

Long Term Financial Plan

Plain English summary

This plan is written by the City of Onkaparinga. When you see the word 'we', it means City of Onkaparinga.

Kaurna recognition

We recognise Aboriginal and Torres Strait Islander people as the Traditional Owners of Australia. They are the first people of this place – living here and looking after the land and rivers and seas. For us, this is the Kaurna people.

Introduction

We use the Long Term Financial Plan to help us make decisions about how we spend our budget so our communities have what they need.

Our budget is our plan for how much income we expect to get from things like council rates and how we plan to spend money on things like:

- library services
- collecting rubbish
- looking after parks, buildings and roads.

The Long Term Financial Plan helps us plan our income and spending for the next 10 to 20 years.

To help make our Long Term Financial Plan we thought about what our community told us was important in:

- our Community Plan
- in a community survey we did in 2020.

We also made sure our Long Term Financial Plan supports our Strategic Asset Management Plan (SAMP). Our SAMP helps us plan how we will look after our assets so that they are safe and meet the needs of our communities.

Examples of our assets are:

- buildings like our offices, libraries and community centres
- roads and footpaths
- parks and playgrounds.

As well as the Long Term Financial Plan, each year we make a budget giving more detail about our planned income and spending for that year. Our budget for each year is included with our [Annual Business Plan](#).



Our plan

Things affecting our plan

We can control our budget by spending more or less on our assets and services. There are lots of things that happen that affect our budget and Long Term Financial Plan that we can't control.

When making our Long Term Financial Plan we have planned for some things that we think are likely to happen:

- Inflation – we have planned for the cost of things to go up.
- Interest rates – we have planned for the cost of borrowing money to go up.
- Staff costs – we have planned for staff wages and other staff costs to go up.
- Selling land and buildings – we own land and buildings that are not needed. We have planned to get income from selling surplus land and buildings.
- Residential growth – we expect new houses to be built in our area. We have planned to receive more income from council rates.



Main ideas of our plan

There are some main ideas that have helped us make our Long Term Financial Plan. These main ideas are:

1. At the moment we spend more money than we receive in income. We will balance our budget so that we do not spend more than we receive.
2. We will keep our services to the community the same.
3. We will spend money on keeping things like buildings, parks and roads to a good standard and making them better. We will spend less money on building new things.
4. We will spend more of council's money and borrow less. When we want to do a big project and we don't have enough of our own money to pay for it we will borrow money from a lender such as a bank. Money we borrow has to be paid back to the lender with some extra money called 'interest'.
5. We will make it easier for the community to see how we are spending money, including the money that we borrow.
6. We will set a maximum amount of money that we can borrow, and not borrow any more than the maximum.
7. Each year we will increase rates by the same amount as inflation so that we can afford to keep providing the same services. Inflation is also known as the Consumer Price Index (CPI).
8. If we want a new service for the community or a new building we could increase council rates to pay for it. We will only do this after we have talked to the community about it.

These ideas help us decide how we should spend our income on services and assets without needing to borrow a lot of money.

Tracking how we are doing

To help us know if we are following our Long Term Financial Plan we have set measures that we track each year. Examples of the measures we track are:

- If we are spending more money than we make
- If we are spending enough money on our assets
- How much money we owe to lenders.

This Plain English plan is a summary of another plan. It only includes the most important ideas.

If you would like to talk to someone about our Long Term Financial Plan call 8384 0666.

