



Shire of **Ngaanyatjaraku**
ON A JOURNEY

Council Policy

Policy 2.8 – Long Term Financial Planning

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Council Policy 2.8 – Long Term Financial Planning

Policy Objective

To establish a strategic financial framework to guide long term financial planning and its connection to the annual budget process.

Long Term Financial Planning

The Shire will prepare/update annually a long-term financial plan aligned to the Strategic Community Plan and Corporate Business Plan which includes, but not limited to, the following components:

- a) Major underlying economic assumptions;
- b) Projections of operating revenues and expenses for at least the next 10 years. Expected rate yield and percentage change from previous periods;
- c) Major capital outlays separated into components of new and renewal. Variations in net debt levels;
- d) Changes in the value of reserve balances; and
- e) Sensitivity analysis (changes most likely to affect the plan).

Every two/three years, the Shire will include, as a component of the long term financial plan, a strategic financial section which consist of at least the following:

- a) Asset management planning for: Road Infrastructure; Drainage; Major Buildings; Major commercial activities;
- b) An analysis of the impact of future changes in services levels;
- c) An explanation of the strategic financial direction and rationale underpinning the plan;
- d) Financial impacts of the Workforce Plan;
- e) Details of the strategic initiatives contained within the financial plan; and
- f) Strategic financial parameters and targets.

Annual Budget

The annual budget is to be developed from a base being the first year of the Council's adopted long term financial plan.

Where the annual budget results in a projected financial result in major conflict with the stated strategic direction outlined in the most recent long term financial plan this is to be separately highlighted and explained in the annual budget.

Policy History

Amendments to this Policy

Amendments to this policy require a simple majority decision of Council.

History

Policy adopted: 24 June 2020

Policy reviewed: 28 June 2023

Previous Policy

N/A

