

LONG TERM FINANCIAL PLAN

As part of the Council's Resourcing Strategy, Council prepares a 10-year Long Term Financial Plan (LTFP) which is updated annually as part of the development of the Annual Budget. The aim of the LTFP is to ensure that Council identifies financial issues at an early stage and reviews their effect on future activities. The LTFP must be reviewed in detail as part of the four yearly review of the Community Strategic Plan.

The LTFP process involves four main elements:

- Planning Assumptions
- Revenue Forecasts
- Expenditure Forecasts, and
- Sensitivity Analysis

The LTFP is a key tool for the development and monitoring of Council's Financial Strategy. The Plan outlines Council's capacity to manage assets and deliver services over the next ten years. Council has a responsibility to manage its resources and finances to ensure its long-term sustainability. Recent actions by Council, including the 2016-17 SRV, has positioned the LTFP to demonstrate that Council has the capacity to manage its finances and deliver the services and programs identified in the Community Strategic Plan and Delivery Program.

Council's LTFP is based on a set of assumptions which generally relate to those elements that are most likely to affect the overall outcome of the model. Future years' forecasts are linked to the Operational Plan and provide a means of assessing the long-term financial implication of current year decisions. Assumptions made in the plan includes long term forecasts of:

- Rating Revenue
- Development Growth
- Investment Return
- Financial Assistance Grant
- Employee costs
- CPI or other agreed indexations
- Capital works and services programs
- Asset management programs
- Anticipated Loan programs
- Debt Servicing
- Fees and Charges movements
- Changes identified through ongoing improvement and review of services

Detailed modelling (5-10 years) is also undertaken for ICT, Major Projects, and Property Development which is then incorporated into Council's LTFP.

It is important to keep in mind when projecting budgets over such a long period that estimates can alter significantly when assumptions are reviewed, particularly when the variances apply to larger items such as employee costs or rating income. However, the LTFP remains an important planning tool and is regularly updated with current data to ensure its usefulness in providing information for Council's financial planning decisions.

PENRITH CITY COUNCIL - 10 YEAR FINANCIAL PLAN

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
OPERATIONS FROM ORDINARY ACTIVITIES										
Operating Revenue										
Rates and Annual Charges	179,400	184,295	188,897	193,514	198,252	203,093	208,040	213,080	218,227	223,424
User Charges and Fees	44,116	44,759	45,679	46,323	47,112	47,926	48,767	49,635	50,531	51,458
Interest Income	955	869	939	1,107	1,610	2,310	2,533	2,766	3,225	3,478
Operating Grants and Contributions	19,491	18,552	18,519	16,995	16,996	16,825	16,825	16,825	16,825	16,825
Other Revenue	6,928	6,901	6,901	6,901	6,901	6,901	6,901	6,901	6,901	6,901
Net Gain from the Disposal of Assets	6,553	4,647	8,467	4,414	-	-	-	-	-	-
TOTAL OPERATING REVENUE	257,443	260,023	269,401	269,253	270,870	277,056	283,066	289,207	295,710	302,087
Operating Expenditure										
Employee Costs	130,971	132,931	135,294	137,573	140,274	142,938	145,744	148,607	151,526	154,505
Interest Charges	1,182	1,571	3,638	4,084	3,867	3,668	3,485	2,815	2,659	2,510
Depreciation and Amortisation	44,377	44,898	45,425	45,960	46,502	47,051	47,608	48,172	48,744	49,323
Materials and Contracts	80,860	82,458	84,262	86,800	89,091	91,366	93,763	96,196	98,689	101,235
Other Expenses	9,950	10,015	10,131	10,250	10,373	10,499	10,629	10,763	10,901	11,043
Net Loss from the Disposal of Assets	-	-	-	-	598	610	622	635	647	660
TOTAL OPERATING EXPENDITURE	267,339	271,872	278,750	284,667	290,705	296,133	301,852	307,187	313,167	319,276
RESULT BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	(9,896)	(11,849)	(9,349)	(15,414)	(19,834)	(19,077)	(18,786)	(17,980)	(17,457)	(17,189)
Grants & Contributions - Capital Purposes	47,553	44,393	52,251	18,774	20,072	20,072	53,128	22,850	19,521	47,473
NET OPERATING PROFIT - (LOSS) FOR THE YEAR	37,656	32,544	42,901	3,360	238	995	34,342	4,870	2,064	30,284

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Funding Statement (Source and Application)										
Add back non funded items	49,038	49,652	50,275	50,907	51,548	52,198	52,857	53,526	54,205	54,894
Funds received from Sale of Assets	10,366	17,174	43,831	14,315	681	711	681	681	861	861
Loans Received	24,000	93,000	25,000	-	-	-	-	-	-	-
Budget (Surplus) / Deficit										
Funds Transferred (to)/from Reserves held	6,079	(1,148)	(32,053)	(18,683)	(1,552)	(1,893)	(1,503)	(3,085)	1,766	(24,852)
NET FUND AVAILABLE	127,139	191,222	129,955	49,899	50,914	52,010	86,377	55,993	58,897	61,187
Application of Funds										
Assets Acquired	(119,579)	(185,541)	(122,518)	(40,821)	(41,842)	(42,415)	(44,331)	(44,279)	(46,661)	(46,865)
Internal Loans	-	118	140	140	102	102	102	102	102	102
Loan Repayments Made	(7,560)	(7,465)	(9,081)	(9,461)	(8,507)	(7,794)	(37,720)	(7,057)	(6,597)	(6,746)
TOTAL APPLICATION	(127,139)	(192,888)	(131,459)	(50,142)	(50,248)	(50,107)	(81,949)	(51,235)	(53,155)	(53,510)
NET COSTS FUNDED FROM RATES AND OTHER UNTIED INCOME	0	(1,667)	(1,504)	(243)	666	1,903	4,428	4,758	5,742	7,677