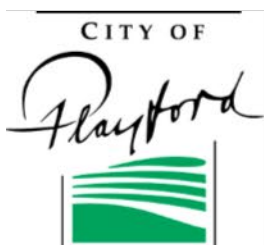




# **ANNUAL BUSINESS PLAN & BUDGET 2020/21**





# CONTENTS

Foreword .....	4
Executive Summary .....	5
Your Council .....	7
Our Plans for the Future.....	8
Budget Breakdown.....	10
Delivering for our Community.....	15
Measures and Targets .....	34
Budgeted Financial Statements and Explanations .....	39
Appendices .....	48

# FOREWORD

The City of Playford endorsed this Annual Business Plan and Budget at a significant time in global history. The COVID-19 pandemic has impacted us all, and the social and economic challenges are unprecedented.

Despite these uncertain times, we have delivered a plan that is responsible as well as historically significant for Playford, with an ongoing sustainable operating position established for the first time in Council's 23 years.

We have been working hard to develop and implement a finance strategy to manage debt ensuring the financial sustainability of the organisation. The ongoing sustainable operating position is a result of this effort and a key part of achieving long term financial sustainability. We are proud of this milestone, even more so during this difficult time.

Contributing to this year's operating position is over \$2.8 million in identified savings. Our Continuous Improvement program actively looks at ways we can deliver services more efficiently for our community. As a result, we have identified \$1.151 million of ongoing savings and \$1.644 million of short term savings measures.

As well as having a positive impact on our bottom line, these savings have helped keep this year's rate increase to an historic low. This is important as we know part of our community are doing it tough. The \$1.644 million in short term savings measures has been used to offset any increase associated with inflationary pressures which means we are able to keep the rate increase to 0.45%.

The majority of this (0.39%) is to cover the increase of the Waste Levy introduced by the State Government. Unfortunately, the State Government has imposed this cost on to Council, which means we need to access additional ongoing funding from our community.

The balance of the rate increase enables Council to introduce 12 new or enhanced services. As a council area experiencing population growth at double the national

average, we have an obligation to meet the demands for new facilities and infrastructure. This funding will be used to upgrade the Virginia Main Street, improve stormwater on Stebonheath Road and improve a range of sport, recreation and open space areas.

Council will also spend over \$19.5 million of its capital budget on renewing or replacing existing assets such as kerbs, footpaths, roads and leisure and sporting facilities in already established parts of our City.

We have also been able to bring forward the construction of a range of new footpath projects to accelerate the connection of missing footpath links across the city. Council was successful in receiving funding from the Australian Government Local Roads and Community Infrastructure program with the aim of stimulating the economy through the COVID-19 downturn. \$1.4 million of grant funding will be used to complete a range of footpath projects before 30 June, 2021, which would have otherwise only been constructed later in the decade.

Underpinning all of these achievements is a \$107 million investment in the delivery of our existing services such as library and community programs, waste management and verge mowing. This is our foundation as a council, accounts for 99% of the budget and something our community will see being delivered day-after-day throughout the year ahead.



A stylized, handwritten signature in dark ink.

**Glenn Docherty**  
Mayor



A stylized, handwritten signature in dark ink.

**Sam Green**  
Chief Executive Officer

# EXECUTIVE SUMMARY

The City of Playford plans the services and programs it will deliver to the community in its Annual Business Plan and Budget, Long Term Financial Plan and Asset Management Plans.

This Annual Business Plan and Budget lists the outcomes the City of Playford will achieve during 2020/21.

Developing a balanced budget is always a focus for Council. This year, as the world faces unprecedented uncertainty due to the COVID-19 environment, this responsibility is even more significant.

At the height of the pandemic, while we have had to adjust services to meet public health requirements, the City of Playford will continue to focus on how it supports the growth of our City and provision of quality services. In fact, most of our budget, \$107 million, supports the delivery of **existing services**; roads still need to be fixed, rubbish needs to be collected and verges need to be mowed.

Council will spend over \$19.5 million of its **capital** budget on renewing or replacing existing assets such as kerbs, footpaths, roads and leisure and sporting facilities.

We also want to make sure we continue to build the foundations of our City and support our growth. We will introduce a range of new or enhanced services or assets this year that are both time critical and our community is keen to see finished. These include:

- New Northern Adelaide School Shared Use Facilities
- Virginia Main Street Upgrade – Supplementary Funding
- Virginia Main Street - Institute Park and Gawler Road
- Stormwater Deeds - Stebonheath Road Culvert
- Footpath Shading/Tree Replacement
- New Footpath Projects
- Open Space Minor Projects
- Sport and Recreation Minor Projects
- Goulds Creek Road Acquisition and Upgrade
- Reach Slashing Program
- Tractor Slashing Program
- Angle Vale Community Sport Centre (AVCSC) – Stage 5

Despite the exceptional circumstances we find ourselves in, we can't look at this budget in isolation. Council must continue to plan for our City's future – both after COVID-19 and for generations to come. With a long term commitment to delivering financial sustainability, Council continues its focus on producing a sustainable operational surplus position, effectively managing its debt and sustainably growing assets and services to meet the needs of both established and new communities.

We will stick to this strategy, while being sensitive to the challenges around us and keeping rate increases as low as possible.

Operational savings will fund inflationary pressures. Typically, Council takes in to account the inflationary impacts on the delivery of existing services, which for 2020/21 equate to a 2 per cent rate increase. 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.

However, Council must pass on the cost of the State Government imposed Waste Levy. This levy must be paid on every tonne of waste that finds its way to landfill, and this year will result in a 0.39 per cent rate increase.

The 2020/21 Annual Business Plan and Budget incorporates a **0.45% rate increase** for 2020/21 raising \$0.370M, comprising:

\$0.313M – 0.39% funding state-government imposed cost pressure.

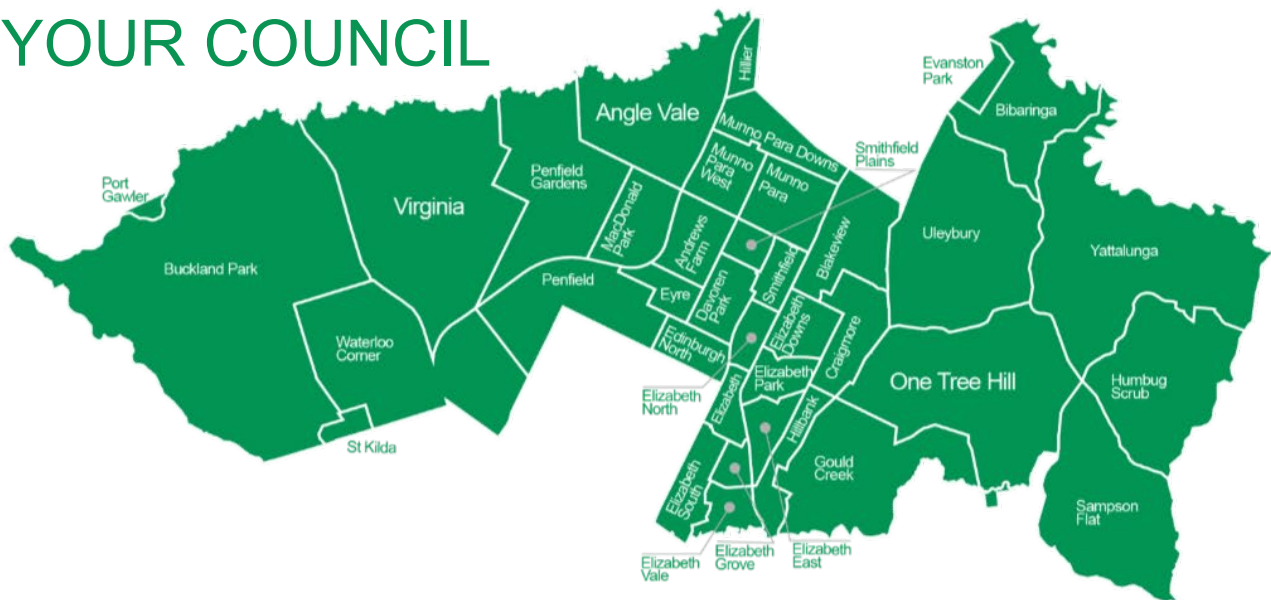
\$0.104M – 0.12% funding 12 new and enhanced services.

