



## SECTION 1

### Amended 2016 - 2026 Long Term Financial Plan

(Detailing impact of Expiring Special Rate Variation, and Proposed Special Rate Variation)

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## Executive Summary

The NSW Local Government Act 1993 states that Council's Resourcing Strategy must include provision for long-term financial planning. Each Council must prepare a Long Term Financial Plan (LTFP) and this plan must be used to inform decision making during the finalisation of the Community Strategic Plan and the development of the Delivery Program. The LTFP must be for a minimum of 10 years.

The LTFP is an important part of Council's strategic planning process. This is the point where long-term community aspirations and goals are tested against financial realities. It is a decision making and problem solving tool but is not intended to be set in concrete, rather a guide for future action. The modelling that occurs as part of this plan will help Council to weather unexpected events. It will also provide an opportunity for Council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.

Council will seek to answer the following questions with the LTFP:

- Can we survive the pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?

When developing the LTFP, consideration is given to:

- Planning assumptions used to develop the plan;
- Projected income and expenditure, balance sheet and cash flow statement;
- Sensitivity analysis (factors/assumptions most likely to affect the plan);
- Financial modelling for different scenarios e.g. planned/optimistic/conservative; and
- Methods of monitoring financial performance.

The plan will be updated annually as part of the development of the Operational plan. It will also be reviewed in detail as part of the four yearly review of the Delivery Program as part of the Community Strategic Plan.

## Our Position at a glance

Port Macquarie-Hastings Council has revised its original 2016-2017 long term financial plan to take into account expected improvements since the original budget was prepared. Consequently this financial plan details an Approved Budget and a Current Estimate for 2016/17.

The Division of Local Government has established a set of benchmark indicators for Councils. These are known as ratios or performance ratios. The results for these ratios for the long term financial plan and the current estimate for 2016/17 are included in this plan.

Port Macquarie Hastings Council (PMHC) has an expiring Special Rate Variation (SRV) which expires at the end of 2016-2017. PMHC has included two scenarios in its Long Term Financial Plan. These are:

Scenario 1 - Reduce Services - Expired SRV and Rate Peg<sup>1</sup>

Scenario 2 - Maintain Services- Expired SRV, Special Rate Variation and Rate Peg - net increase of rate peg only

The value of the expiring SRV is \$1.7m in 2016/17.

(Water and Sewer are not impacted by the above and hence only have one scenario. General and Consolidated Funds have two scenarios).

In Scenario 1, (Reduce Services) a net reduction in rates occurs due to the impact of the expiring SRV. In this scenario, both revenue and expenditure are reduced by the amount of the expiring SRV and expected future equivalents. That is, service levels are reduced.

In Scenario 2, the expiring SRV is replaced by a new Special Rate Variation, and rate peg is applied. The services provided by the expiring SRV funding continue.

The budget shortfall/ surplus remains constant between the two scenarios as both revenue and expenditure are reduced equally. However spend on capital and maintenance is less in Scenario 1 which results in lower services to the community and an adverse effect on ratios.

Council is moving towards a strategy of a balanced budget or surplus.

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<sup>1</sup> The Rate Peg is determined by IPART and sets the maximum percentage amount by which a council may increase its general income for the year. It is assumed to be 2.5% from 2017/18.

The current 10 year budget shortfall/ surplus financial position is projected as follows:-

Year	Result	Amount shortfall/(surplus) \$k
2016 - 2017 Revised Estimate	Shortfall	\$438
2017 - 2018	Shortfall	\$571
2018 - 2019	Shortfall	\$401
2019 - 2020	Shortfall	\$387
2020 - 2021	Surplus	(\$489)
2021 - 2022	Balanced	\$0
2022 - 2023	Balanced	\$0
2023 - 2024	Balanced	\$0
2024 - 2025	Balanced	\$0
2025 - 2026	Surplus	(\$515)

1. A summary of the key performance ratios for the period of the LTFP are as follows:-

Ratio	Commentary
<p>Operating performance</p> <p><i>The purpose of this ratio is to measure a council's achievement of containing operating expenditure within operating revenue. (Benchmark &gt;0)</i></p>	<p>Council met this ratio in 2015-2016. This result was influenced by charges and fees, and contained costs including employee, materials and workers compensation. PMHC has undertaken a number of improvement initiatives to improve this ratio and continues to work to identify further opportunities. Further details are included under the improvement section.</p> <p>Under Scenario 1 (Reduce), this ratio is forecast to "meet" in 2017 only, and to then gradually trend down to below minus 2%. This is caused by revenue not increasing in line with cost increases.</p> <p>Under Scenario 2: (Maintain services), PMHC is forecast to meet this ratio in 2017 and 2018, and to go close to meeting it in the outer years. Outer years decrease slightly as expenses are forecast to increase above rate peg and forecast price increases. Council will continue to work to identify potential improvements.</p> <p>This ratio is impacted by spend on maintenance versus capital which in turn impacts the infrastructure ratios.</p> <p>This ratio is always under pressure due to large non cash depreciation expenses on infrastructure assets. Council's estimated depreciation expense for 2016-17 is \$42.1m which will have a negative impact on this ratio; however this is not an unusual situation for a regional council. Work was undertaken in 2014-15 on depreciation which resulted in a reduction in this expense.</p>

<p>Own source operating revenue</p> <p><i>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions</i></p> <p><i>(Benchmark &gt; 60%)</i></p>	<p>Council has exceeded the benchmark over the life of the plan. This tells us that Council's reliance on external funding such as operating grants and contributions is satisfactory.</p>
<p>Unrestricted Current Ratio</p> <p><i>Represents Council's ability to meet short term obligations as they fall due.</i></p> <p><i>Benchmark is &gt; 1.5</i></p>	<p>Council is forecast to meet this ratio. This ratio is estimated based on forecast current assets and restrictions, and may fluctuate depending on investments maturity term. Often Council will receive better interest rates on longer term investments. This has a negative impact on this ratio even though it is of benefit to Council.</p>
<p>Debt service cover</p> <p><i>Measures the availability of operating cash to service debt including interest, principal and lease payments.</i></p> <p><i>Benchmark is &gt; 2.</i></p>	<p>Council will exceed the benchmark for this ratio each year indicating that there is sufficient operating cash to meet debt payments as they fall due</p>
<p>Cash expense cover ratio</p> <p><i>This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash flow.</i></p> <p><i>Benchmark &gt; 3 months</i></p>	<p>Council has exceeded the benchmark for this ratio over the entire long term financial plan.</p>
<p><i>Rates and annual charges outstanding</i></p> <p><i>To assess the impact of</i></p>	<p>Council goes close to meeting this ratio. The benchmark for this ratio was previously 6%. It has now been reduced to 5%. Based on the previous benchmark Council was forecast to meet this ratio. It should be noted that this is an estimate as it is</p>

