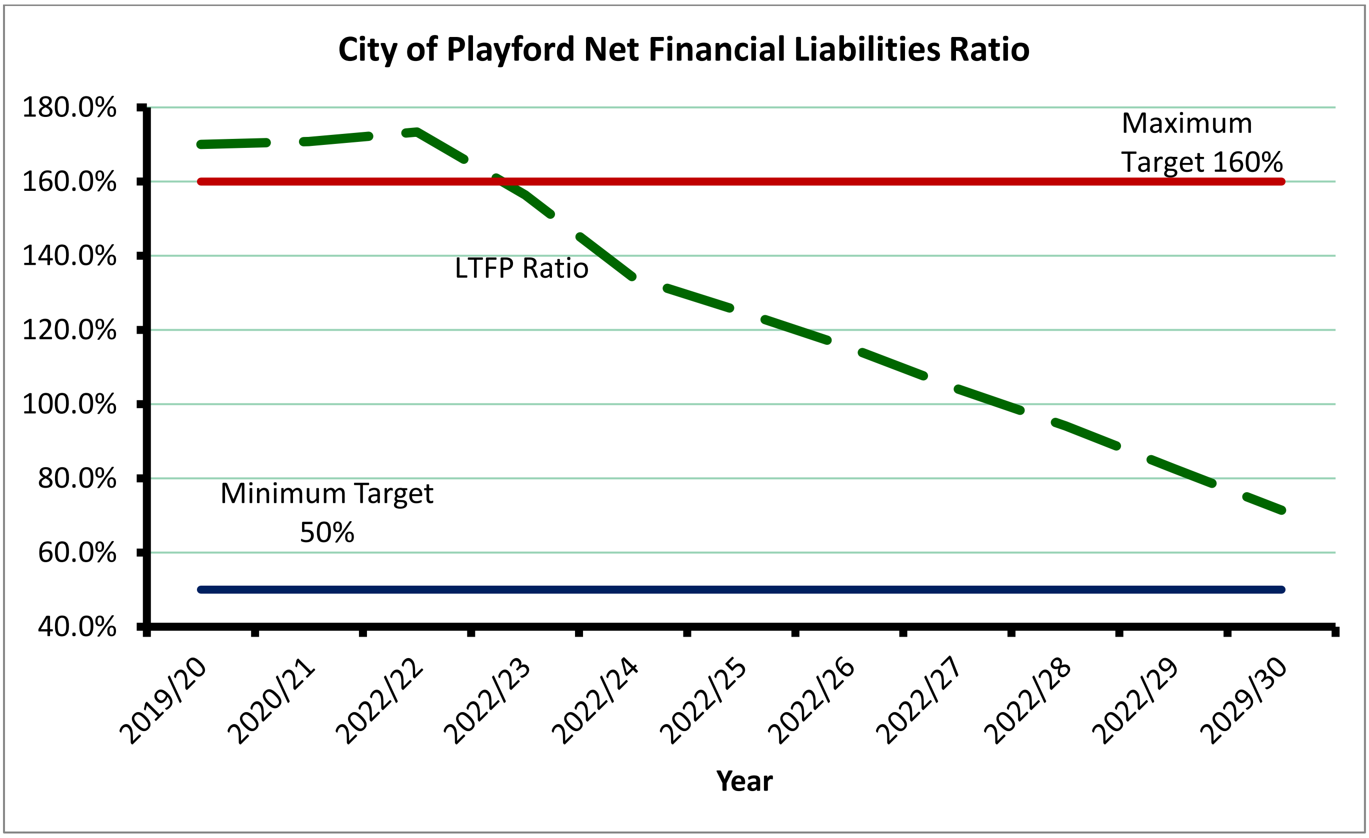
Long Term Financial Plan Commentary:

It is important to note that assets are replaced based on condition and as a result fluctuations on the cycle of replacement are normal. The LTFP takes a longer term view on asset replacement to ensure it does not interfere with cash flow over the life of the plan.