(\$0.047M) – (0.06%) savings from operating costs of previous initiatives.

The City of Playford has diligently reflected on the impact of rate increases on the community, particularly given this unprecedented time in history. We are balancing this with our firm focus on financial responsibility to strike a budget that recognises the importance of now, while planning for a healthier tomorrow.



# YOUR COUNCIL



## MAYOR



Mayor  
Glenn  
Docherty

## WARD 1



Andrews Farm  
Buckland Park  
MacDonal Park  
Virginia  
Penfield Gardens  
Angle Vale  
Penfield  
Eyre  
Smithfield Plains  
Waterloo Corner (part)



Cr.  
Peter  
Rentoulis



Cr.  
Cathy-Jo  
Tame



Cr.  
Clint  
Marsh

## WARD 2



Munno Para Downs  
Hillier (part)  
Munno Para West  
Munno Para  
Smithfield  
Blakeview



Cr.  
Jane  
Onuzans



Cr.  
Gay  
Smallwood-  
Smith



Cr.  
Stephen  
Coppins

## WARD 3



Bibaringa  
Evanston Park (part)  
Uleybury  
Craigmore (Part)  
One Tree Hill  
Hillbank  
Gould Creek  
Sampson Flat  
Humbug Scrub  
Yattalunga



Cr.  
Andrew  
Craig



Cr.  
David  
Kerrison



Cr.  
Veronica  
Gossink

## WARD 4



Davoren Park  
Elizabeth North  
Edinburgh North  
Elizabeth  
Elizabeth South  
Elizabeth Vale



Cr.  
Dennis  
Ryan JP



Cr.  
Katrina  
Stroet



Cr.  
Marilyn  
Baker -  
Deputy  
Mayor

## WARD 5



Elizabeth Park  
Elizabeth Downs  
Elizabeth East  
Elizabeth Grove  
Craigmore (Part)



Cr.  
Akram  
Arifi



Cr.  
Misty  
Norris



Cr.  
Shirley  
Halls

# 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 vision 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

## Strategic Planning Framework





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 the finances that 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

# BUDGET BREAKDOWN

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

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

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

## Capital Budget

This is Council's expenditure on projects that will create long-term assets.

In 2020/21 Council has a budgeted expenditure of \$43.635 million on capital projects. In addition, Council will also receive assets of \$10.843 million free of charge from new developments.

Asset Management Plans - capital renewal	\$19.521M
Projects commenced in 2019/20	\$6.857M
New Capital Projects for 2020/21	\$17.257M
Council Expenditure - SUBTOTAL	\$43.635M
Donated Assets (physical resources received free of charge)	\$10.844M
Increase in Council capital assets - TOTAL	\$54.479M

## Operating Budget

Council's operating budget incorporates all costs associated with supporting our community.

Council's Services/Assets can be categorised as below:

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

## What do we fund?

A key principle of Council's Finance Strategy is Financial Sustainability. This principle underpins Council decision-making about what services to fund and how we fund those services.

## **Existing Services/Assets**

Council's existing services make up approximately 99% of our overall budget. Service Standards articulate the service Council delivers and the benefits the community can expect to receive. Costings of the services are detailed further on page 25.

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

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

## **New & Enhanced Assets and Services**

Each year Council considers the introduction of a range of new or enhanced services or assets. The following have been selected to commence in 2020/21 as they:

- honour a pre-existing commitment
- are time critical
- support the growth of our City or
- respond to key needs of importance to our community.

To ensure that Council maintains a strong sustainable financial position, these new assets and services will require funding from either an increase in rates income, the reallocation of existing funding or allocation of surplus funds (when available).

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

### **Base Budget and General Index**

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

Each year Council takes into account the inflationary impacts on the delivery of existing services. This inflationary pressure is usually taken into account by looking at the movement in the South Australia Wage Price Index and the Consumer Price Index South Australia (CPI). The weighted average of the movement in these two indices creates the General Index component of the rate increase each year.

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.

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

These increases are over and above the General Index component. On 18 June 2019 the State Government unexpectedly announced a further increase to its Landfill levy with the increase applied to the \$103/tonne to be \$110/tonne effective 1 July and a subsequent increase to \$140/tonne effective 1 January 2020. This resulted in an unprecedented \$534k addition to Council's 2019/20 budget and a further \$313k to the 2020/21 budget. This had a direct impact on household rates of an additional 0.7% and 0.39% increase, respectively.

## **Rates Increases**

A key principle of Council's Finance Strategy is Financial Sustainability. This principle underpins Council decision-making about what services to fund and how we fund those services. Rate

increases are a financially sustainable funding mechanism, for the provision of new and enhanced services as well as cost pressures or cost shifting. These increases are over and above the General Index component.

In 2020/21 Council's operating budget delivers an increase in services of \$104k which equates to a rate increase of 0.12%.

Rate increases are calculated as an increase on overall rate revenue.

### Growth / Reserves Funded

Council also has access to growth revenue and cash contributions from developers in relation to open space reserve contribution, social and stormwater infrastructure deed agreements, construction of footpaths and kerbs, and street-tree planting. In 2020/21, \$2.389 million of capital and \$0.600 million of operating revenue has been allocated towards five eligible infrastructure projects.

### 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%
<b>Total</b>	<b>5,708</b>	<b>7.6%</b>

The table below shows how our assets and services will be funded in 2020/21:

What do we need to fund?	How it will be funded?	Equivalent Rate Revenue %	Operating Expenditure
Existing Services	Existing Base Budget	-	\$107.420M
Inflation to maintain Existing Service Standards	General Index (Rate Increase)	0.00%	-
Cost Pressures/State Government Cost Shifting	Rate Increase	0.39%	\$0.313M
Reserves Growth	Growth Revenue	0.33%	\$0.273M
New & Enhanced Services	Rate Increase	0.42%	\$0.104M
Savings from operating costs of previous initiatives	Rate Decrease	(0.06%)	(\$0.047M)
<b>TOTAL</b>			<b>\$108.063M</b>

## **Self-funded assets and services**

In addition to the assets and services mentioned above, Council is investing in projects that pay for themselves over time and bring a return on investment. These projects are funded through a combination of short term borrowings and investment returns and do not have an impact on the community in terms of a rate increase. Several projects have been identified in our four year planning horizon.

Continuing the transformational work that is already taking place in the CBD further work for this *Investment Decision* has been identified. These projects will have no foreseeable long term impact on Council's operating costs and are projected to provide a positive return to Council. Expected project returns include retail lease payments, proceeds from the sale of land and car park user charges.

Projects include:

- Retail options for the CBD
- Construction of a Medical Centre
- Facilitation of a Hotel development
- Associated CBD Land Sales

## **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 also 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 created 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.



## Key Budget Data

Item	Budget 2020/21
Operating income	\$111.933M
Operating expenses	\$108.063M
Operating result	\$3.870M
Net borrowing balance	\$175.583M

See the Budgeted Financial Statements & Explanations section from page 39 for further information on this budget data.

# DELIVERING FOR OUR COMMUNITY

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

Under the Act, and other relevant legislation, all councils have basic responsibilities, which include:

- Community services or facilities, and cultural or recreational services or facilities;
- Management of infrastructure and other assets, including roads, footpaths, parks, street lighting and stormwater drainage.
- Street cleaning and rubbish collections
- Environmental health services, including public health inspections, immunisation and pest control
- Regulatory activities, including development, planning and control, and fire safety

These services, programs and infrastructure provide important benefits for those that live, work and play in our community, and are explained in more detail below.

