



Integrated Planning Series

Long Term Financial Plan

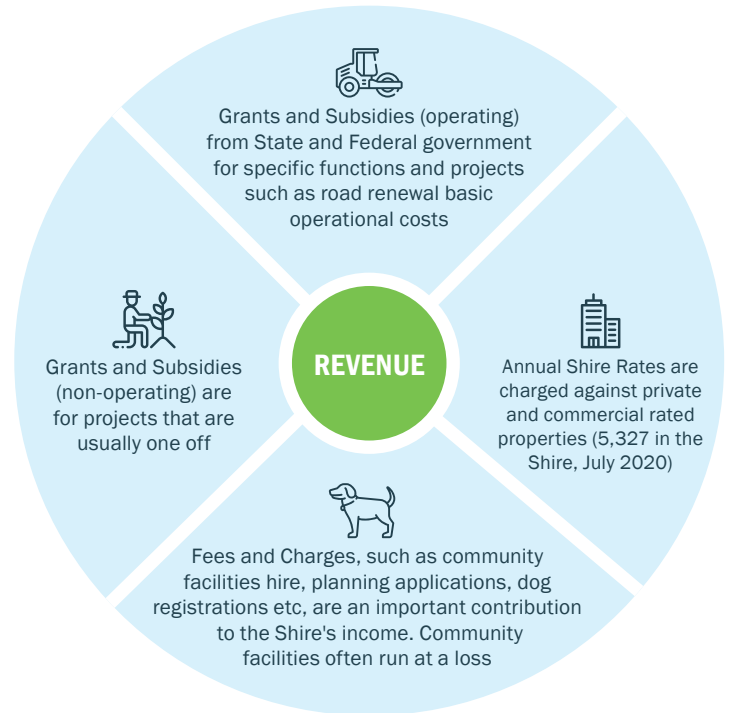
FREQUENTLY ASKED QUESTIONS

1 What is a Long Term Financial Plan?

A Long Term Financial Plan (LTFP) outlines the financial forecast (income and expenditure) for a ten year period. Simply, the Plan forecasts what the Shire is going to receive (income) and spend (expenditure) per annum for a ten year period.

It includes (but is not limited to) services, operations, community infrastructure maintenance and capital works.

The Shire of Gingin needs to ensure it can afford to undertake its core operational duties and financial commitments in addition to any new developments/projects.



DID YOU KNOW THAT IN THE 2021/21 FINANCIAL YEAR



Only 30% of the Shire's income came from ratable properties?



That non-operating Grants and Subsidies such as capital work projects made up 45% of the Shire's income?

2 Why does the Shire have a Long Term Financial Plan?

The legislated Local Government Integrated Planning and Reporting Framework requires local governments to ensure financial sustainability through financial planning.

The Shire of Gingin's LTFP manages "business as usual" costs and incorporates increased operational costs associated with future projects indicating whether our Shire can afford these proposed projects.

In line with the Local Government Best Practice Guidelines, the Shire of Gingin is reviewing and applying improved processes across the organisation.

3 How is the Long Term Financial Plan developed?

The LTFP is a living document and is based on previous financial information, asset management and renewal and other relevant data such as Consumer Price Index (CPI) and is subject to amendments when and where necessary.

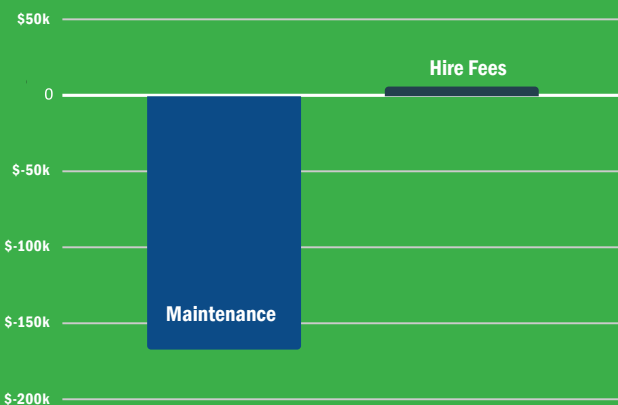
Overseen by Council, the intent of the Plan is to ensure financial sustainability and to manage any unforeseen issues that may arise.

DID YOU KNOW?

To maintain all of the Shire's community facilities it is approximately \$168,000 per annum. This cost include utilities, insurance and maintenance. Hire charges for these facilities only amounts to approximately \$5,400 per annum by comparison.

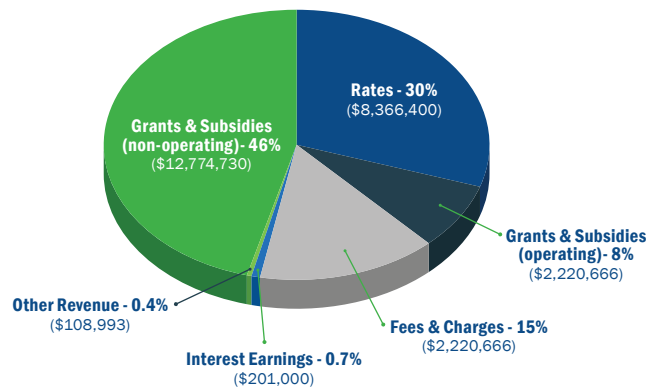
SHIRE ASSETS

Maintenance Cost vs Facility Income



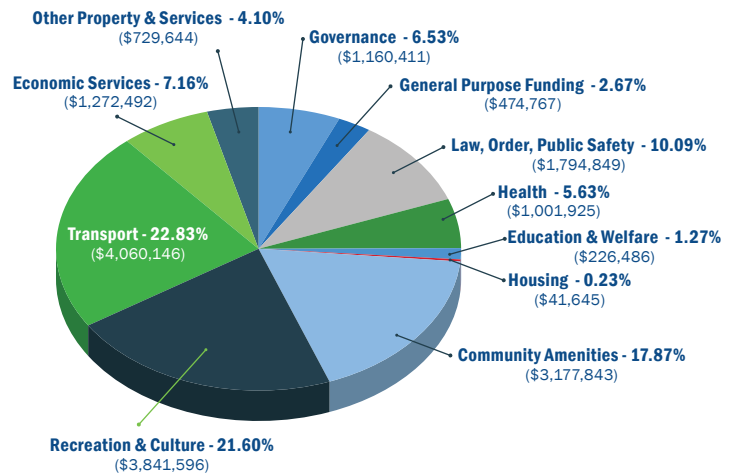
OPERATING INCOME 2020-21

Where the Shire's money comes from...



OPERATING EXPENDITURE 2020-21

Where the Shire's money is spent...



DID YOU KNOW?

In most cases a formula is used to determine each rural local government's grant allocation. This formula is generally based on distance from services available in the metropolitan area.