Council prepares its Asset Management Plans over a 20 year period. The Asset Management Plans detail the renewal and replacement requirements of all assets, and Council is to fund 100% of these requirements in accordance with the plan.

The Asset Management Plan schedule has been included in the LTFP with indexation resulting in 100% for the life of the plan.

7.4. FINANCIAL INDICATOR 4 - NET FINANCIAL LIABILITIES RATIO



Calculated as:

Net financial liabilities/ Total Operating Income

Net financial liabilities are total liabilities less cash and other financial assets readily convertible to cash.

Purpose:

This ratio measures the extent to which Council is managing its debt. It's a broader measure of debt than simply looking at borrowing levels. It highlights that borrowings are often an effective means of financial sustainability, rather than trying to fund all assets and services from operating income. The ratio expresses the amount as a percentage of Council's total income as prescribed by the LGA.

A steady ratio means council is balancing the need to borrow against their affordability of debt. An excessive ratio means Council is borrowing beyond their means and can't generate the income required to service assets and operations.

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).

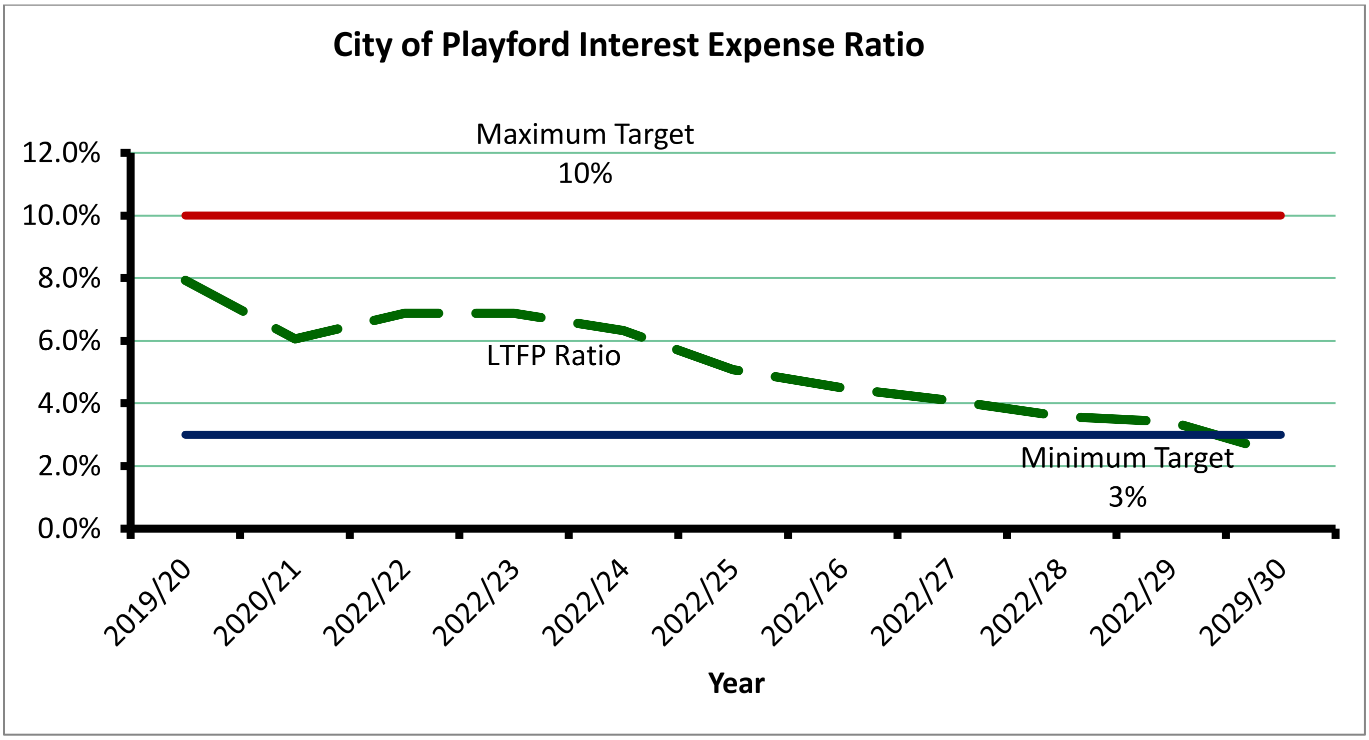
Target:

In order to ensure this target is meaningful it needs to be set and aligned with the planning strategy of the Council. If Council is in a significant development stage then a higher range may be acceptable. The target needs to be flexible based on community needs and long term financial sustainability. Council has adopted a target ratio between 50% and 160%.

Long Term Financial Plan Commentary:

The ratio is out of the targeted range for 2020/21. This is primarily due to the delayed sale of key land parcels. The expected results of the finance strategy detailed in the Long Term Financial Plan, are based on continued improvement in surpluses in the short to medium term. This will generate favourable impacts to this ratio.

7.5. FINANCIAL INDICATOR 5 - INTEREST EXPENSE RATIO



Calculated as:

Interest Expense less Interest Income / General Rate Income (less NRM levy)

Purpose:

This ratio measures the affordability of Council's debt and articulates the proportion of Council's general rate income that is being used to service debt. This is strongly linked both to interest rates and the level of debt and so should be considered in conjunction with financial indicator 4 – Net Financial Liabilities Ratio.

Target:

Interest expense greater than 10% of general rate revenue is considered to be an unacceptable level of servicing costs for borrowings. The target indicates Council's ability to afford the level of debt, as well as continue operations as usual.

A higher percentage means that more of Council's revenue is required to pay for debt rather than paying for community services and other benefits, which may require higher rate rises to maintain service standards.

If Council is in a significant development stage then a higher range may be acceptable and aligned with the planning strategy of the Council. Council has adopted a target ratio between 3% and 10%.

Long Term Financial Plan Commentary:

Over the period of the plan Council's projected cost of borrowings remains below the maximum target of 10% adopted by Council under the assumption that interest rates remain at or lower than 4.4% over the life of the plan.

Council's interest costs decrease as borrowings reduce.

8. 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.