## Existing Services

Council has 25 services that it provides to our community. Each service has a Service Standard to ensure we are meeting our community's needs and this Annual Business Plan and Budget assumes that each of Council's existing services continues to be delivered to at least its current service standard. This service delivery accounts for the majority of Council's operating budget

Our services are broadly categorised into the following themes:

- Community facilities, programs and events
- City maintenance
- Waste and recycling
- Public health, regulatory and environment
- Local business support

Further information on each of these can be found below.

## Community facilities, programs and events

### Club and Sporting Governance

There are over 80 sporting clubs in our City occupying our community sport facilities. There are also larger facilities including the Playford Tennis Centre, John McVeity Centre, Aquadome, Playford Bowling Club and Elizabeth Oval providing a wide range of recreational activities.



Council engages with these clubs and user groups to maximise opportunities for efficient management, administration, compliance and utilisation of the assets for the community's benefit. Training and educational opportunities are also supported via the Playford Sports Network club development program.

## Community Development

This service supports knowledge and skills development of communities and families. Programs include Wheels in Motion, youth activities and NAIDOC initiatives run at the Elizabeth Rise Community Centre. Learning and employment opportunities and live work training are also provided through our Industry Participation Policy including work on infrastructure projects taking place in the City.



## Community Inclusion

Our older and vulnerable people are connected to the community through various community services and programs, including those run at the Grenville Hub, Marni Waiendi and Elizabeth Rise Community Centre.





The Grenville Hub encourages and promotes lifelong learning, physical activity, healthy living, social connections, participation and enjoyment for people aged 50 and over. Information, knowledge and support is also provided to assist people to remain independent in the community.

Our Marni Waiendi facility engages with the Aboriginal and Torres Strait Islander community and provides assistance, support and advocacy to increase their participation in programs across the City.

The Elizabeth Rise Community Centre works with the community and partner agencies to deliver a variety of communal activities and events.

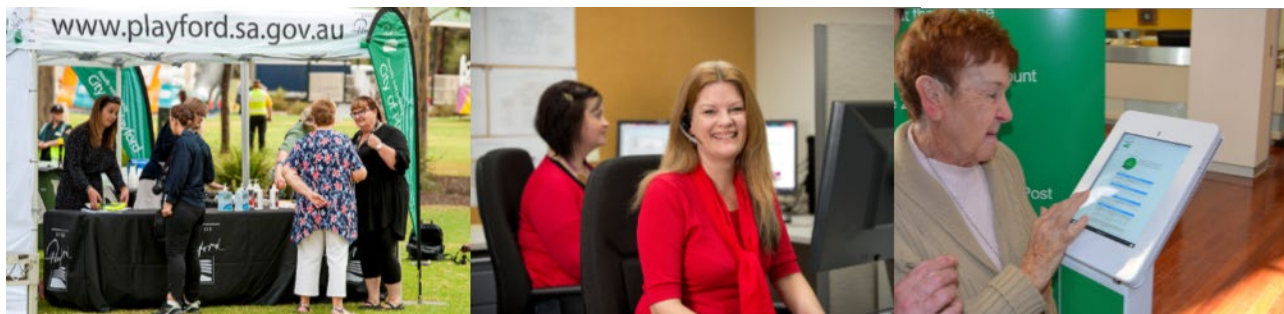
## Community Venues



Our community venues such as the Civic Centre, Shedley Theatre, Elizabeth Rise Community Centre and Northern Sound System (NSS) are accessible to the community and well equipped to cater for a diverse range of events as well as offer a high quality experience.

The Shedley Theatre welcomes a number of high-profile acts, long-time resident theatre groups and local schools each year. NSS is an innovative community facility and uses music to engage with young people as well as offering a live-recording facility, rehearsal space, and music and digital training all in the one place.

## Customer Contact



Our Customer Contact team provides prompt and accurate information and transactional services to our community. Abandoned call rates, average queue times, and customer satisfaction feedback are monitored to ensure a high quality customer service

## Event Management





Event management services are provided for a range of events across the City, such as Australia Day, Playford Community Christmas Carols, Anzac Day commemorations and Citizenship Ceremonies. These events serve to celebrate and promote the sense of being part of the community.

### Health Initiatives



Council provides a number of programs to support the community to actively participate in maintaining and improving their health and wellbeing. The healthy meal provisions on offer at the Healthy Food Co. at the Precinct, the healthy communities project at Davoren Park and Smithfield Plains and the activities at Secombe Street Reserve are examples of ways healthy lifestyles are encouraged in the community.

### Library



Our Library Services provide access to information, technology, educational programs, cultural engagement, local history, social interactions, entertainment and leisure for the local community.

As well as the branches at the Civic Centre and Stretton Centre, the Mobile Library Service visits shopping centres, including Angle Vale and One Tree Hill, nursing homes and residential villages, and the Elizabeth Rise Community Centre. The Home Library Service provides free access for Playford residents dealing with short or long-term difficulties caused by illness, age, frailty or disability.

## Volunteer Development



Council provides a range of resources and services to support the essential role of volunteers in our community. Planting trees in the reserves, running fitness classes at the Grenville Hub, preparing meal packs at the Healthy Food Co. and supporting events in the City such as the Christmas pageant are just some of the services and programs that our volunteers contribute their skills and knowledge to.

## City maintenance

### Parks and Reserves



Attractive and sustainable open space, such as parks and reserves, provide opportunities for social interaction and physical activity across our City. The ongoing maintenance of these facilities is crucial as they also contribute to the health and wellbeing of Playford residents and visitors.

### Rapid Response

This service provides a rapid response to urgent situations that represent an immediate risk to our community in a public space. The primary objective is to make the situation safe and work may then be referred onto other teams to be completed.

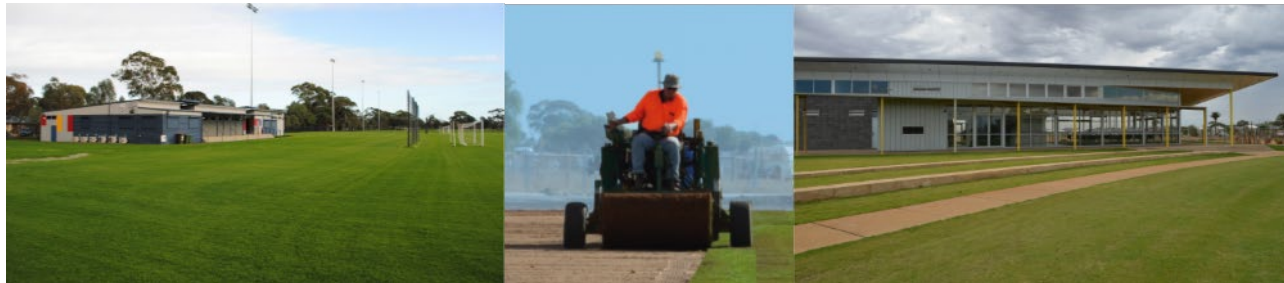




## Rural Streetscapes

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

## Sportsfield Maintenance



The maintenance of Council's many sportsfields is important to ensure that our community can actively engage and participate in a range of sporting activities on offer across our City.

## Stormwater Network

The stormwater network provides for the collection and transportation of stormwater throughout the City of Playford. Maintenance of the network reduces the risk of flooding and associated property damage. It also improves the water quality to wetlands and protects against water damage to road infrastructure.



## Tree Services

Our tree service ensures that all trees within the council area are well maintained, which contributes to the look and feel of the City, as well as positively impacts on the health and wellbeing of Playford residents and visitors.



## Urban Streetscapes

This service provides safe pedestrian access, a safe and orderly urban road network, and improved appearance of street frontages, contributing to overall City presentation.



## Graffiti Operations

The graffiti team provides a quick and timely response to removing graffiti from Council assets, leading to a clean and attractive city with a reduction in overall visible graffiti. The community is also engaged in graffiti reduction initiatives.

## Waste and recycling

### Kerbside Waste



The kerbside waste management service includes household waste, recycling, green organics and hard waste. To maintain public health, household waste is collected and managed in an environmentally responsible manner.

Diversion rates away from landfill, recycling, reduction in contamination rates, and uptake of the green organics service are key initiatives in this service.