<p><i>uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.</i></p> <p><i>Benchmark 5% urban and coastal councils and 10% rural</i></p>	<p>impossible to know the exact amount of outstanding rates at the end of each year.</p> <p>In Scenario 2 this ratio is expected to be slightly better than in Scenario 1. It is not expected that the minimal change in average rates would impact ability to pay and hence outstanding rates will not be impacted. As a consequence, the higher revenue in Scenario 2: Maintain results in a more favourable ratio.</p>
<p><b>Infrastructure backlog</b></p> <p><i>This ratio shows what proportion the backlog is against the total value of Council's infrastructure</i></p> <p><i>Benchmark less than 2%</i></p>	<p>Council has not met the benchmark for this ratio in any year covered by the LTFP. Council's existing large asset base, combined with the limits placed on Council revenue (in particular rate pegging) make it very difficult to meet this benchmark without major injections of funding specifically dedicated to maintenance and renewal activities. Note under Scenario 2 Maintain, the ratio is improved in comparison to Scenario 1 due to the impact of additional funding.</p> <p>In 2014/15, Council undertook a detailed review of Special Schedule 7, to better identify and report on its infrastructure backlog. Under this revised methodology, Council identifies poor condition infrastructure assets, that pose a critical risk to Council, due to their required maintenance and renewal works being unfunded. This has enabled more transparent reporting and an improved ability to target areas of backlog. As a result, Council reduced its total reported infrastructure backlog in 2014/15, noting that this still represents a substantial amount that requires dedicated funding to address.</p>
<p><b>Asset maintenance</b></p> <p><i>This ratio compares actual versus required annual maintenance,</i></p> <p><i>Benchmark &gt; 100%</i></p>	<p>This ratio has been estimated based on current levels of asset maintenance expenditure. It reflects the amount of actual asset maintenance expenditure compared to the required asset maintenance expenditure. As with infrastructure backlogs it is unlikely that the benchmark for this ratio will be reached unless additional revenue is injected into asset maintenance. The ratio is better under Scenario 2 due to additional spending on maintenance.</p>
<p><b>Building and infrastructure renewals</b></p> <p><i>This ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration measured by its accounting depreciation.</i></p> <p><i>Benchmark &gt; 100%</i></p>	<p>This ratio is difficult for Council to meet as it is in a growing area which requires both new and renewal expenditure. Additionally, Council often increases the capacity of an asset whilst it is being renewed, however this is not factored into this ratio.</p> <p>Council has not met the benchmark for this ratio in any year covered by the LTFP. The ratio is better under Scenario 2: Maintain, than it is under Scenario 1: (Reduce - expiring SRV). Asset renewals for this ratio represent the replacement or refurbishment of existing assets to an equivalent capacity or performance.</p>

It is noted that whilst some of the ratios are less than Council's Fit for the Future (FFF) submission June 2015, the FFF submission included Special Rate Variations not included in the scenarios detailed here. It should also be noted that FFF included only General Fund<sup>2</sup>, whereas the ratios depicted in this plan are Consolidated.

## Improvements to Performance

Council is continually striving to improve its financial position, and is constantly focussed on improvements and efficiencies.

Improvements which have been reflected in the current and forecast financial position include the following:

### Focus on User Pays

PMHC has continued its focus on user pays including reviewing fees. This has included amongst other areas review of the ferry contract and review of crematorium fees

### Procurement

Council has been focussed on its procurement approach. It is estimated that this has resulted in savings in the order of \$1.3m per annum which are now embedded into our long term plan.

### Containment of Staffing levels and focus on annual leave:

Council has worked hard to contain staffing with very little movement in full time equivalent employees in the last few years (507 in 2015/16 compared to 490 in 2013/14) despite regional growth and improved service.

Additionally Council has undertaken a program to ensure that annual leave is taken as appropriate. The number of annual leave hours accrued by staff in excess of 8 weeks<sup>3</sup> has more than halved since 2015. This results in a reduction in wages compared to what they would otherwise have been.

### Other Productivity Improvements Included in Outer Years

Additionally, Council is anticipating further productivity improvements and has overlaid future savings in the order of \$300k per annum in outer years.

### Service Reviews

Council has been undertaking a review of Councils services to determine the current level of service, options to increase or decrease service levels, opportunity for alternate service delivery and identified areas for improvement. This has included engaging with Councillors and the community to determine service priorities.

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<sup>2</sup> Council is segmented into three main funds - General (Rates, General Fees, Crematorium, Airport, Glasshouse, Stormwater and Waste); Water and Sewer. All of these combined is referred to as "Consolidated".

<sup>3</sup> 8 weeks is noted in the Local Government State Award 2014 as being a level of leave accrued, at which employers can work with employees to reduce leave.



### Loan Review

Council has undertaken a review of its loan portfolio, and as a consequence has recently undertaken refinancing to take advantage of the current prevailing low interest rate environment. In total, this review will save Council in the order of \$2.5m over the life of the loans. As a consequence Council has factored significant amounts of interest savings in the outer years in its long term plan.

### Depreciation

Improvements have been made to better record useful lives and hence depreciation of assets. This combined with revaluations resulted in savings to depreciation by approximately \$3.4m between 13/14 and 14/15.

### Productivity

Various productivity improvement initiatives have been undertaken and continue to be undertaken including:

- campaigns to increase emailing of rates notices to save on postage and paper costs
- review of payment options
- review of processes across all teams which has enabled staffing to be contained.

## **Planning assumptions**

Some of the planning assumptions have stemmed from the Community Strategic Planning process whilst others have been derived from general financial planning practices.

Assumptions include:

- Population forecasts – A 1% increase in assessments has been assumed across the life of the plan, equating to approximately 347 assessments per annum
- General rating revenue rate peg is assumed to be 2.5%
- Inflation forecasts - The Governor of the Reserve Bank of Australia and the Treasurer have agreed that the appropriate target for monetary policy in Australia is to achieve an inflation rate of 2-3 per cent, on average, over the cycle. Council has assumed 2% for most items per annum over the life of the plan; and
- Interest rates for both investments and borrowings - In the LTFP investment rates are applied at 2.5% whilst borrowing rates for new loans are applied at 6%. Existing loans are forecast at their existing rate. A loan review was recently undertaken which resulted in savings across Council over the life of the loans refinanced in the order of \$2.5m.

## **Financial Assumptions**

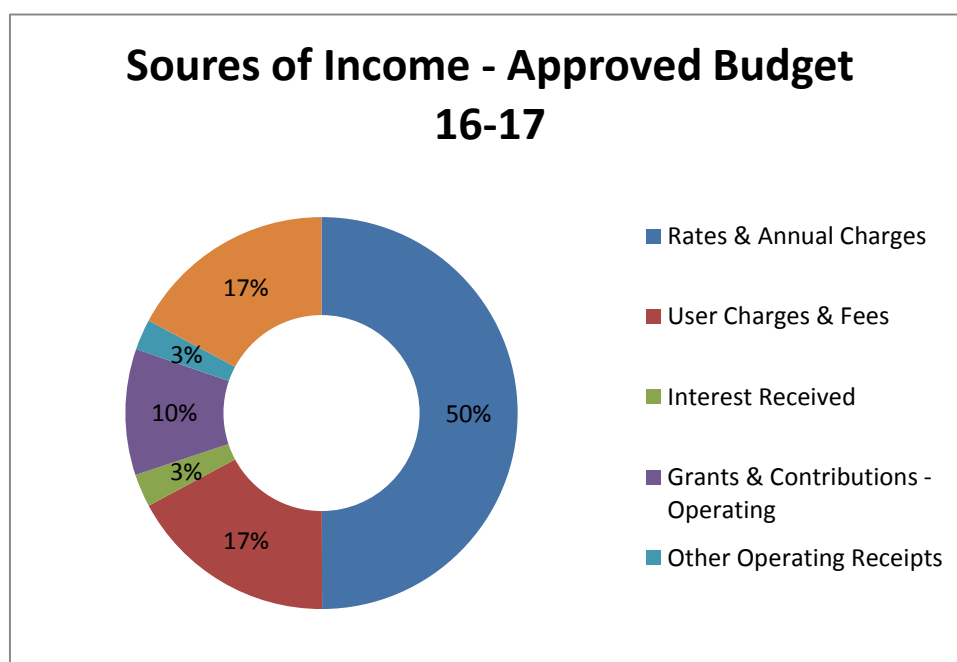
Council has produced financial models and these have been prepared using various assumptions including the planning assumptions previously noted along with the following Revenue and Expenditure forecasts.

## **Revenue forecasts/assumptions**

The major sources of revenue for Council are:

1. Rates and annual charges.
2. User charges and fees.
3. Grants.
4. Contributions and donations.
5. Interest.
6. Other Revenues.

The following graph shows the breakdown of revenues for the Council for the approved budget for 2016-17 and gives an indication of the reliance on the various revenue streams. As shown, Council is very reliant on rating revenues for its day to day operations.



### Rates and annual charges

Rating is a major component of Council's revenue base, contributing approximately 50% of Council's revenue. The preparation of the LTFP includes an assessment of the community's capacity and willingness to pay rates and whether there is potential for change in that capacity. Council has undertaken a number of engagement strategies focused on engaging the community regarding the financial options available for Council to continue to meet the community's identified priorities in the long term financial plan.

