

Extract from PSC Long Term Financial Plan 2015 - 25

Page 3- Executive Summary

[Long Term Financial Plan 2015-2025](#) (PDF 617KB)

Also referred to in PSC Proposal to IPART Fit for the Future

1.1 Structure

The Long Term Financial Plan is structured as a series of 'Scenarios', each of which shows a specific financial outlook. The Scenarios are cumulative, so that each Scenario incorporates the assumptions and financial outcomes of the previous Scenario(s). The Scenarios can also be looked at in isolation.

This iteration of the Long Term Financial Plan presents financial forecasts associated with the following Scenarios:

- **Base Scenario**
 - Only half of the rate peg (1.2%) is applied to rating income
 - An inflation forecast of 2% is applied to most sources of income
 - \$1,500,000 of land sales have been included
 - A dividend from the Newcastle Airport Partnership of \$750,000 has been included

- **Improved Scenario**
 - The entire rate peg of 2.4% is applied to rating income
 - An inflation forecast of 2.5% is applied to most sources of income
 - \$1,500,000 of land sales have been included
 - A dividend from the Newcastle Airport Partnership of \$1,000,000 has been included

- **Strategic Scenario**
 - The entire rate peg of 2.4% is applied to rating income
 - An inflation forecast of 3% is applied to most sources of income
 - \$750,000 of sand extraction royalties have been included
 - \$6,000,000 of land sales have been included
 - A dividend from the Newcastle Airport Partnership of \$1,250,000 has been included
 - An extra \$500,000 per year from financial year 2017 onwards has been spent on asset repairs and maintenance in order to begin to address the asset backlog (Note: this is contingent on sand extraction royalties being received).

The **Improved Scenario** has been selected as Council's preferred Scenario. The **Improved Scenario** has been selected because the Base Scenario is not financially sustainable and the Strategic Scenario contains some high level targets which are reliant on market expectations. It is also important to be

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conservative with income projections in order to not spend outside of Council's means when forecasting its the financial future.

What 'revenue' from the holiday Parks, there wasn't any.....???