### Illegal Dumping

This service manages the collection and disposal of illegally dumped rubbish throughout the City.



## Public health, regulatory and environment

### Environmental Health

The quality of life of our community is enhanced through the assessment, improvement, and prevention of factors that pose a risk to human health. This service covers three main areas: public health, food safety and wastewater compliance.

### Environmental Sustainability



This service, in collaboration with our community, enhances our environmental outcomes and protects environmental assets. Activities include plant distribution via our Buffers to Bushland programs, maintenance of our biodiversity reserves and weed management on rural roadsides.

### Immunisation



The provision of immunisation services seeks to minimise the incidence of vaccine preventable diseases. The service covers schools, the New Arrival Refugee Immunisation (NARI) program, and public and business Services.

### Regulatory Services

Four key regulatory requirements are maintained to minimise the risk to public safety: animal management, parking compliance, fire prevention, by-laws and Local Government Act compliance. These all contribute to a safer and better quality of life for our community.

### Development Services

This is a responsive service to facilitate safe and desired city development by assessing development applications, providing advice and ensuring that development is compliant with relevant regulations.



## Local business support

### Business Support and Industry Development



This service provides support to businesses and facilitates economic development activities to create local jobs and grow business capability in the north.

The operating budget for delivery of our existing services in 2020/21 is show below:

Service Standard	2020/21 Net Operating Budget \$'000	Service Standard	2020/21 Net Operating Budget \$'000
Business Support & Industry Development	1,105	Illegal Dumping	1,426
Club and Sporting Governance	747	Immunisation	447
Community Development	1,449	Kerbside Waste	14,216
Community Inclusion	960	Library	3,812
Community Venues	1,755	Parks and Reserves	9,621
Customer Contact	2,611	Rapid Response	1,086
Development Services	5,504	Regulatory Services	516
Environmental Health	1,206	Rural Streetscape	6,019
Environmental Sustainability	394	Sportsfield Maintenance	6,280
Event Management	910	Stormwater Network	4,544
Graffiti	410	Tree Services	3,791
Health Initiatives	839	Urban Streetscape	25,173
		Volunteer Development	181
<p><i>NB The cost of service delivery is calculated based on both direct and indirect costs of delivering the services. Direct costs such as materials, contract fees and salaries that are directly attributable to delivering the service form the base of these service costs. Indirect costs such as corporate overheads and depreciation are spread evenly across all service areas and are included in the net cost of each service. Costs are also net of any direct revenues in the form of grants, user charges and fees earned during the course of service provision.</i></p>			

# Existing Assets

## Capital Renewal

Each year, Council spends a large proportion of its capital budget on renewing its existing assets (capital renewal). The goal in managing these assets is to meet the required level of service in the most cost-effective manner for present and future customers.

Council's assets are maintained in alignment with annual Asset Management Plans (AMPs).

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

The key elements of asset management are:

- Taking a whole-of-life-cycle approach
- Developing cost effective management strategies for the long term
- Providing a defined level of service and monitoring performance
- Understanding and meeting the demands of growth through demand management and asset investment
- Managing risks associated with asset deterioration and failures
- Sustainable use of physical resources
- Continuous improvement in asset management practices

An AMP is prepared for each of the following asset categories as well as an overall AMP Summary document.

- Buildings
- Fleet
- Parks and Reserves
- Stormwater
- Streetscape
- Technology
- Transport

The plans define the services to be provided, how the services are provided and what funds are required to provide the services over a 10-year planning period. A summary of each asset class can be found below.

## Buildings

Buildings deteriorate over time, and the AMP for buildings provides ongoing renewal works for all Council-owned buildings. The Plan ensures buildings are maintained to a condition in which service providers can deliver their programs. Inspections have been undertaken to help determine what works will be included in the upcoming financial year works programs.

## Fleet

The considered management of vehicle, plant and equipment's whole of life process leads to effective fleet decision making and efficient work practices that best meet our business requirements for external service delivery.

Comprehensive management of fleet assets is also imperative to help mitigate risk of failure or malfunction. The critical risks in this asset class are physical injury to staff, the public or asset and excessive downtime for repairs impacting productivity and whole of life costs.

## **Parks and Reserves**

The City of Playford provides a range of park structures, signage and irrigation within our public spaces and throughout the region. With this commitment comes the responsibility of replacing and renewing Council's ageing and deteriorating open space park structures and irrigation systems, in accordance with regular condition assessments and the AMP.

## **Stormwater**

The City has an underground pipe network of around 515 km, with over 12,000 stormwater entry points. This substantial asset (approximately \$170M in value) is managed by undertaking inspections using a remote controlled camera on assets that have been identified (based on age) to have reached the end of their lives, and where the adjacent road has been identified for renewal.

## **Streetscape**

Much of Playford's existing footpath network was laid by the SA Housing Trust during the 1950s and 1960s. The footpath network was predominantly made of concrete with a brush finish, having minimal reinforcement and variable slab thicknesses.

Due to Playford's reactive soil movement, construction traffic and tree root growth, there has been an increase in slab movement and cracking, resulting in tripping hazards. During Council's annual condition-rating inspections, footpaths throughout the City that require replacement are identified as part of the renewal program.

## **Technology**

This plan ensures a reliable service to operate and support the infrastructure and business applications required to process, store, secure, and communicate information. It leads and supports strategic projects that have large elements of technology spending associated with them and exclusive ICT projects.

Effective management, monitoring and replacement of technology assets can help mitigate the risks associated with this asset class in conjunction with effective internal usage policies.

## **Transport**

The aim of this plan is to renew sections of road and kerbing that have reached the end of their useful life, as identified by visual condition inspection and assessment against the Asset Management Plan. The priority of roads and kerbs to be renewed is based on their current condition, with the poorest condition to be renewed first where possible. The table below summarises the 2020/21 asset renewal budget:

Category	Assets covered	2020/21 Net Capital Budget \$'000
Transport	Road pavement and seal, unsealed roads, kerbing, car parks, pedestrian bridges and other road structures	8,799
Stormwater	Pipes, pits, headwalls and trash racks, wetland infrastructure and other drainage structures	948
Footpaths	Footpaths/cycleways (along roads and within reserves)	2,563
Buildings	Council owned buildings and storage sheds either occupied by Council or others	1,574
Parks and Recreation	Irrigation, playgrounds, park furniture and oval lighting	1,544
Information Technology	IT equipment and assets such as computers, printers and servers	793
Fleet	Cars, trucks, utes, heavy equipment and other vehicle types	3,300

Refer to the 2020/21 Asset Management Plan Summary for more information.



## Capital Projects continuing from previous years

The following projects commenced in prior years and are continuing in 2020/21:

Project Name	Description	2020/21 Capital Budget \$'000
Strategic Land Purchase	This strategic land purchase will support and progress the delivery of the desired outcomes of the Open Space Strategy.	1,500
Playford Alive	Improved public realm and streetscape works including footpaths, verges and street trees will be undertaken on Webster, Charlson and Sissman Streets in Playford Alive, one of the biggest urban renewal projects in Australia. Works are coordinated with Renewal SA/SA Housing developments which are driven by market demand.	230
Angle Vale Community Sports Centre	Stage 5 of the Master Plan includes the construction of new playing fields (junior oval and senior pitch), flood lighting and stormwater management. Detailed design will be undertaken to allow Council to prepare funding applications for Federal and State Government grants to contribute to the construction costs in 2020/21.	336
Fremont Park Stage 3	The Masterplan seeks to create a state-of-the-art regional open space, as a focal point of the Northern CBD development. Detailed design for Stage 3 works will be undertaken for the construction of a new dog park, public toilets, exercise stations and a relocated maintenance depot in the under-utilised eastern section of the park.	100
Virginia Main Street	Improvements to Virginia Main street, including wider footpaths, new street furniture, pedestrian crossings, gateway/entrance statements, indented parking bays, tree planting and extensive stormwater works.	2,380
Grenville Centre	Construction of a new Grenville Hub in the heart of the CBD providing a range of services promoting lifelong learning, physical activity, healthy living and social connections.	2,311

## New for 2020/21

Each year Council considers the introduction of a range of new or enhanced services or assets. These are over and above the existing services and assets outlined in previous sections. The following services and assets have been selected to commence in 2020/21 as they:

- honour a pre-existing commitment
- are time critical
- support the growth of our City or
- respond to key needs of importance to our community.

