

Securing our region now and into the future

Long Term Financial Plan (LTFP)

In developing its budget each year, Council does not just consider how it will deliver services and projects for the next 12 months but how the organisation – and therefore the community – can remain financially secure for the following decade.

That's why we develop what's called a Long Term Financial Plan (LTFP) which is presented in the budget papers each year.

The LTFP takes Council's current position and the next financial year's budget to be adopted and then makes evidence-based assumptions about future years to project our financial position and how viable our operations will be.

In 2024 – 2025 Council's LTFP confirmed the organisation was on track to experience significant deficits each year over 10 years.

A deficit is when our everyday expenses exceed incomes.

That means the cost of delivering services and infrastructure was outpacing revenue from rates, fees, charges and grants.

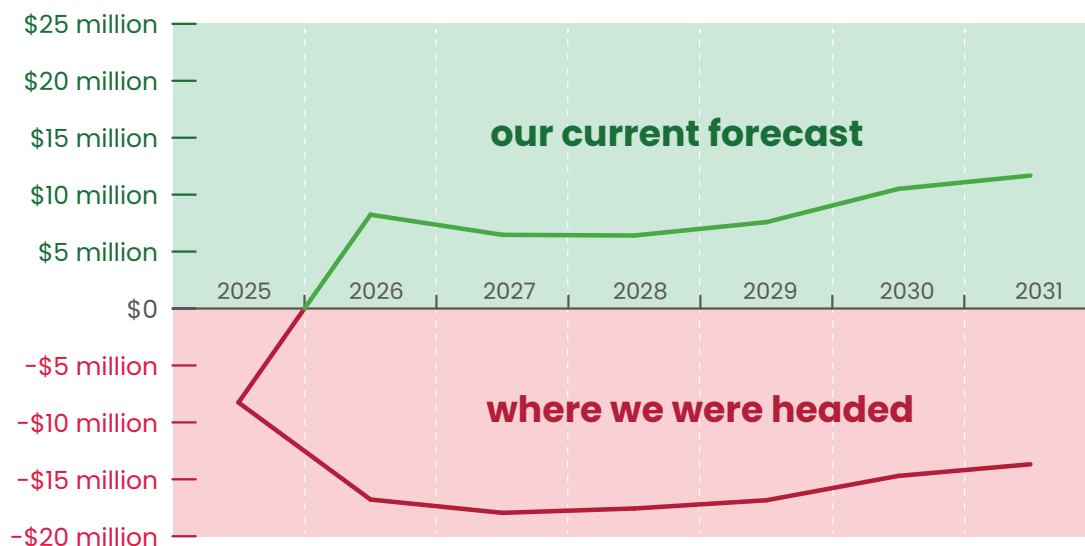
Addressing this position is critical to restoring long-term financial sustainability.

Difficult decisions had to be made to correct this course.

That included an organisational restructure, operational efficiencies and a rates and charges review.

We've now righted the ship and we're looking at a positive path forward.

The following graph shows the difference this made. The red line represents where the LTFP predicted Council was headed and the green line shows our current targets based on the changes made.



From this graph you can see we now project surpluses in future years. A surplus is where everyday income is higher than everyday operating costs.

It's important to note that these changes take time and, even with the recent changes made, the current financial forecast reveals it will take

Council about nine years to get the organisation back to the surplus target it needs to achieve to pay for the future expenses that we already know will come.

Read more about why a surplus is essential in our cash and borrowings fact sheet.