8.1 PROJECTED FINANCIAL STATEMENTS 2020-21 / 2029-30

City of Playford 10 Year Financial Plan for the Years ending 30 June 2030 UNIFORM PRESENTATION OF FINANCES - GENERAL FUND	Actuals	Current Year	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Scenario: < Enter Scenario Name on Cover Sheet >	$	$	$	$	$	$	$	$	$	$	$	$
Operating Activities												
Income	104,445,000	106,926,741	111,933,229	113,489,927	118,241,486	122,781,399	125,607,091	130,281,921	135,272,220	140,317,814	145,436,797	150,211,419
less Expenses	(99,345,000)	(106,224,647)	(108,063,008)	(111,744,760)	(116,052,241)	(119,799,041)	(122,613,018)	(126,484,646)	(130,918,326)	(135,857,749)	(140,678,386)	(144,653,578)
Operating Surplus / (Deficit)	**5,100,000**	**702,094**	**3,870,221**	**1,745,168**	**2,189,245**	**2,982,357**	**2,994,072**	**3,797,274**	**4,353,894**	**4,460,066**	**4,758,411**	**5,557,841**
Capital Activities												
***less* (Net Outlays) on Existing Assets**												
Capital Expenditure on Renewal and Replacement of Existing Assets	(20,345,000)	(21,481,480)	(19,906,791)	(19,991,977)	(18,179,176)	(18,228,445)	(18,136,379)	(20,428,061)	(20,337,847)	(20,050,938)	(21,084,451)	(18,629,244)
add back Depreciation, Amortisation and Impairment	18,983,000	19,879,430	21,190,561	21,714,562	22,299,754	22,886,195	23,530,732	24,168,124	24,812,122	25,461,413	26,243,243	27,029,263
add back Proceeds from Sale of Replaced Assets	887,000	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on Existing Assets	**(475,000)**	**(1,602,050)**	**1,283,770**	**1,722,585**	**4,120,578**	**4,657,749**	**5,394,354**	**3,740,063**	**4,474,276**	**5,410,474**	**5,158,792**	**8,400,019**
***less* (Net Outlays) on New and Upgraded Assets**												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(21,354,000)	(25,476,754)	(23,728,107)	(15,904,371)	(688,250)	(8,390,050)	-	-	(475,000)	-	(23,145,000)	-
add back Amounts Received Specifically for New and Upgraded Assets	1,029,000	2,894,000	4,946,000	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	891,000	1,030,000	4,476,250	7,200,000	6,983,750	21,786,000	-	-	1,900,000	-	25,900,000	-
(Net Outlays) on New and Upgraded Assets	**(19,434,000)**	**(21,552,754)**	**(14,305,857)**	**(8,704,371)**	**6,295,500**	**13,395,950**	**-**	**-**	**1,425,000**	**-**	**2,755,000**	**-**
Net Lending / (Borrowing) for Financial Year	**(14,809,000)**	**(22,452,709)**	**(9,151,866)**	**(5,236,619)**	**12,605,324**	**21,036,057**	**8,388,426**	**7,537,337**	**10,253,169**	**9,870,540**	**12,672,203**	**13,957,860**

City of Playford
10 Year Financial Plan for the Years ending 30 June 2030
INCOME STATEMENT - GENERAL FUND