In addition there is one unavoidable, externally imposed cost pressure that is being funded.

### **Waste Levy Cost Pressure**

This unavoidable, externally imposed cost pressure will cover increases to the Solid Waste Levy. The State Government announced an increase from \$100 to \$110/tonne on 1 July 2019 with a further increase to \$140/tonne from 1 January 2020.

The 2019/2020 budget included a cost pressure of \$534,000 to account for the staged increase for that year and an additional \$313,000 is required in this 2020/2021 budget to fund the full increase to \$140/tonne.

### **New Northern Adelaide School Shared Use Facilities**

The State Government delivery of the new B-12 school in Angle Vale has presented Council with a unique opportunity to deliver shared use facilities (playing fields and indoor courts) and significantly reduce the financial impact associated with developing these facilities independently.

### **Virginia Main Street Upgrade – Supplementary Funding**

The upgrade will create a vibrant, safe and attractive town centre for a growing community, local businesses and visitors. It will include shared pedestrian and cycle paths, stormwater infrastructure, new street trees and slower traffic speeds.

### **Virginia Main Street - Institute Park and Gawler Road**

The development of the Virginia Institute Park will create a family friendly destination in the heart of Virginia and the Gawler Road entry statement will create an attractive entrance into the town centre.

### **Stormwater Deeds – Stebonheath Road Culvert**

The installation of a 600 metre section of culvert drain in Stebonheath Road, Munno Para Downs will convey floodwaters and development-generated stormwater from the Stebonheath Road West and East Growth Area sub-catchments to the North Lakes Golf Course.

This work forms part of the Playford North Extension East Growth Area Regional Stormwater Strategy and an opportunity exists to leverage private developer investment.

### **Footpath Shading / Tree Replacement**

This project will ensure that every street tree that is removed within the City of Playford (streetscapes) will be replaced, resulting in no net loss on our current street tree numbers.

### **New Footpath Projects**

Where none currently exist, new Disability Discrimination Act compliant footpaths and safe walking links for pedestrians will be provided in established urban streets.

### **Open Space Minor Projects**

Minor improvements to Council's reserves will be undertaken to bring them into line with open space hierarchy standards. These relatively small and low cost improvements will significantly improve the function of the open space.

### **Sport & Recreation Minor Projects**

Minor improvements to sportsgrounds will be undertaken to bring them into line with sportsground hierarchy standards and significantly improve the utilisation and safety of the facility that has been identified. In 2020/21, a secondary backstop fence at Ridley Reserve West will be delivered to complement the existing backstop fence funded in 2018/19.

### **Goulds Creek Road Acquisition & Upgrade**

Council will accept ownership and responsibility of this road and upgrades will be undertaken to a standard required for an unsealed public road.

### **Reach Slashing Program**

This program covers reach slashing of steep gullies and Council swale drains west of Main North Road (currently x 1 per year) and east of Main North Road (currently x 2 per year). The service will be extended from three to six months to allow for three cuts in each area if required.

### **Tractor Slashing Program**

An additional cut of rural roadsides (west of Main North Road) will be undertaken during the peak period of October - December. This will enhance city presentation by reducing vegetation height along roadsides and intersections. The reduction of vegetation in council swale drains (where accessible) will also improve stormwater efficiency.

### **Angle Vale Community Sports Centre (AVCSC) – Stage 5**

Stage 5 AVCSC masterplan includes construction of a junior oval, conversion of the junior pitch to a senior pitch, and additional junior pitch, flood lighting and additional car parking.

The net capital and operating budgets for these new or enhanced services or assets is found in the table below:

<b>Service/Asset</b>	<b>2020/21 Net Capital Budget \$'000</b>	<b>2020/21 Net Operating Budget \$'000</b>
Waste Levy Cost Pressure	-	313
New Northern Adelaide School Shared Use Facilities	-	165
Virginia Main Street Upgrade – Supplementary Funding	1,979	-
Virginia Main Street – Institute Park and Gawler Road	-	25
Stormwater Deeds – Stebonheath Road Culvert	1,398	95
Footpath Shading /Tree Replacement	130	149
New Footpath Projects	1,983	46
Open Space Minor Projects	256	12
Sport & Recreation Minor Projects	36	2
Goulds Creek Road Acquisition & Upgrade	357	34
Reach Slashing Program	-	60
Tractor Slashing Program	-	55
Angle Vale Community Sports Centre (AVCSC) – Stage 5	4,110	327

## Future Initiatives

As discussed earlier Council has considered a longer term outlook in the development of this Annual Business Plan and Budget. A four year planning horizon allows us to consider the impacts of longer term infrastructure requirements and other projects identified to support the growth of our City.

This Annual Business Plan and Budget provides details and associated costs for the services that Council will continue to deliver on an ongoing basis as well as a number of new and enhanced assets and services that will be introduced in 2020/21. Together these form Year 1 of our four year planning horizon.

In terms of Years 2-4 of our planning horizon, the following initiatives have been identified and will be considered by Council in subsequent annual budget cycles, ie for 2021/22 onwards:

- Continuation of:
  - New Footpath Projects
  - Open Space Minor Projects
  - Sport and Recreation Minor Works
- Fremont Park Stage 3 Construction
- Stebonheath Road Upgrade
- Social Infrastructure Deed – Angle Vale Growth Area – Community Centre Land Acquisition
- Stormwater Infrastructure Deed – Playford North Extension West Growth Area – NEXY Western Swale Augmentation
- Willison/Goodman Roads Reserve – Concept, Detailed Design and Construction
- Munno Para West Reserve Development – Detailed Design and Construction
- Traffic Management Minor Projects
- Adams Creek and Helps Road Drain Stormwater Management Plan
- Greater Edinburgh Parks/St Kilda Stormwater Management Plan
- Smith Creek Catchment Stormwater Management Plan
- Traffic Infrastructure Deeds – Angle Vale Growth Area –
  - Angle Vale Road East of Heaslip Road
  - Fradd East Road
  - Heaslip Road South of Angle Vale Road
  - Angle Vale Road West of Heaslip Road
- Traffic Infrastructure Deed – Playford North Extension Growth Area
  - Curtis Road and Andrews Farm Intersections and Signals

This information is provided to give an indication only of future works that will be considered by Council in subsequent financial years.

## Strategic Projects

Please note that while the initiatives noted on the previous page have no formal budget allocations at this time, there will be some work required to investigate the feasibility of these works. These preliminary works, as well as additional strategic projects, are detailed below and included in the existing base operating budget:

Strategic Project	2020/21 Net Operating Budget \$'000
Northern Adelaide Plains Food Cluster	50
Road Safety Audits	30
Stormwater Management Plans	64
Creative Industries	105
Fremont Park Stage 3 Concept Design	5
Strategic Plan Review	30
Disability Access and Inclusion Plan	15
Stebonheath Road Design	50
Stormwater Investigations	20
GEP Strategic Investigations	150
Argana Park Car Parking Investigations	50
Stebonheath Road/Dalkeith Road Intersection Upgrade Concept Design	10
University Feasibility Study	40