This LTFP details two scenarios:

Scenario 1: Reduce - (Rate Reduction - expiring SRV and rate peg)

Scenario 2: Maintain -(Special SRV to offset Expiring SRV and rate peg)

The LTFP assumes a growth in assessments of 1% per annum across all funds, equating to approximately 347 new assessments per annum.

### General fund

A rate pegging limit of 2.5% has been applied for 2016-17 and outer years. In 2012-13 Council received a 5 year 4.43% Special Rate Variation (SRV). This variation expires at the end of 2016/17. It is included in the LTFP until 2016-17 in Scenario 1.

In Scenario 2 it is assumed that Council receives a new Special rate Variation to offset the impact of the expiring SRV. This amount continues with rate peg.

### Waste management

The annual charge for a standard service in 2016-17 will be \$415.00 per assessment with subsequent increases based on CPI.

### Water supply

From 2017-18 proposed increases are assumed to be at 2%.

The annual charge in 2016-17 for a standard 20mm meter assessment will be \$197.00. The water supply annual charge and usage charge have been set in accordance with the Department of Water and Energy's Best Practice Management of Water Supply and Sewerage Guidelines.

### Sewerage services

An increase of 4.5% in the sewerage annual charge has been assumed for 2016-17 specifically to build a reserve for future works. Following 2017/18 the increase for each year thereafter is in assumed to be 2%.

The sewerage supply annual charge and usage charge have been set in accordance with the Department of Water and Energy's Best Practice Management of Water Supply and Sewerage Guidelines. The standard annual charge for 2016-17 will be \$804.00 per assessment.

### User charges and fees

Whilst many Council services are offered on a user pays basis, some services are determined based on:-

- Economic Cost;
- Community Service;
- Regulated Charges;
- User Pays Principle;
- Market Forces;
- Cost Plus; and
- Section 94.

The majority of fees and charges in the base model are increased by the Consumer Price Index. Council has included a 1.9% CPI increase in the majority of fees and charges for 2016-17 with a 2% CPI increase to fees and charges for the remaining periods of the LTFP.

### Grants

Council receives general purpose Financial Assistance Grants from the Commonwealth Government along with other grants and subsidies specific to programs. The Financial Assistance Grant has been frozen at the 2014-15 level up to and including the 2017-18 financial year.

The LTFP assumes that the financial assistance grant will increase at a rate of 2% from 2018/19.

Other specific project grant income is included in the year that the grant is to be expended, not received. Where the grant funding is not forthcoming the grant funded component of the project is either deleted or deferred.

### Contributions and donations

The majority of revenue from contributions and donations are S94 and S64 developer contributions. These contributions must be expended on the works that the contributions were raised for. Revenue from these contributions is linked to growth with revenues reducing in periods of low growth. Income projections are conservative due to variations in the property market.

Also included are assets provided to Council from developers of new subdivisions. These assets are included with our infrastructure assets and an equivalent contribution reflected in Council's income.

### Interest on investments

Interest on investments will vary depending on the quantum of Council investments at any point in time. The LTFP calculates the interest on investments based on an average of the beginning and ending investment balance in any one year. An assumed interest rate of 2.5% over the life of the plan has been applied to all of Council's investments.

The interest rate applied to outstanding rates and charges is in accordance with advice from the Office of Local Government.

### Other revenues

This category includes revenues such as fines, library charges and Glasshouse income. An increase over the life of the plan of 2% has been included.

### Cash reserves

Council uses reserves as a means of building up required funds, rather than borrowing. Council has a number of reserves that are set aside for specific purposes. A significant portion of reserves are restricted due to regulations and cannot be allocated to general use. Approximately 70% of Council reserves have external regulatory restrictions and are therefore not available for general use. Approximately, another 15% to 20% are committed or allocated to specific major required spends. Some of these reserves refer to business units eg. Port Macquarie Airport where the profit made by that unit is transferred to the reserve. Other reserves have an allocated amount transferred into them each year to ensure expenditure needs can be met. These amounts are increased each year in line with the operational budget uplift.

### Borrowings

Council finances some of its major infrastructure expenditure through borrowings. This allows the cost of these projects to be spread over a number of years to facilitate inter-generational equity for these long-lived assets. Borrowings can also be used to smooth out long-term expenditure peaks and troughs. The borrowings included in the 2016-17 LTFP for the next four years are detailed below:

Financial Year	Amount	Purpose of Borrowing
2016-17	\$3,425,000	Port Macquarie Town Centre Masterplan - Town Square
2017-18	Nil borrowings	
2018-19	Nil borrowings	
2019-20	\$5,000,000	Area 13 Sewer Treatment Plant

The LTFP assumes a future borrowing interest rate of 6% over the life of the plan for new loans, with current loans budgeted at actual repayments.

## Expenditure forecasts/assumptions

The Community Strategic Plan gives Council an indication of the community's expectations for the future. Balancing expectations, uncertainty of future revenues and expenditure forecasts is a challenging aspect of the financial planning process. In developing expenditure forecasts Council considers not only the new expenditure items proposed in the Community Strategic Plan, but also Council's ongoing commitments. The workforce plan and asset management plans are key sources of information about such expenditure along with the repayment schedule of borrowings. Much of council's expenditure is regular and on-going.

### Employee benefits and on-costs

The individual cost of each employee and associated staff on costs are calculated as part of the operational plan.

The LTFP assumes a yearly uplift of 3.5% to cover wage and associated employee on-cost increases, including the increases to be determined under the Local Government (State) Award 2017. The 0.25% increase in the superannuation guarantee as of 1 July 2014 has been included in the LTFP. The Government amendments to the legislation mean that the rate will remain at 9.5% until 30 June 2021 and then increase by 0.5 percentage points each year until it reaches 12%.

### Materials and contracts

Materials and contracts is one of the largest items on Council's income statement. It covers all materials used in operational activities along with major ongoing operational contracts such as the domestic waste contract.

Budgets in the operational plan reflect all known information in relation to contracts. Council has applied a nil uplift to most 2016-17 operational budgets (excluding salaries). This has been the approach for some years.

### Borrowing Costs

Borrowing costs for each of Council's current loans are calculated for each year and included in the LTFP.

## Depreciation and amortisation

Council is now required to revalue the majority of its assets on a yearly basis. This means that depreciation expenses increase each year for most asset classes even though depreciation is calculated on a straight line basis. An increase of 3% in depreciation expenses has been assumed over the life of the plan.

## Other expenses

This category includes a number of expense items including electricity costs, telephone charges, council expenses, valuation fees, payments to other levels of government, insurance, bank charges, street lighting etc.

Electricity – Whilst there have been large increases in electricity charges over the last few years, Council has only been subject to some of these increases due to a fixed electricity contract. A 3% yearly increase has been assumed in the LTFP to cover future increases in electricity charges. This excludes the possible impact of a future carbon trading or taxation scheme.

Telephone costs – Council entered into a telephone contract a number of years ago which reduced the price of fixed line and mobile phones significantly. All phone allocations have been increased by 2% over the life of the plan.

Valuation fees – Information received to date indicates that with the growth in assessments a 10% yearly increase will need to be applied.

Payment to other levels of government – This includes payments for the, Rural and Local fire brigades and contributions towards the State Emergency Service, and the Waste Levy. Based on historical data the fire and state emergency services levies are assumed to increase by 3% per annum.

Insurance and bank charges are assumed to increase at 2% per annum.

It should be noted that it is expected that the cost of our annual audit will increase, as there is now a requirement to have the audits undertaken by the Auditor General. However at the time of preparing the plan this additional cost was unknown.