Scenario: < Enter Scenario Name on Cover Sheet >	Actuals	Current Year					Projected Years					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	$	$	$	$	$	$	$	$	$	$	$	$
Income												
Rates	78,165,000	82,469,656	84,120,403	87,119,334	91,317,484	95,259,634	98,805,936	102,849,636	107,202,379	111,585,760	116,000,550	120,312,290
Statutory Charges	2,012,000	1,984,365	2,052,400	2,093,916	2,141,170	2,192,511	2,242,264	2,291,391	2,346,400	2,406,218	2,465,111	2,520,765
User Charges	3,143,000	5,143,334	5,890,684	6,009,842	6,145,468	6,292,824	6,435,623	6,576,624	6,734,507	6,906,193	7,075,223	7,234,957
Grants, Subsidies and Contributions	19,533,000	16,564,952	18,881,284	17,137,903	17,491,923	17,873,110	16,942,673	17,366,659	17,772,229	18,182,153	18,638,009	18,866,294
Investment Income	24,000	29,311	13,313	12,866	12,391	11,818	11,212	10,572	9,896	9,182	8,430	7,637
Reimbursements	564,000	386,523	737,645	752,566	769,550	788,002	805,883	823,539	843,309	864,808	885,974	905,976
Other Income	1,004,000	222,600	237,500	237,500	237,500	237,500	237,500	237,500	237,500	237,500	237,500	237,500
Net gain - equity accounted Council businesses	-	126,000	-	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Total Income	**104,445,000**	**106,926,741**	**111,933,229**	**113,489,927**	**118,241,486**	**122,781,399**	**125,607,091**	**130,281,921**	**135,272,220**	**140,317,814**	**145,436,797**	**150,211,419**
Expenses												
Employee Costs	40,387,000	41,427,624	42,106,058	43,592,861	45,553,526	47,519,337	49,499,580	51,587,148	53,911,343	56,436,250	58,965,406	61,415,727
Materials, Contracts & Other Expenses	34,372,000	38,356,357	39,147,482	40,430,532	41,902,450	43,344,581	44,528,993	46,068,100	47,775,102	49,909,260	51,472,004	53,277,288
Depreciation, Amortisation & Impairment	18,983,000	19,879,430	21,190,561	21,714,562	22,299,754	22,886,195	23,530,732	24,168,124	24,812,122	25,461,413	26,243,243	27,029,263
Finance Costs	5,479,000	6,487,236	5,043,967	5,932,805	6,222,511	5,974,929	4,979,713	4,587,274	4,345,759	3,976,826	3,923,734	2,857,301
Net loss - Equity Accounted Council Businesses	124,000	74,000	574,940	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000
Total Expenses	**99,345,000**	**106,224,647**	**108,063,008**	**111,744,760**	**116,052,241**	**119,799,041**	**122,613,018**	**126,484,646**	**130,918,326**	**135,857,749**	**140,678,386**	**144,653,578**
Operating Surplus / (Deficit)	**5,100,000**	**702,094**	**3,870,221**	**1,745,168**	**2,189,245**	**2,982,357**	**2,994,072**	**3,797,274**	**4,353,894**	**4,460,066**	**4,758,411**	**5,557,841**
Asset Disposal & Fair Value Adjustments	(6,878,000)	1,030,000	3,696,638	6,774,612	6,983,750	21,786,000	-	-	1,900,000	-	25,900,000	-
Amounts Received Specifically for New or Upgraded Assets	1,029,000	2,894,000	4,946,000	-	-	-	-	-	-	-	-	-
Physical Resources Received Free of Charge	9,524,000	8,990,000	10,843,667	9,494,556	9,484,741	9,940,988	9,640,095	9,688,608	9,756,564	9,695,089	9,713,420	9,721,691
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	**8,775,000**	**13,616,094**	**23,356,526**	**18,014,336**	**18,657,736**	**34,709,345**	**12,634,167**	**13,485,882**	**16,010,458**	**14,155,155**	**40,371,831**	**15,279,532**
Other Comprehensive Income												
Amounts which will not be reclassified subsequently to operating result												
Changes in Revaluation Surplus - I,PP&E	19,519,000	18,262,574	26,695,174	26,993,881	31,281,419	34,172,407	33,472,686	33,188,115	37,336,593	40,723,126	40,195,087	38,633,959
Share of Other Comprehensive Income - Equity Accounted Council Busin	1,954,000	-	-	-	-	-	-	-	-	-	-	-
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reser	(482,000)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Revalued I,PP&E	-	-	-	-	-	-	-	-	-	-	-	-
Net assets transferred - Council restructure	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Amounts which will be reclassified subsequently to operating result												
Available-for-Sale Financial Instruments - Change in Fair Value	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Accumulated Surplus on Sale of Available-for-Sale Financial	-	-	-	-	-	-	-	-	-	-	-	-
Movements in Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	**20,991,000**	**18,262,574**	**26,695,174**	**26,993,881**	**31,281,419**	**34,172,407**	**33,472,686**	**33,188,115**	**37,336,593**	**40,723,126**	**40,195,087**	**38,633,959**
Total Comprehensive Income	**29,766,000**	**31,878,668**	**50,051,700**	**45,008,217**	**49,939,155**	**68,881,753**	**46,106,854**	**46,673,998**	**53,347,051**	**54,878,280**	**80,566,917**	**53,913,491**