# MEASURES AND TARGETS

## Organisational Performance Measures

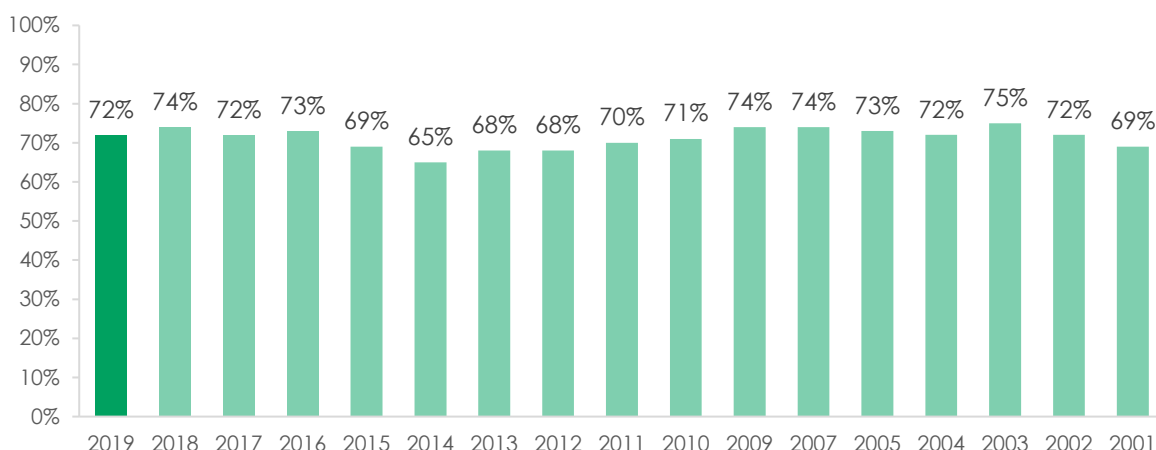
Organisational Performance Measures are set by Council to monitor our achievements against our overall strategic goals and to provide focus areas for staff in their day-to-day service delivery.

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

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

Council has been undertaking this survey for a number of years, the graph below illustrates a 72% for overall satisfaction with the City of Playford. The results have remained on par with the 2018 research and higher than the LGA Brand Scores for both Metro areas and all Councils combined. Our residents have given us a rating of 3.72 out of 5.

**Overall Satisfaction Score as a Percentage**



LGA Brand Scores	City of Playford	Metro	All Councils
Mean ratings	3.72▲	3.54▼	3.37▼

Council undertakes an annual Resident Satisfaction Survey to better understand the views of our community in order to meet their needs and aspirations for a prosperous, liveable and happy City. The 2019 survey sought to examine community attitudes and perceptions towards current and future services provided by Council and explored the residents' responses to 40 service areas.

The 2020 results will be available by September 2020 and will be reported and monitored in the 2020/21 Annual report and the Quarterly Organisational Performance Reports in 2020/21.

Measure	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Overall satisfaction with Council	3.72	3.81	3.68	3.76	3.57	3.35	3.50	3.50	3.60	3.65
Overall satisfaction with Council's level of customer service	3.89▼	4.18	3.83	3.95	3.76	3.90	3.90	4.00	3.80	3.60
Presentation of the City	3.61	3.67	3.56	3.64	3.57	3.50	3.45	3.45	3.35	N/A
Planning for the future	3.66	3.65	3.55	3.56	3.55	3.30	3.45	3.45	3.50	2.90
Being open and accountable to the community	3.22	3.38	3.36	3.25	3.32	3.00	3.25	3.20	3.30	2.85
Community input to Council decision-making	3.16	3.30	3.25	3.16	3.23	2.80	3.05	3.05	2.95	2.60
Council provide value for money for the rates paid	2.97	3.11	2.98	2.94	3.00	2.60	2.85	2.65	2.80	2.85

Scale: 1 = not at all satisfied, 5 = very satisfied

▲ ▼ = significantly higher/lower level of satisfaction (by year)

Measure		2019 Result	2020 Target	2021 Target
<b>Overall Council Satisfaction</b>	Overall customer satisfaction with the City of Playford as an organisation	3.72	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)
<b>City-wide Presentation</b>	Customer Satisfaction with the level of appearance of public realms <sup>1</sup>	3.61	Achievement of a 3.50 score	Achievement of a 3.50 score
<b>Customer Service<sup>2</sup></b>	Satisfaction rating with the level of customer service and experience	3.89▼	An overall score between 3.60 – 3.89 (Moderately High Satisfaction)	An overall score between 3.60 – 3.89 (Moderately High Satisfaction)
<b>Accountability</b>	Satisfaction rating with Council being open and accountable to the community in its operations	3.22	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)
<b>Community Engagement</b>	Satisfaction rating with how Council invites community participation in decision making	3.16	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)
<b>Managing Growth</b>	Customer rating for how Council plans for the future	3.66	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)
<b>Continuous Improvement</b>	Customer satisfaction with value for money <sup>3</sup>	2.97	An overall score between 3.00 – 3.59 (Moderate Satisfaction)	An overall score between 3.00 – 3.59 (Moderate Satisfaction)

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

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

<sup>3</sup> Value for money refers to the value residents believe they get from their rates or fee for services

Key to rating bands:

Interpreting the Mean Score (1 – 5)			
1.99 or lower	Very low satisfaction	3.60 – 3.89	Moderately high satisfaction
2.00 – 2.49	Low satisfaction	3.90 - 4.19	High satisfaction
2.50 – 2.99	Moderately low satisfaction	4.20 – 4.49	Very high satisfaction
3.00 – 3.59	Moderate satisfaction	4.50 +	Extremely high satisfaction

## Financial Indicators

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

- Financial Performance
- Asset sustainability
- Debt management

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

Financial sustainability enables Council to:

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

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

Council's operating surplus indicator is positive due to budget surplus. The 5 year average supports the Council's projection to continue to operate and improve the operating surplus in the short to medium term.

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

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

The table below shows the 2019/20 Revised Budget and 2020/21 Budget estimate for these indicators. Council is forecasting all budgeted ratios to be within the ranges adopted by Council in the medium to long term.

## Primary Financial Indicators

Financial Indicator	Explanation	Target	2019/20 Revised Budget	2020/21 Budget	5 Year Average
Operating Surplus Ratio	This ratio is designed to highlight the financial performance for the year and is a key indicator for financial sustainability. The ratio expresses the operating result as a percentage of Council's total income.	0%-10%	0.7%	3.5%	2.4%
Net Financial Liabilities Ratio	This ratio shows financial liabilities as a percentage of Operating Income.	50%-160% Operating Income	170.1%	170.8%	151.9%
Asset Renewal Funding Ratio	This ratio shows whether or not Council is replacing assets at the rate as required in the Asset Management Plan.	Between 90% and 110%	108.3%	102.3%	97.1%
Interest Expense Ratio	This ratio shows how much discretionary income is used to pay interest on borrowings	3%-10% of discretionary income	7.9%	6.1%	6.2%
Cash Flow from Operations Ratio	The cash generated each year from operations compared to the 20 year average requirements in the Asset Management Plan. This ratio measures whether Council is generating enough cash from its operations to cover the replacement of assets over time.	Between 90% and 110% and not less than 100%	80.9%	127.8%	128.1%

### Operating Surplus Ratio

This ratio for the 2020/21 Budget has increased to 3.5% from 0.7% for the 2019/20 revised budget. The result largely reflects Council budgeting an increased surplus through the achievement of continuous improvement savings. As a result of realised continuous improvements savings, Council will achieve a sustainable surplus in 2020/21.



### **Net Financial Liabilities Ratios**

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.

### **Asset Renewal Ratio**

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

### **Interest Expense Ratio**

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

### **Cashflow from Operations Ratio**

The 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.

# BUDGETED FINANCIAL STATEMENTS AND EXPLANATIONS

## Financial summary

	2020/21 Budget \$'000
Operating Income	111,933
Operating Expenditure	108,063
Operating Result	3,870

Council's budget surplus is \$3,870 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 caused by the impact of lower interest expense and Continuous Improvement savings.

Council continues to be committed to maintaining an operating surplus as a key strategy of the Council's long-term financial sustainability. As a result of realised continuous improvements savings, Council will achieve a sustainable surplus in 2020/21.