## Financial Results

The financial statements included at the end of this document show an Income Statement, Balance sheet, and Budget statement. The budget results for the full Council's current 10 year Budget Statement are as follows:-

Year	Result	Amount shortfall/(surplus) \$k
2016 - 2017	Shortfall	\$438
2017 - 2018	Shortfall	\$571
2018 - 2019	Shortfall	\$401
2019 - 2020	Shortfall	\$387
2020 - 2021	Surplus	(\$489)
2021 - 2022	Balanced	\$0
2022 - 2023	Balanced	\$0
2023 - 2024	Balanced	\$0
2024 - 2025	Balanced	\$0
2025 - 2026	Surplus	(\$515)

The result above shows the total incoming funds are marginally less the total budgeted expenditure (including capital transactions) in the first 4 years. A shortfall budget will require Council to increase income, cut expenditure or reduce reserve balances to fund the shortfall. Council is moving toward a balanced or surplus budget approach.

Note that at the time of preparing the 2016/17 budget, actual results for 2015/16 were unknown. The actual have been included for comparative purpose.

## Sensitivity analysis

Long term financial plans are inherently uncertain as they contain a wide range of assumptions, which are influenced by market forces beyond Council's control (e.g. Interest rates & inflation). Whilst some assumptions have a relatively limited impact if they are wrong, others could have a major impact on future financial plans. Should the assumptions be inaccurate, Council will need to reconsider the current strategies on expenditure and revenue and realign the LTFP to fund any changes in costs or revenues. Council has undertaken internal stress testing on the impact of changes in assumptions.

The following include key areas of assumptions/ areas for potential impact in the 2016-17 LTFP.

### Rates and annual charges

Rates and annual charges make up 50% of the budgeted 2016-17 operating revenue for Council. Council cannot set the rate of increase for the general fund rate and must accept the rate pegging limit imposed on it by the Independent Pricing and Regulatory Tribunal (IPART) unless approval is given for a Special Rate Variation. The rate pegging limit that has been approved by IPART for 2016-17 of 1.8% has been applied with an assumed 2.5% rate pegging limit from 2017-18 onwards as recommended by IPART.

The LTFP has been projected on the premise that current rating income collection patterns for all funds will be maintained or improved. Any changed economic conditions have the ability to impact rate payer capacity to pay and will affect the Council's cash flow from rating.

### **Special Rate Variation to the General Fund Rate**

Council currently has a 4.43% Special Rate Variation approval which is valid up to and including the 2016-17 financial years. From 2017-18 the Special Rate Variation income and associated expenditure has been removed from the LTFP in Scenario 1, and continued in Scenario 2.

### **Employee costs**

Employee costs make up approximately 30% of projected 2016-17 operating expenditure. This reflects the service based nature of a significant proportion of Council activities and maintenance of the considerable infrastructure owned by the Council.

The Council's ability to put in place the necessary workforce to achieve the community's expectations is affected by several internal and external forces. These include:

- The rising cost of employment;
- Skills shortage;
- Staff turnover;
- Attraction and retention of quality staff;
- Recent projected superannuation increases;
- Movements in rates of pay being determined through industry-wide Award negotiations
- Award salary increases above CPI and rate pegging;
- Changes in service levels in response to community priorities; and
- Maternity leave provisions.

Any significant changes in this expenditure will have major impacts on the Council LTFP. The LTFP has assumed increases of 3.5% to most operational employee costs. In the event of any unplanned changes in employee costs, the Council would need to quickly adapt its original planned operations to offset movements in this area.

### **Materials and contracts**

Materials and contracts make up a significant portion of projected 2016-17 operating expenditure. This is reflective of the considerable number of assets maintained by the Council and places the Council under considerable pressure from rising material costs including fuel. Any major unplanned increases in these costs will also impact on the LTFP. Local government expenditure usually includes relatively high levels of materials and contracts expenditure. This places the Council under considerable pressure if things such as oil prices rise which impacts on both fuel and material prices. In addition, any new assets constructed or acquired will also increase material and contracts expenditure due to increased maintenance requirements.

### **Investments and interest on investments**

The downturn in the investment market will continue to place pressure on Council's operations for some time. All new investments are in line with the Office of Local Governments Investment Order.



### Capital works program

The capital works program reflected in the LTFP is particularly sensitive to changes in the construction index. The construction index measures changes over time in the price of new construction, other than houses. As this index has reached 20% in the past, rising construction costs remains a threat to Council achieving budgeted outcomes.

As Council is in a growth area in terms of population, the growth of the area can also have an effect on the capital works program. If growth is less than expected then works will need to be deferred as Section 94/64 income will be reduced. Alternatively if growth is higher than expected then some capital works may need to be brought forward to accommodate that growth.

### Growth

The LTFP has included a growth assumption of 1% for all funds across the life of the plan. For general fund an increase in growth of 1% will increase Council's rating revenue by approximately \$460k. The revised estimate for 16/17 includes additional general rating growth since the original budget was approved.

## Asset Management

Council's Asset Management Policy establishes the framework that determines the nature and direction of Asset Management within Council, and guides the strategic management of all of Council's assets.

Council's Asset Management Strategy details a set of strategic actions required to improve Council's asset management capability and meet its asset management objectives, while its Asset Management Plans project asset related resource requirements and set timeframes for key asset maintenance, replacement and renewal activities.

The costs resulting from Council's Asset Management Plans are capital expenditure such as new assets, renewals and rehabilitation and non-capital expenditure such as maintenance, operating costs and depreciation. Individual plans have been developed for transport, stormwater, water, sewerage, parks & recreation and building assets. All asset related expenditure identified in the Asset Management Plans is considered when completing the LTFP, along with various funding options to support the plan which would include any anticipated gains from the sale of assets.

Increasing rates is one option to address the problem of ageing assets. There are however, a number of other options available to Council to fund the maintenance and management of its major infrastructure. The following outlines various considerations that Council can consider to fund the infrastructure backlog:-

- Changing the composition of capital spending from new to renewal;
- Ensuring appropriate maintenance budgets are in place for key infrastructure;
- Investigating whole of life costs before any new asset purchases/construction are undertaken;
- Asset rationalisation and review of asset growth strategies;
- More efficient use and operation of assets by turning them into income producing opportunities. This might be done by increasing their functionality;
- Choosing low cost strategies over high cost strategies;

- Demand management;
- Re-evaluation of service levels and standards, in consultation with the community;
- Making forward provision for renewal by reducing debt to create future borrowing capacity;
- Creating renewal reserves; and
- Carrying out cost/benefit analyses on the services being provided.

## Risk assessment

The assumptions included in the LTFP have been tested through a risk assessment process. The risk assessment has considered such questions as:

- How accurate are the projected estimates of expenditure?
- How certain is the revenue stream?
- What could impact on the expenditures?
- What could impact on the revenues?
- What other risks are associated with key projects (e.g. loss of key staff, loss of subsidy)?
- How reliable are investment options?
- Are ratepayers' funds at risk?
- What are the potential liabilities for Council – legal and financial – if key projects fail?

## Performance monitoring

An intrinsic part of the LTFP is the measurement of performance against the plan. IPART and NSW Treasury Corporation (TCORP) have provided several ratios which serve as benchmarks to assist in the measurement of performance and to assess the long term financial sustainability of the organisation.




## TCORP Ratios

The Office of Local Government requires Council to provide TCORP ratios which are outlined below. TCORP ratios are required to be published in the Annual financial statements under Note 13.

Ratio	Description	Benchmark
Operating Performance	The purpose of this ratio is to measure a council's achievement of containing operating expenditure within operating revenue.	Greater than 0
Own Source Revenue	This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. A Council's financial flexibility improves the higher the level of its own source revenue.	Greater than 60%

Unrestricted Current Ratio	This ratio is designed to represent Council's ability to meet short term obligations as they fall due.	Greater than 1.5
Debt Service Cover	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.	Greater than 2
Cash Expenses Cover	This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash flow.	Greater than 3 months
Rates and annual charges outstanding percentage	This ratio assesses the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	Less than 10% rural, less than 5% urban and coastal
Infrastructure Backlog Ratio	This ratio shows what proportion the backlog is against the total value of Council's infrastructure.	Less than 2%
Asset Maintenance	This ratio compares actual versus required annual maintenance, as detailed in Special Schedule 7 (of the annual financial statements).	Greater than 100%
Building and Infrastructure Renewals Ratio	This ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration measured by its accounting depreciation.	Greater than 100%

The ratios mentioned above for each year for the full Council follow. Each ratio has been assigned a traffic light depending on the result.