City of Playford 10 Year Financial Plan for the Years ending 30 June 2030 BALANCE SHEET - GENERAL FUND	Actuals	Current Year					Projected Years					
Scenario: < Enter Scenario Name on Cover Sheet >	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	$	$	$	$	$	$	$	$	$	$	$	$
ASSETS												
Current Assets												
Cash & Cash Equivalents	468,000	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	7,260,000	7,686,237	8,379,425	8,250,526	8,561,399	8,863,096	9,007,881	9,319,311	9,651,399	9,994,195	10,335,012	10,648,871
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	142,000	177,816	184,759	187,431	194,255	200,941	206,431	213,566	221,480	231,374	238,618	246,987
Non-current assets classified as "Held for Sale"	1,205,000	1,205,000	425,388	-	-	-	-	-	-	-	-	-
Total Current Assets	9,075,000	10,569,053	10,489,572	9,937,957	10,255,654	10,564,037	10,714,312	11,032,878	11,372,879	11,725,569	12,073,630	12,395,858
Non-Current Assets												
Financial Assets	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000	332,000
Equity Accounted Investments in Council Businesses	9,515,000	9,567,000	8,992,060	9,044,060	9,096,060	9,148,060	9,200,060	9,252,060	9,304,060	9,356,060	9,408,060	9,460,060
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,216,427,000	1,270,758,377	1,330,741,555	1,381,411,778	1,418,745,610	1,466,591,306	1,504,309,733	1,543,446,394	1,586,540,275	1,631,548,016	1,699,442,730	1,739,398,361
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	9,334,000	19,029,895	19,772,957	20,058,964	20,789,232	21,504,722	22,092,350	22,855,953	23,702,855	24,761,683	25,537,014	26,432,677
Total Non-Current Assets	1,235,608,000	1,299,687,272	1,359,838,572	1,410,846,802	1,448,962,903	1,497,576,088	1,535,934,143	1,575,886,407	1,619,879,190	1,665,997,759	1,734,719,804	1,775,623,098
TOTAL ASSETS	**1,244,683,000**	**1,310,256,325**	**1,370,328,144**	**1,420,784,759**	**1,459,218,556**	**1,508,140,125**	**1,546,648,455**	**1,586,919,284**	**1,631,252,069**	**1,677,723,328**	**1,746,793,434**	**1,788,018,956**
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	-	26,229,797	28,006,913	23,921,585	17,064,525	(5,663,564)	(8,710,318)	(11,563,695)	(18,491,558)	(24,364,905)	(56,491,729)	(67,136,902)
Trade & Other Payables	12,948,000	18,254,904	18,900,043	19,265,024	20,011,720	20,735,750	21,347,352	22,110,676	22,950,748	23,946,154	24,738,517	25,611,822
Borrowings	14,560,000	8,005,163	6,450,722	6,174,520	6,440,276	5,260,313	4,412,992	3,504,633	3,635,823	3,417,595	3,029,677	3,144,939
Provisions	5,583,000	5,698,901	5,771,276	5,845,315	5,921,704	6,000,458	6,081,589	6,165,177	6,251,511	6,340,844	6,433,109	6,528,161
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	33,091,000	58,188,766	59,128,953	55,206,443	49,438,225	26,332,958	23,131,616	20,216,791	14,346,524	9,339,688	(22,290,427)	(31,851,980)
Non-Current Liabilities												
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	123,433,000	132,059,315	141,125,142	150,481,622	144,729,595	147,859,332	143,446,340	139,941,707	136,780,884	133,363,289	153,478,612	150,333,673
Provisions	1,140,000	1,110,577	1,124,680	1,139,109	1,153,995	1,169,343	1,185,153	1,201,442	1,218,267	1,235,675	1,253,656	1,272,179
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	124,573,000	133,169,891	142,249,823	151,620,731	145,883,591	149,028,675	144,631,493	141,143,149	137,999,151	134,598,964	154,732,268	151,605,852
TOTAL LIABILITIES	**157,664,000**	**191,358,657**	**201,378,776**	**206,827,174**	**195,321,816**	**175,361,632**	**167,763,109**	**161,359,940**	**152,345,674**	**143,938,652**	**132,441,841**	**119,753,872**
Net Assets	**1,087,019,000**	**1,118,897,668**	**1,168,949,368**	**1,213,957,585**	**1,263,896,740**	**1,332,778,493**	**1,378,885,346**	**1,425,559,344**	**1,478,906,395**	**1,533,784,675**	**1,614,351,593**	**1,668,265,084**
EQUITY												
Accumulated Surplus	456,988,000	475,668,944	498,826,920	516,337,165	534,482,546	568,674,009	580,772,031	593,657,240	609,063,950	622,643,116	662,414,015	677,271,547
Asset Revaluation Reserves	621,088,000	639,350,574	666,045,748	693,039,629	724,321,048	758,493,455	791,966,141	825,154,257	862,490,850	903,213,976	943,409,062	982,043,022
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	8,943,000	3,878,150	4,076,700	4,580,791	5,093,146	5,611,028	6,147,174	6,747,847	7,351,595	7,927,584	8,528,515	8,950,515
Total Equity	**1,087,019,000**	**1,118,897,668**	**1,168,949,368**	**1,213,957,585**	**1,263,896,740**	**1,332,778,493**	**1,378,885,346**	**1,425,559,344**	**1,478,906,395**	**1,533,784,675**	**1,614,351,593**	**1,668,265,084**