Statement of comprehensive income				
Resource Group	Revised Budget \$'000's	Budget 2020/21	Increase (Decrease) \$'000	Increase (Decrease) %
<b>Income</b>				
Rates	82,470	84,120	1,650	2.0%
Statutory Charges	1,984	2,052	68	3.4%
User Charges	5,143	5,891	748	14.5%
Investment Income	29	13	(16)	(55.2%)
Reimbursements	387	738	351	90.7%
Other Income	223	238	15	6.7%
Grants, Subsidies and Contributions	16,564	18,881	2,317	14.0%
Net Gain – Joint Ventures & Associates	126	-	(126)	(100.0%)
Revenue Total	106,926	111,933	5,007	4.7%

## **Rates income - \$84.1 million**

Increases in Council rates allow Council to meet the community service delivery expectations and achieve its Long Term Financial Plan objectives. The 2020/21 Budget includes the following:

- A rates increase of 0.45%, being made up of 0.39% for external cost pressures and 0.12% for new and enhanced services, offset by savings from operating costs of previous initiatives (0.06%)
- Additional rate income of \$1.7 million from new developments in the City, less the application of the Commercial Rating Strategy of \$0.5 million
- 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 Landscape Levy collected on behalf of the Green Adelaide Board (\$1.1 million). Once collected this is paid to the board with no impact on the bottom line.

## **Statutory charges - \$2.0 million**

Statutory charges are fees for the provision of regulatory services. They are associated with the granting of a permit or license or with the regulation of an activity, including Development Act fees, parking fines and dog registration fees.

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

Council is notified of the fee amounts in late June of each year and these will be adopted by Council in July 2020.

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 Consumer Price Index increase to all statutory charges, set by Council, for 2020/21.

## **User charges - \$5.9 million**

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

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

User charges for 2020/21 have increased by \$0.8 million from \$5.1 million in 2019/20 to \$5.9 million as a result of increased demand for user paid services.

## **Reimbursement - \$0.7 million**

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

Reimbursements have increased by \$0.3 million from \$0.4 million in 2019/20 to \$0.7 million, as a result of increased demand for services.

## **Other income - \$0.2 million**

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

This miscellaneous income is expected to remain at the same level as 2019/20.

### Grants, subsidies and contributions - \$18.9 million

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

Grants, subsidies and contributions income has increased by \$2.4 million, from \$16.5 million in 2019/20 to \$18.9 million mainly due to assumed indexation of grant income and increased roads to recovery funding. Council also received an additional Local Road and Community Infrastructure Grant of \$1.3M.

### Operating expense by category

Resource Group	Revised Budget 2019/20 \$'000	Budget 2020/21 \$'000	Increase (Decrease) \$'000	Increase (Decrease) %
Expense				
Employee Costs	41,428	42,106	678	1.6%
Contracts, Material and Other	38,356	39,147	791	2.1%
Finance Costs	6,487	5044	(1,433)	(22.2%)
Depreciation	19,879	21,191	1,312	6.6%
Share of Loss on Associates and Joint Ventures	74	575	501	677.0%
Expense Total	106,224	108,063	1,839	1.7%

### Employee costs - \$42.1 million

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

Employee costs are budgeted to increase by \$0.7 million, from \$41.4 million to \$42.1 million. The increase in employee costs is the combined result of new positions required for growth, increased allowance for employment of casuals and level changes required under the Enterprise Agreement.



### **Materials, contracts and other expenses - \$39.1 million**

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

Contracts covers costs such as contractors, waste collection, equipment hire, software license fees, consultants and operating lease payments.

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

Materials, Contracts and other expenses are budgeted to only increase by \$0.8 million largely due to the realisation of continuous improvement savings offset by the impact of the new and enhanced services and external cost pressures which are being funded via rate rises.

### **Finance costs - \$5.0 million**

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

Council is budgeting for a decrease of \$1.4 million from the budget of \$6.4 million in 2019/20 to \$5.0 million in 2020/21. This is largely the result of debt stabilisation and effective treasury management that have reduced the pressure of increases in interest costs as well as lower interest rates.

### **Depreciation - \$21.2 million**

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

Depreciation is increasing by \$1.3 million or 6.6% from the 2019/20 budgeted depreciation of \$19.9 million to \$21.2 million in 2020/21. This is a result of the completion of key projects.

### **Loss on associates and joint ventures - \$0.6 million**

Council's share of the Gawler River Floodplain Management Authority (GRFMA) will result in a net loss of \$0.1 million in 2020/21, based on advice from the Authority.

Council's share of the Northern Adelaide Waste Management Authority (NAWMA) will result in a net loss of \$0.5 million in 2020/21, based on advice from the Authority. These losses are as a result of the deteriorating recycled paper market as well as the continued cost impost of the State Governments Solid Waste Levy.

## **Financial Statements**

### **Cash flow statement**

Net cash from financing activities shows \$9.3 million to be provided in 2020/21, a decrease of \$19.0 million on the 2019/20 budgeted amount of \$28.3 due to lower interest rates.

## **Balance sheet**

Total Non-Current Assets are projected to rise to \$1,359.8 million in 2020/21. This is an increase of \$60.2 million, largely the result of the capital expenditure program, contributed assets and revaluation of assets.

Total borrowings are projected to increase to \$175.6 million in 2020/21. This level of borrowings is outside of the target range. Please see the financial indicator section for more information.

## **Uniform presentation of finances**

### **Operating surplus / (deficit)**

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

### **Net outlays on existing assets**

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

### **Net outlays on new and upgraded assets**

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

### **Net lending / (borrowing) for financial year**

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

City of Playford  
 Budgeted Statement of Comprehensive Income  
 For the year ended 30 June 2021

2018/19 Actual		2019/20 Original Budget	2019/20 Revised Budget	2020/21 Original Budget
\$000's		\$000's	\$000's	\$000's
<b>INCOME</b>				
78,165	Rates Revenues	81,994	82,470	84,120
2,012	Statutory Charges	1,984	1,984	2,052
3,143	User Charges	5,143	5,143	5,891
24	Investment Income	103	29	13
564	Reimbursements	386	387	738
1,004	Other Income	176	223	238
19,533	Grants, Subsidies & Contributions	16,003	16,564	18,881
-	Net Gain - Equity Accounted Council Businesses	126	126	-
104,445	<b>TOTAL INCOME</b>	105,915	106,926	111,933
<b>EXPENSES</b>				
40,387	Employee costs	41,160	41,428	42,106
34,372	Materials, Contracts & Other Expenses	38,086	38,356	39,147
5,479	Finance costs	6,487	6,487	5,044
18,983	Depreciation	19,879	19,879	21,191
124	Net Loss - Equity Accounted Council Businesses	74	74	575
99,345	<b>TOTAL EXPENSES</b>	105,686	106,224	108,063
<b>5,100</b>	<b>Operating Surplus / (Deficit)</b>	<b>229</b>	<b>702</b>	<b>3,870</b>
(6,878)	Asset Disposal & Fair Value Adjustments	1,030	1,030	3,696
1,029	Amounts Received Specifically for New or Upgraded Assets	1,000	2,894	4,946
9,524	Physical Resources Received Free of Charge	8,990	8,990	10,845
<b>8,775</b>	<b>NET SURPLUS / (DEFICIT)</b> transferred to Equity Statement	<b>11,249</b>	<b>13,616</b>	<b>23,357</b>
<b>Other Comprehensive Income</b>				
19,519	Changes in Revaluation Surplus - I,PP&E	18,263	18,263	26,695
1,954	Share of Other Comprehensive Income - Equity Accounted Council Businesses	-	-	-
(482)	Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	-	-	-
20,991	<b>Total Other Comprehensive Income</b>	18,263	18,263	26,695
<b>29,766</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>29,512</b>	<b>31,879</b>	<b>50,052</b>