-  **Green traffic light - Good**
-  **Amber traffic light - Satisfactory**
-  **Red traffic light - Unsatisfactory**

Port Macquarie - Hastings Council - Long Term Financial Plan Ratios													
PMHC - 2016-17 Business Plan - Consolidated				Scenario 2 Maintain									
	Adjusted	2014-15 Actuals	2015-16 Actuals	2016-17 Revised Estimate	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
TCORP RATIOS													
1. Operating Performance Ratio (benchmark Greater than 0)		3.71%	7.44%	0.74%	0.01%	-0.39%	-0.36%	-0.81%	-0.32%	-0.86%	-1.71%	-1.49%	-1.13%
		🟢	🟢	🟢	🟢	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
2. Own Source Operating Revenue Ratio (benchmark Greater than 60%)		74.82%	63.50%	72.48%	80.94%	80.99%	81.44%	81.67%	81.96%	82.21%	82.49%	82.73%	83.03%
		🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
3. Unrestricted Current Ratio (benchmark Greater than 1.5)		2.96	2.27	2.04	2.19	2.00	2.10	1.98	1.95	2.22	2.41	2.63	2.54
		🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
4. Debt Service Cover Ratio (benchmark Greater than 2)		3.69	3.27	3.25	3.18	3.46	3.67	3.75	3.92	3.65	4.38	5.17	7.35
		🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
5. Cash Expense Cover Ratio (benchmark Greater than 3 months)		20.63	21.49	22.60	22.54	22.07	21.62	21.03	20.66	19.93	19.73	19.56	19.56
		🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
6. Rates and Annual Charges Outstanding (benchmark Less than 5%)		6.42%	5.34%	5.30%	5.27%	5.23%	5.21%	5.18%	5.17%	5.15%	5.13%	5.12%	5.11%
		🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
7. Infrastructure Backlog Ratio (Benchmark of less than 2%)		7.31%	6.89%	6.74%	6.55%	6.41%	6.26%	5.86%	5.58%	5.05%	4.44%	4.12%	3.66%
		🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
8. Asset Maintenance Ratio (benchmark Greater than 1)		0.86	0.87	0.87	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89
		🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
9. Building and Infrastructure Renewals Ratio (benchmark Greater than 100%)		36.09%	79.41%	65.87%	40.71%	35.05%	35.67%	48.71%	38.57%	49.59%	51.84%	35.78%	39.16%
		🔴	🟡	🟡	🔴	🔴	🔴	🔴	🔴	🔴	🟡	🔴	🔴

# Port Macquarie - Hastings Council - Long Term Financial Plan

## Ratios

### PMHC - 2016-17 Business Plan - Consolidated

Senario 1 Reduce

	Adjusted	2014-15 Actuals	2015-16 Actuals	2016-17 Revised Estimate	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>TCORP RATIOS</b>													
1. Operating Performance Ratio (benchmark Greater than 0)	3.71%	7.44%	0.74%	-0.93%	-1.35%	-1.33%	-1.78%	-1.30%	-1.86%	-2.73%	-2.51%	-2.15%	
	✓	✓	✓	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠
2. Own Source Operating Revenue Ratio (benchmark Greater than 60%)	74.82%	63.50%	72.48%	80.73%	80.78%	81.22%	81.45%	81.74%	81.99%	82.28%	82.52%	82.82%	
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Unrestricted Current Ratio (benchmark Greater than 1.5)	2.96	2.27	2.04	2.20	2.01	2.11	2.00	1.96	2.24	2.44	2.65	2.57	
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Debt Service Cover Ratio (benchmark Greater than 2)	3.69	3.27	3.25	3.09	3.36	3.56	3.63	3.80	3.54	4.24	5.01	7.12	
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. Cash Expense Cover Ratio (benchmark Greater than 3 months)	20.63	21.49	22.60	22.63	22.16	21.71	21.11	20.75	20.02	19.81	19.64	19.64	
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6. Rates and Annual Charges Outstanding (benchmark Less than 5%)	6.42%	5.34%	5.30%	5.27%	5.33%	5.30%	5.28%	5.27%	5.25%	5.23%	5.22%	5.21%	
	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠
7. Infrastructure Backlog Ratio (Benchmark of less than 2%)	7.31%	6.89%	6.74%	6.68%	6.67%	6.65%	6.38%	6.25%	5.86%	5.40%	5.25%	4.96%	
	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠
8. Asset Maintenance Ratio (benchmark Greater than 1)	0.86	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	
	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠	⚠
9. Building and Infrastructure Renewals Ratio (benchmark Greater than 100%)	36.09%	79.41%	65.87%	39.79%	34.12%	34.74%	47.77%	37.64%	48.65%	50.90%	34.84%	38.21%	
	✗	⚠	⚠	✗	✗	✗	✗	✗	✗	⚠	✗	✗	✗

## **2016-17 Long Term Financial Plan Financial Statements**



## **2016-17 Long Term Financial Plan Financial Statements**

Consolidated Council - Scenario 1: Reduce (ESRV, Rate Peg)

**Income Statement  
Consolidated -**

**Senario 1 Reduce**

	Actuals	Actuals	Approved Budget	Current Estimate									
	2014-15	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Income from continuing operations</b>													
Rates & Annual Charges	-81,333,119	-85,050,249	-86,545,908	-86,947,901	-88,334,842	-90,944,897	-93,601,668	-96,306,473	-99,060,676	-101,865,681	-104,722,945	-107,633,969	-110,600,302
User Charges & Fees	-30,942,053	-34,284,062	-29,824,384	-29,824,384	-30,639,657	-31,446,485	-32,269,450	-33,108,874	-33,965,086	-34,838,423	-35,729,227	-36,637,847	-37,564,639
Interest Received	-7,410,792	-7,726,787	-4,715,873	-4,715,873	-3,149,373	-3,083,973	-3,194,337	-3,144,483	-3,026,629	-3,092,188	-3,286,035	-3,651,413	-3,988,984
Grants & Contributions - Operating	-18,664,856	-18,767,599	-18,039,679	-18,039,679	-14,696,693	-14,931,059	-15,202,083	-15,478,551	-15,760,521	-16,048,129	-16,341,511	-16,640,759	-16,945,964
Other Operating Receipts	-5,113,950	-18,343,282	-4,381,020	-4,381,020	-4,468,641	-4,558,014	-4,649,174	-4,742,157	-4,837,000	-4,933,741	-5,032,415	-5,133,064	-5,235,725
Grant & Contributions - Capital	-23,324,938	-64,806,561	-29,754,843	-29,754,843	-15,526,263	-16,017,307	-15,708,456	-15,788,456	-15,708,456	-15,738,456	-15,708,456	-15,788,456	-15,708,456
<b>Total income from continuing operations</b>	-166,789,707	-228,978,541	-173,261,707	-173,663,700	-156,815,468	-160,981,734	-164,625,168	-168,568,994	-172,358,369	-176,516,618	-180,820,590	-185,485,507	-190,044,069
<b>Expenses from continuing operations</b>													
Employee Costs	42,443,455	44,210,606	47,981,635	47,131,635	47,889,008	49,254,950	50,970,694	52,746,444	54,584,301	56,486,441	58,455,119	60,492,664	62,601,490
Materials & Contracts	34,707,089	35,999,486	38,622,703	37,122,703	35,784,958	37,561,397	38,157,265	39,489,520	39,554,267	40,546,982	41,537,765	41,458,016	41,714,943
Interest Paid	5,342,399	8,576,916	4,495,417	4,495,417	3,176,397	2,667,993	2,512,726	2,233,513	1,758,602	2,041,720	2,975,647	3,251,511	2,946,207
Other Operating Payments	11,476,500	17,109,424	11,992,976	11,992,976	12,343,612	12,681,269	13,109,467	13,468,853	13,759,801	14,142,716	14,538,335	15,037,129	15,459,708
Depreciation	41,858,448	43,792,193	42,105,601	42,105,601	43,411,269	44,756,022	46,141,030	47,567,499	49,036,670	50,549,820	52,108,268	53,713,368	55,366,519
Overhead - Internal Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0
(Gain)/Loss on Disposal of Assets	1,246,327	4,035,074	2,900,000	2,900,000	2,958,000	3,017,160	3,077,503	3,139,053	3,201,834	3,265,871	3,331,188	3,397,812	3,465,768
<b>Total expenses from continuing operations</b>	137,074,220	153,723,700	148,098,332	145,748,332	145,563,244	149,938,791	153,968,686	158,644,882	161,895,474	167,033,550	172,946,322	177,350,501	181,554,636
<b>Operating result from continuing operations</b>	-29,715,488	-75,254,841	-25,163,375	-27,915,368	-11,252,223	-11,042,943	-10,656,481	-9,924,112	-10,462,895	-9,483,067	-7,874,268	-8,135,006	-8,489,433
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	-6,390,550	-10,448,280	4,591,468	1,839,475	4,274,040	4,974,364	5,051,975	5,864,344	5,245,561	6,255,388	7,834,188	7,653,450	7,219,023