City of Playford												
10 Year Financial Plan for the Years ending 30 June 2030												
EQUITY STATEMENT - GENERAL FUND	**Actuals**	**Current Year**					**Projected Years**					
Scenario: < Enter Scenario Name on Cover Sheet >	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Opening Balance	1,057,253,000	1,087,019,000	1,118,897,668	1,168,949,368	1,213,957,585	1,263,896,740	1,332,778,493	1,378,885,346	1,425,559,344	1,478,906,395	1,533,784,675	1,614,351,593
Net Surplus / (Deficit) for Year	8,775,000	13,616,094	23,356,526	18,014,336	18,657,736	34,709,345	12,634,167	13,485,882	16,010,458	14,155,155	40,371,831	15,279,532
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	19,519,000	18,262,574	26,695,174	26,993,881	31,281,419	34,172,407	33,472,686	33,188,115	37,336,593	40,723,126	40,195,087	38,633,959
- Available for Sale Financial Instruments: change in fair value	-	-	-	-	-	-	-	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	(482,000)	-	-	-	-	-	-	-	-	-	-	-
- 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	1,954,000	-	-	-	-	-	-	-	-	-	-	-
- Other Equity Adjustments - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
- Other Movements	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	20,991,000	18,262,574	26,695,174	26,993,881	31,281,419	34,172,407	33,472,686	33,188,115	37,336,593	40,723,126	40,195,087	38,633,959
Total Comprehensive Income	29,766,000	31,878,668	50,051,700	45,008,217	49,939,155	68,881,753	46,106,854	46,673,998	53,347,051	54,878,280	80,566,917	53,913,491
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	**1,087,019,000**	**1,118,897,668**	**1,168,949,368**	**1,213,957,585**	**1,263,896,740**	**1,332,778,493**	**1,378,885,346**	**1,425,559,344**	**1,478,906,395**	**1,533,784,675**	**1,614,351,593**	**1,668,265,084**

City of Playford
10 Year Financial Plan for the Years ending 30 June 2030
CASH FLOW STATEMENT - GENERAL FUND
Scenario: < Enter Scenario Name on Cover Sheet >