\*Revised Budget adopted by Council 24 March 2020

City of Playford  
 Budgeted Balance Sheet  
 For the year ended 30 June 2021

2018/19 Actual		2019/20 Original Budget	2019/20 Revised Budget	2020/21 Original Budget
\$000's		\$000's	\$000's	\$000's
	<b>CURRENT ASSETS</b>			
468	Cash and Cash Equivalents	1,500	1,500	1,500
7,260	Trade & Other Receivables	6,115	7,686	8,379
142	Inventories	175	178	185
	Other current assets			
1,205	Non-Current Assets held for sale	5,487	1,205	425
9,075	<b>TOTAL CURRENT ASSETS</b>	13,277	10,569	10,489
	<b>NON-CURRENT ASSETS</b>			
332	Financial Assets	365	332	332
9,515	Equity Accounted Investments in Council Businesses	7,953	9,567	8,992
1,216,427	Infrastructure, Property, Plant & Equipment	1,291,272	1,270,758	1,330,742
9,334	Other Non-Current Assets	21,153	19,030	19,773
1,235,608	<b>TOTAL NON-CURRENT ASSETS</b>	1,320,743	1,299,687	1,359,839
1,244,683	<b>TOTAL ASSETS</b>	1,334,020	1,310,256	1,370,328
	<b>CURRENT LIABILITIES</b>			
12,948	Trade & other payables	18,185	18,255	18,900
14,560	Borrowings	29,292	34,235	34,458
5,583	Short-term provisions	5,292	5,699	5,771
33,091	<b>TOTAL CURRENT LIABILITIES</b>	52,769	58,189	59,129
	<b>NON-CURRENT LIABILITIES</b>			
123,433	Long-term borrowings	143,825	132,059	141,125
1,140	Long-term provisions	1,173	1,111	1,125
124,573	<b>TOTAL NON-CURRENT LIABILITIES</b>	144,998	133,170	142,250
157,664	<b>TOTAL LIABILITIES</b>	197,767	191,359	201,379
1,087,019	<b>NET ASSETS</b>	1,136,253	1,118,897	1,168,949
	<b>EQUITY</b>			
456,988	Accumulated Surplus	487,885	475,669	498,827
621,088	Asset Revaluation Reserve	645,977	639,350	666,046
8,943	Other Reserves	2,391	3,878	4,076
1,087,019	<b>TOTAL EQUITY</b>	1,136,253	1,118,897	1,168,949



City of Playford  
 Budgeted Statement of Changes in Equity  
 For the year ended 30 June 2021

2018/19 Actual \$000's		2019/20 Original Budget \$000's	2019/20 Revised Budget \$000's	2020/21 Original Budget \$000's
<b>ACCUMULATED SURPLUS</b>				
449,708	Balance at end of previous reporting period	471,572	456,988	475,669
8,775	Net Surplus (Deficit) for year	11,249	13,616	23,356
(10)	Adjustments (Changes in Accounting Standards)	-	-	-
86	Share of other comprehensive income - joint ventures and associates	-	-	-
865	Transfers from Other Reserves	5,554	6,398	646
(2,436)	Transfers to Other Reserves	(490)	(1,333)	(843)
<b>456,988</b>	<b>Balance at end of reporting period</b>	<b>487,885</b>	<b>475,669</b>	<b>498,828</b>
<b>ASSET REVALUATION RESERVE</b>				
600,183	Balance at end of previous reporting period	627,714	627,714	627,714
	Other Comprehensive Income			
19,519	Gain(Loss) on revaluation of infrastructure, property, plant & equipment	18,263	11,636	38,332
(482)	Impairment (expense) / recoupments offset to asset revaluation reserve	-	-	-
1,868	Share of OCI - Equity Accounted Council Businesses	-	-	-
<b>621,088</b>	<b>Balance at end of reporting period</b>	<b>645,977</b>	<b>639,350</b>	<b>666,046</b>
<b>OTHER RESERVES</b>				
7,372	Balance at end of previous reporting period	7,455	8,943	3,878
2,436	Transfers to accumulated surplus	490	1,333	843
(865)	Transfers from accumulated surplus	(5,554)	(6,398)	(646)
<b>8,943</b>	<b>Balance at end of reporting period</b>	<b>2,391</b>	<b>3,878</b>	<b>4,075</b>
<b>1,087,019</b>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>1,136,253</b>	<b>1,118,897</b>	<b>1,168,949</b>
456,988	Accumulated Surplus	487,885	475,669	498,827
630,031	Reserves	648,368	643,228	670,122
<b>1,087,019</b>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>1,136,253</b>	<b>1,118,897</b>	<b>1,168,949</b>

City of Playford  
 Budgeted Statement of Cash Flows  
 For the year ended 30 June 2021

2018/19 Actual \$000's		2019/20 Original Budget \$000's	2019/20 Revised Budget \$000's	2020/21 Original Budget \$000's
Inflows / (Outflows)		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
	<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
	<b>Receipts</b>			
24	Investment Receipts	103	28	15
110,883	Operating Receipts	105,931	108,665	111,354
	<b>Payments</b>			
(5,479)	Finance Payments	(6,487)	(6,487)	(5,044)
(82,584)	Operating Payments to Suppliers and Employees	(79,075)	(86,442)	(81,401)
<b>22,844</b>	<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>20,472</b>	<b>15,764</b>	<b>24,924</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	<b>Receipts</b>			
30,726	Proceeds from borrowings	36,149	43,148	17,294
	<b>Payments</b>			
(15,689)	Repayment of borrowings	(14,473)	(14,846)	(8,005)
<b>15,037</b>	<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>21,676</b>	<b>28,302</b>	<b>9,289</b>
	<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
	<b>Receipts</b>			
887	Sale of Replaced Assets	-	-	-
891	Sale of Surplus Assets	1,030	1,030	4,476
1,029	Amounts Received Specifically for New/Upgraded Assets	1,000	2,894	4,946
16	Repayments of Loans by Community Groups	-	-	-
	<b>Payments</b>			
(20,345)	Expenditure on Renewal/Replacement of Assets	(21,481)	(21,481)	(19,907)
(21,354)	Expenditure on New/Upgraded Assets	(22,735)	(25,477)	(23,728)
-	Loans Made to Community Groups	-	-	-
<b>(38,876)</b>	<b>NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES</b>	<b>(42,186)</b>	<b>(43,034)</b>	<b>(34,213)</b>
<b>(995)</b>	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(38)</b>	<b>1,032</b>	<b>-</b>
1,463	CASH AT BEGINNING OF REPORTING PERIOD	1,538	468	1,500
<b>468</b>	<b>PROJECTED CASH AT END OF REPORTING PERIOD</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>

City of Playford  
 Budgeted Uniform Presentation of Finances  
 For the year ended 30 June 2021

2018/19 Actual \$000's		2019/20 Original Budget \$000's	2019/20 Revised Budget \$000's	2020/21 Original Budget \$000's
104,445	Operating income	105,916	106,926	111,933
(99,345)	Less: Operating expenditure	(105,687)	(106,224)	(108,063)
<b>5,100</b>	<b>Operating Surplus / (Deficit)</b>	<b>229</b>	<b>702</b>	<b>3,870</b>
	<b>Less: Net outlays on existing assets</b>			
20,345	Capital expenditure on renewal and replacement of existing assets	21,480	21,481	19,907
(18,983)	Less: Depreciation	(19,879)	(19,879)	(21,191)
(887)	Less: Proceeds from sale of replaced assets	-	-	-
<b>475</b>	<b>Net Outlays on Existing Assets</b>	<b>1,601</b>	<b>1,602</b>	<b>(1,284)</b>
	<b>Less: Net outlays on new and upgraded assets</b>			
21,354	Capital expenditure on new and upgraded assets	22,735	25,477	23,728
(1,029)	Less: Grants and contributions specifically for new and upgraded assets	(1,000)	(2,894)	(4,946)
(891)	Less: Proceeds from sale of surplus assets	(1,030)	(1,030)	(4,476)
<b>19,434</b>	<b>Outlays on New and Upgraded Assets</b>	<b>20,705</b>	<b>21,553</b>	<b>14,306</b>
<b>(14,809)</b>	<b>NET LENDING / (BORROWING) FOR FINANCIAL YEAR</b>	<b>(22,077)</b>	<b>(22,453)</b>	<b>(9,152)</b>

# APPENDICES

1. City of Playford Rating Policy 2020/21
2. City of Playford Rates Rebate Policy 2020/21