# Port Macquarie - Hastings Council - Long Term Financial Plan

## Balance Sheet

### Consolidated -

Senario 1 Reduce

	Actuals	Actuals	Approved Budget	Current Estimate									
	2014-15	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>ASSETS</b>													
<b>Current Assets</b>													
Cash on Hand and at Bank	3,654,598	14,206,921	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
Current Investments	184,368,007	121,086,596	67,912,244	68,314,237	64,357,254	66,261,198	71,090,625	64,553,569	65,182,692	67,848,520	75,364,157	86,720,239	91,893,974
Current Receivables	20,805,250	21,439,909	20,805,250	20,805,250	21,061,326	21,558,786	22,079,203	22,880,961	22,800,340	24,113,445	24,895,453	24,746,063	25,636,993
Current Inventories	981,101	479,865	981,101	981,101	981,101	981,101	981,101	981,101	981,101	981,101	981,101	981,101	981,101
Other Current Assets	4,350	4,480	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350
<b>Total current assets</b>	<b>209,813,306</b>	<b>157,217,771</b>	<b>93,357,543</b>	<b>93,759,536</b>	<b>90,058,629</b>	<b>92,460,033</b>	<b>97,809,878</b>	<b>92,074,579</b>	<b>92,623,082</b>	<b>96,602,014</b>	<b>104,899,659</b>	<b>116,106,351</b>	<b>122,171,016</b>
<b>Non Current Assets</b>													
Non-Current Investments	0	79,000,000	47,506,253	47,506,253	44,291,030	44,999,157	47,566,216	42,993,387	43,315,785	44,776,756	49,317,605	56,420,798	60,039,950
Non-Current Receivables	5,290,605	3,485,078	5,290,605	5,290,605	4,340,461	4,152,961	4,149,859	4,031,388	4,415,099	4,201,730	4,260,503	4,524,363	4,565,270
Non-Current Inventories	168,000	597,659	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000
Property, Plant & Equipment	1,682,523,826	1,808,770,412	1,783,456,524	1,785,806,524	1,792,747,284	1,790,303,187	1,787,952,067	1,801,259,603	1,799,701,340	1,806,072,755	1,815,446,908	1,807,854,331	1,802,837,650
<b>Total non current assets</b>	<b>1,687,982,431</b>	<b>1,891,853,150</b>	<b>1,836,421,383</b>	<b>1,838,771,383</b>	<b>1,841,546,775</b>	<b>1,839,623,304</b>	<b>1,839,836,142</b>	<b>1,848,452,378</b>	<b>1,847,600,224</b>	<b>1,855,219,241</b>	<b>1,869,193,016</b>	<b>1,868,967,492</b>	<b>1,867,610,871</b>
<b>Total assets</b>	<b>1,897,795,738</b>	<b>2,049,070,921</b>	<b>1,929,778,926</b>	<b>1,932,530,919</b>	<b>1,931,605,404</b>	<b>1,932,083,338</b>	<b>1,937,646,020</b>	<b>1,940,526,957</b>	<b>1,940,223,305</b>	<b>1,951,821,256</b>	<b>1,974,092,675</b>	<b>1,985,073,843</b>	<b>1,989,781,887</b>
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Bank Overdraft	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Creditors	11,459,633	16,839,476	11,459,633	11,459,633	10,840,631	10,717,056	10,640,888	10,697,036	10,404,702	10,724,345	10,853,261	10,340,040	10,486,993
Current Provisions	17,092,907	18,164,450	17,092,907	17,092,907	17,105,392	17,549,344	18,153,604	18,779,995	19,433,556	20,131,022	20,828,159	21,551,372	22,301,079
Current Borrowings	8,738,268	11,140,759	10,472,670	10,472,670	8,945,969	7,865,115	7,281,461	7,056,638	6,983,337	4,301,629	3,164,309	1,388,227	924,651
<b>Total Current Liabilities</b>	<b>37,290,808</b>	<b>46,144,685</b>	<b>39,025,210</b>	<b>39,025,210</b>	<b>36,891,992</b>	<b>36,131,515</b>	<b>36,075,953</b>	<b>36,533,669</b>	<b>36,821,595</b>	<b>35,156,996</b>	<b>34,845,729</b>	<b>33,279,639</b>	<b>33,712,723</b>
<b>Non current liabilities</b>													
Non-Current Creditors	2,190,581	2,395,471	2,190,581	2,190,581	2,103,030	2,092,612	2,081,836	2,082,582	2,024,447	2,107,073	2,121,801	2,026,279	2,061,456
Non-Current Provisions	1,865,919	1,241,125	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919
Non-Current Borrowings	82,647,002	71,990,753	66,911,489	66,911,489	56,954,520	47,160,405	42,132,944	34,631,305	23,634,969	27,331,824	42,025,515	46,533,288	42,283,637
<b>Total non current liabilities</b>	<b>86,703,502</b>	<b>75,627,349</b>	<b>70,967,988</b>	<b>70,967,988</b>	<b>60,923,469</b>	<b>51,118,936</b>	<b>46,080,699</b>	<b>38,579,807</b>	<b>27,525,334</b>	<b>31,304,816</b>	<b>46,013,235</b>	<b>50,425,487</b>	<b>46,211,013</b>
<b>Total liabilities</b>	<b>123,994,310</b>	<b>121,772,034</b>	<b>109,993,199</b>	<b>109,993,199</b>	<b>97,815,460</b>	<b>87,250,451</b>	<b>82,156,652</b>	<b>75,113,476</b>	<b>64,346,929</b>	<b>66,461,812</b>	<b>80,858,964</b>	<b>83,705,125</b>	<b>79,923,736</b>
<b>Net Assets</b>	<b>1,773,801,428</b>	<b>1,927,298,887</b>	<b>1,819,785,727</b>	<b>1,822,537,720</b>	<b>1,833,789,944</b>	<b>1,844,832,887</b>	<b>1,855,489,368</b>	<b>1,865,413,481</b>	<b>1,875,876,376</b>	<b>1,885,359,444</b>	<b>1,893,233,711</b>	<b>1,901,368,718</b>	<b>1,909,858,151</b>
<b>EQUITY</b>													
Accumulated Surplus	1,053,990,469	1,134,010,345	1,099,974,769	1,102,726,762	1,113,978,986	1,125,021,928	1,135,678,410	1,145,602,522	1,156,065,418	1,165,548,486	1,173,422,753	1,181,557,759	1,190,047,193
Asset Revaluation Reserve	719,810,958	793,288,542	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958
<b>Total equity</b>	<b>1,773,801,427</b>	<b>1,927,298,887</b>	<b>1,819,785,727</b>	<b>1,822,537,720</b>	<b>1,833,789,944</b>	<b>1,844,832,886</b>	<b>1,855,489,368</b>	<b>1,865,413,480</b>	<b>1,875,876,376</b>	<b>1,885,359,444</b>	<b>1,893,233,711</b>	<b>1,901,368,717</b>	<b>1,909,858,151</b>