	Actuals	Current Year					Projected Years					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	$	$	$	$	$	$	$	$	$	$	$	$
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	-	82,524,330	83,831,658	86,957,137	91,090,244	95,046,326	98,614,139	102,630,846	106,966,897	111,348,677	115,761,734	120,079,046
Statutory Charges	-	1,938,190	2,060,814	2,087,950	2,134,379	2,185,133	2,235,114	2,284,331	2,338,495	2,397,622	2,456,648	2,512,767
User Charges	-	4,758,812	5,830,437	5,992,719	6,125,978	6,271,648	6,415,102	6,556,362	6,711,819	6,881,521	7,050,933	7,212,003
Grants, Subsidies and Contributions (operating purpose)	-	16,296,137	18,445,144	17,805,780	17,456,577	17,835,052	17,035,569	17,324,328	17,731,736	18,141,226	18,592,496	18,843,502
Investment Receipts	24,000	28,324	14,601	12,902	12,429	11,864	11,261	10,624	9,950	9,239	8,491	7,701
Reimbursements	-	390,917	697,525	750,711	767,438	785,707	803,659	821,343	840,851	862,135	883,342	903,489
Other	110,883,000	2,757,561	489,419	52,160	457,557	445,549	425,330	450,145	466,821	469,323	470,727	464,890
Payments:												
Payments to Employees	-	(41,341,146)	(42,019,580)	(43,504,393)	(45,462,250)	(47,425,236)	(49,402,638)	(51,487,272)	(53,808,184)	(56,329,508)	(58,855,161)	(61,302,152)
Payments for Materials, Contracts & Other Expenses	(82,584,000)	(45,100,930)	(39,381,904)	(40,520,762)	(42,132,836)	(43,570,304)	(44,714,378)	(46,309,002)	(48,042,284)	(50,243,300)	(51,716,606)	(53,559,853)
Finance Payments	(5,479,000)	(6,487,236)	(5,043,967)	(5,932,805)	(6,222,511)	(5,974,929)	(4,979,713)	(4,587,274)	(4,345,759)	(3,976,826)	(3,923,734)	(2,857,301)
Net Cash provided (or used in) Operating Activities	22,844,000	15,764,958	24,924,146	23,701,398	24,227,006	25,610,810	26,443,446	27,694,430	28,870,343	29,560,108	30,728,870	32,304,093
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	1,029,000	2,894,000	4,946,000	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	887,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	891,000	1,030,000	4,476,250	7,200,000	6,983,750	21,786,000	-	-	1,900,000	-	25,900,000	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Non Current Assets "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Net Disposal of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Developments	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	16,000	-	-	-	-	-	-	-	-	-	-	-
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	(20,345,000)	(21,481,480)	(19,906,791)	(19,991,977)	(18,179,176)	(18,228,445)	(18,136,379)	(20,428,061)	(20,337,847)	(20,050,938)	(21,084,451)	(18,629,244)
Expenditure on New/Upgraded Assets	(21,354,000)	(25,476,754)	(23,728,107)	(15,904,371)	(688,250)	(8,390,050)	-	-	(475,000)	-	(23,145,000)	-
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	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(38,876,000)	(43,034,233)	(34,212,648)	(28,696,348)	(11,883,676)	(4,832,495)	(18,136,379)	(20,428,061)	(18,912,847)	(20,050,938)	(18,329,451)	(18,629,244)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from CAD	-	26,229,797	1,777,116	-	-	-	-	-	-	-	-	-
Proceeds from Borrowings	30,726,000	16,917,754	15,516,549	15,531,000	688,250	8,390,050	-	-	475,000	-	23,145,000	-
Receipt of Funds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Aged Care Facility Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Bonds & Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Receipts from Other Financing Activities	-											
Payments:												
Repayments of CAD	-	-	-	(4,085,328)	(6,857,060)	(22,728,089)	(3,046,754)	(2,853,377)	(6,927,863)	(5,873,347)	(32,126,824)	(10,645,172)
Repayments of Borrowings	(15,689,000)	(14,846,276)	(8,005,163)	(6,450,722)	(6,174,520)	(6,440,276)	(5,260,313)	(4,412,992)	(3,504,633)	(3,635,823)	(3,417,595)	(3,029,677)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Aged Care Facility Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Bonds & Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Payments of Other Financing Activities	-											
Net Cash Flow provided (used in) Financing Activities	15,037,000	28,301,275	9,288,502	4,994,950	(12,343,330)	(20,778,315)	(8,307,067)	(7,266,369)	(9,957,496)	(9,509,170)	(12,399,420)	(13,674,849)
Net Increase/(Decrease) in Cash & Cash Equivalents	(995,000)	1,032,000	-	-	-	-	-	-	-	-	-	-
plus: Cash & Cash Equivalents - beginning of year	1,463,000	468,000	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	**468,000**	**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**