**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Source and Application of Funds**  
**Consolidated -**

Senario 1 Reduce

	Approved Budget	Current Estimate	Scenario - P-Reduce								
	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
OPERATING ACTIVITIES MOVEMENTS											
Operating Activities Receipts											
Rates & Annual Charges	-86,545,908	-86,947,901	-88,334,842	-90,944,897	-93,601,668	-96,306,473	-99,060,676	-101,865,681	-104,722,945	-107,633,969	-110,600,302
User Charges & Fees	-29,824,384	-29,824,384	-30,639,657	-31,446,485	-32,269,450	-33,108,874	-33,965,086	-34,838,423	-35,729,227	-36,637,847	-37,564,639
Interest Received	-4,715,873	-4,715,873	-3,149,373	-3,083,973	-3,194,337	-3,144,483	-3,026,629	-3,092,188	-3,286,035	-3,651,413	-3,988,984
Grants & Contributions	-47,794,522	-47,794,522	-30,222,955	-30,948,366	-30,910,539	-31,267,007	-31,468,977	-31,786,585	-32,049,967	-32,429,215	-32,654,420
Other Operating Receipts	-4,381,020	-4,381,020	-4,468,641	-4,558,014	-4,649,174	-4,742,157	-4,837,000	-4,933,741	-5,032,415	-5,133,064	-5,235,725
Operating Activities Payments											
Employee Costs	47,981,635	47,131,635	47,889,008	49,254,950	50,970,694	52,746,444	54,584,301	56,486,441	58,455,119	60,492,664	62,601,490
Materials & Contracts	38,622,703	37,122,703	35,784,958	37,561,397	38,157,265	39,489,520	39,554,267	40,546,982	41,537,765	41,458,016	41,714,943
Interest Paid	4,495,417	4,495,417	3,176,397	2,667,993	2,512,726	2,233,513	1,758,602	2,041,720	2,975,647	3,251,511	2,946,207
Other Operating Payments	11,992,976	11,992,976	12,343,612	12,681,269	13,109,467	13,468,853	13,759,801	14,142,716	14,538,335	15,037,129	15,459,708
Overhead - Internal Transfer	0	0	0	0	0	0	0	0	0	0	0
Net Revenues Used/(Provided) in Operations	-70,168,976	-72,920,969	-57,621,493	-58,816,125	-59,875,015	-60,630,665	-62,701,400	-63,298,759	-63,313,724	-65,246,187	-67,321,721
RESTRICTED ASSET MOVEMENTS											
Restricted Asset Movements Receipts											
Transfer from Restricted Assets	-38,514,299	-38,514,299	-37,254,030	-30,335,082	-27,084,611	-47,544,400	-36,013,940	-32,743,248	-27,971,320	-23,670,600	-35,339,900
Restricted Asset Movements Payments											
Transfer to Restricted Assets	30,066,172	30,066,172	30,652,926	33,348,315	34,867,624	35,945,107	36,965,462	36,870,047	40,027,805	42,129,873	43,618,246
Net Revenues Used/(Provided) in Restricted Assets	-8,448,127	-8,448,127	-6,601,104	3,013,233	7,783,013	-11,599,293	951,522	4,126,799	12,056,485	18,459,273	8,278,346
PP&E MOVEMENTS											
Property, Plant & Equipment Movements Receipts											
Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Development Assets	0	0	0	0	0	0	0	0	0	0	0
Property, Plant & Equipment Movements Payments											
Purchase of Assets	72,723,021	75,073,021	53,310,029	45,329,085	46,867,414	64,014,088	50,680,240	60,187,107	64,813,609	49,518,604	53,815,606
Net Revenues Used/(Provided) in Investing Activity	72,723,021	75,073,021	53,310,029	45,329,085	46,867,414	64,014,088	50,680,240	60,187,107	64,813,609	49,518,604	53,815,606
FINANCING ACTIVITIES MOVEMENTS											
Financing Activities Receipts											
Proceeds from Borrowings & Advances	-3,425,000	-3,425,000	0	0	-5,000,000	-3,000,000	0	-13,000,000	-22,500,000	-10,000,000	0
Financing Activities Payments											
Repayments of Borrowings & Advances	10,159,301	10,159,301	11,483,670	10,874,969	10,611,115	10,726,461	11,069,638	11,984,852	8,943,629	7,268,309	4,713,227
Net Revenues Used/(Provided) in Financing Activity	6,734,301	6,734,301	11,483,670	10,874,969	5,611,115	7,726,461	11,069,638	-1,015,148	-13,556,371	-2,731,691	4,713,227
Net (Increase)/Decrease in Working Capital	840,219	438,226	571,102	401,162	386,527	-489,408	0	0	0	0	-514,542

**Cash Flow  
Consolidated -**

**Senario 1 Reduce**

	Current Estimate									
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>In / (Out)</b>										
Operating and Capital receipts	173,663,700	157,509,536	160,671,774	164,107,852	167,885,709	172,055,278	175,416,883	179,979,809	185,371,036	189,112,232
Operating Payments	(100,742,731)	(99,888,044)	(101,855,649)	(104,232,837)	(107,255,044)	(109,353,879)	(112,118,124)	(116,666,085)	(120,124,850)	(121,790,511)
<b>Net Cash Result from Operations</b>										
Net sale/ (purchase) of investments	8,886,353	7,172,206	(2,612,071)	(7,396,486)	11,109,885	(951,521)	(4,126,800)	(12,056,486)	(18,459,274)	(8,792,888)
Net sale/ (purchase) of PPE	(75,073,021)	(53,310,029)	(45,329,085)	(46,867,414)	(64,014,088)	(50,680,240)	(60,187,107)	(64,813,609)	(49,518,604)	(53,815,606)
Proceeds from new borrowings	3,425,000	0	0	5,000,000	3,000,000	0	13,000,000	22,500,000	10,000,000	0
Repayments of borrowings	(10,159,301)	(11,483,670)	(10,874,969)	(10,611,115)	(10,726,461)	(11,069,638)	(11,984,852)	(8,943,629)	(7,268,309)	(4,713,227)
<b>Net movement in cash</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>
Cash at end of year	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
<b>Cash and Cash Equivalents</b>										
Cash	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
Investments	115,820,490	108,648,284	111,260,355	118,656,841	107,546,956	108,498,477	112,625,277	124,681,762	143,141,036	151,933,925
<b>Total Cash and Cash Equivalents</b>	<b>119,475,088</b>	<b>112,302,882</b>	<b>114,914,953</b>	<b>122,311,439</b>	<b>111,201,554</b>	<b>112,153,075</b>	<b>116,279,875</b>	<b>128,336,360</b>	<b>146,795,634</b>	<b>155,588,523</b>



## **2016-17 Long Term Financial Plan Financial Statements**

Consolidated Council - Scenario 2 Maintain (ESRV, SRV, Rate Peg)

**Income Statement  
Consolidated -**

**Scenario 2 Maintain**

	Actuals	Actuals	Approved Budget	Current Estimate									
	2014-15	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Income from continuing operations</b>													
Rates & Annual Charges	-81,333,119	-85,050,249	-86,545,908	-86,947,901	-90,118,044	-92,790,511	-95,511,879	-98,283,541	-101,106,942	-103,983,566	-106,914,956	-109,902,700	-112,948,439
User Charges & Fees	-30,942,053	-34,284,062	-29,824,384	-29,824,384	-30,639,657	-31,446,485	-32,269,450	-33,108,874	-33,965,086	-34,838,423	-35,729,227	-36,637,847	-37,564,639
Interest Received	-7,410,792	-7,726,787	-4,715,873	-4,715,873	-3,149,373	-3,083,973	-3,194,337	-3,144,483	-3,026,629	-3,092,188	-3,286,035	-3,651,413	-3,988,984
Grants & Contributions - Operating	-18,664,856	-18,767,599	-18,039,679	-18,039,679	-14,696,693	-14,931,059	-15,202,083	-15,478,551	-15,760,521	-16,048,129	-16,341,511	-16,640,759	-16,945,964
Other Operating Receipts	-5,113,950	-18,343,282	-4,381,020	-4,381,020	-4,468,641	-4,558,014	-4,649,174	-4,742,157	-4,837,000	-4,933,741	-5,032,415	-5,133,064	-5,235,725
Grant & Contributions - Capital	-23,324,938	-64,806,561	-29,754,843	-29,754,843	-15,526,263	-16,017,307	-15,708,456	-15,788,456	-15,708,456	-15,738,456	-15,708,456	-15,788,456	-15,708,456
<b>Total income from continuing operations</b>	-166,789,707	-228,978,541	-173,261,707	-173,663,700	-158,598,670	-162,827,348	-166,535,378	-170,546,063	-174,404,635	-178,634,503	-183,012,600	-187,754,238	-192,392,206
<b>Expenses from continuing operations</b>													
Employee Costs	42,443,455	44,210,606	47,981,635	47,131,635	47,889,008	49,254,950	50,970,694	52,746,444	54,584,301	56,486,441	58,455,119	60,492,664	62,601,490
Materials & Contracts	34,707,089	35,999,486	38,622,703	37,122,703	36,234,357	38,026,525	38,638,673	39,987,777	40,069,963	41,080,727	42,090,191	42,029,777	42,306,716
Interest Paid	5,342,399	8,576,916	4,495,417	4,495,417	3,176,397	2,667,993	2,512,726	2,233,513	1,758,602	2,041,720	2,975,647	3,251,511	2,946,207
Other Operating Payments	11,476,500	17,109,424	11,992,976	11,992,976	12,343,612	12,681,269	13,109,467	13,468,853	13,759,801	14,142,716	14,538,335	15,037,129	15,459,708
Depreciation	41,858,448	43,792,193	42,105,601	42,105,601	43,411,269	44,756,022	46,141,030	47,567,499	49,036,670	50,549,820	52,108,268	53,713,368	55,366,519
Overhead - Internal Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0
(Gain)/Loss on Disposal of Assets	1,246,327	4,035,074	2,900,000	2,900,000	2,958,000	3,017,160	3,077,503	3,139,053	3,201,834	3,265,871	3,331,188	3,397,812	3,465,768
<b>Total expenses from continuing operations</b>	137,074,220	153,723,700	148,098,332	145,748,332	146,012,643	150,403,919	154,450,094	159,143,139	162,411,170	167,567,296	173,498,748	177,922,262	182,146,409
<b>Operating result from continuing operations</b>													
	-29,715,488	-75,254,841	-25,163,375	-27,915,368	-12,586,027	-12,423,429	-12,085,285	-11,402,924	-11,993,465	-11,067,207	-9,513,853	-9,831,977	-10,245,797
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>													
	-6,390,550	-10,448,280	4,591,468	1,839,475	2,940,236	3,593,877	3,623,171	4,385,532	3,714,991	4,671,249	6,194,603	5,956,479	5,462,659

**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Balance Sheet**  
**Consolidated -**

Scenario 2 Maintain

	Actuals	Actuals	Approved Budget	Current Estimate									
	2014-15	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>ASSETS</b>													
<b>Current Assets</b>													
Cash on Hand and at Bank	3,654,598	14,206,921	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
Current Investments	184,368,007	121,086,596	67,912,244	68,314,237	64,357,254	66,261,198	71,090,625	64,553,569	65,182,692	67,848,520	75,364,157	86,720,239	91,893,974
Current Receivables	20,805,250	21,439,909	20,805,250	20,805,250	21,236,672	21,789,764	22,335,341	23,195,549	23,045,454	24,458,012	25,267,756	25,066,499	25,993,832
Current Inventories	981,101	479,865	981,101	981,101	981,101	981,101	981,101	981,101	981,101	981,101	981,101	981,101	981,101
Other Current Assets	4,350	4,480	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350
<b>Total current assets</b>	<b>209,813,306</b>	<b>157,217,771</b>	<b>93,357,543</b>	<b>93,759,536</b>	<b>90,233,974</b>	<b>92,691,011</b>	<b>98,066,015</b>	<b>92,389,167</b>	<b>92,868,195</b>	<b>96,946,582</b>	<b>105,271,963</b>	<b>116,426,787</b>	<b>122,527,856</b>
<b>Non Current Assets</b>													
Non-Current Investments	0	79,000,000	47,506,253	47,506,253	44,291,030	44,999,157	47,566,216	42,993,387	43,315,785	44,776,756	49,317,605	56,420,798	60,039,950
Non-Current Receivables	5,290,605	3,485,078	5,290,605	5,290,605	4,369,833	4,191,652	4,192,765	4,084,084	4,456,158	4,259,448	4,322,867	4,578,039	4,625,044
Non-Current Inventories	168,000	597,659	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000
Property, Plant & Equipment	1,682,523,826	1,808,770,412	1,783,456,524	1,785,806,524	1,794,081,087	1,793,017,477	1,792,095,160	1,806,881,508	1,806,853,814	1,814,809,370	1,825,823,107	1,819,927,501	1,816,667,184
<b>Total non current assets</b>	<b>1,687,982,431</b>	<b>1,891,853,150</b>	<b>1,836,421,383</b>	<b>1,838,771,383</b>	<b>1,842,909,950</b>	<b>1,842,376,285</b>	<b>1,844,022,141</b>	<b>1,854,126,979</b>	<b>1,854,793,757</b>	<b>1,864,013,574</b>	<b>1,879,631,580</b>	<b>1,881,094,337</b>	<b>1,881,500,178</b>
<b>Total assets</b>	<b>1,897,795,738</b>	<b>2,049,070,921</b>	<b>1,929,778,926</b>	<b>1,932,530,919</b>	<b>1,933,143,924</b>	<b>1,935,067,296</b>	<b>1,942,088,156</b>	<b>1,946,516,146</b>	<b>1,947,661,953</b>	<b>1,960,960,156</b>	<b>1,984,903,542</b>	<b>1,997,521,124</b>	<b>2,004,028,034</b>
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Bank Overdraft	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Creditors	11,459,633	16,839,476	11,459,633	11,459,633	11,038,332	10,980,370	10,932,040	11,037,094	10,674,772	11,109,964	11,257,743	10,695,853	10,884,435
Current Provisions	17,092,907	18,164,450	17,092,907	17,092,907	17,105,392	17,549,344	18,153,604	18,779,995	19,433,556	20,131,022	20,828,159	21,551,372	22,301,079
Current Borrowings	8,738,268	11,140,759	10,472,670	10,472,670	8,945,969	7,865,115	7,281,461	7,056,638	6,983,337	4,301,629	3,164,309	1,388,227	924,651
<b>Total Current Liabilities</b>	<b>37,290,808</b>	<b>46,144,685</b>	<b>39,025,210</b>	<b>39,025,210</b>	<b>37,089,693</b>	<b>36,394,829</b>	<b>36,367,105</b>	<b>36,873,727</b>	<b>37,091,665</b>	<b>35,542,615</b>	<b>35,250,211</b>	<b>33,635,451</b>	<b>34,110,165</b>
<b>Non current liabilities</b>													
Non-Current Creditors	2,190,581	2,395,471	2,190,581	2,190,581	2,110,046	2,098,967	2,089,728	2,109,810	2,040,550	2,123,739	2,151,988	2,044,579	2,080,628
Non-Current Provisions	1,865,919	1,241,125	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919	1,865,919
Non-Current Borrowings	82,647,002	71,990,753	66,911,489	66,911,489	56,954,520	47,160,405	42,132,944	34,631,305	23,634,969	27,331,824	42,025,515	46,533,288	42,283,637
<b>Total non current liabilities</b>	<b>86,703,502</b>	<b>75,627,349</b>	<b>70,967,988</b>	<b>70,967,988</b>	<b>60,930,485</b>	<b>51,125,290</b>	<b>46,088,591</b>	<b>38,607,034</b>	<b>27,541,437</b>	<b>31,321,483</b>	<b>46,043,422</b>	<b>50,443,787</b>	<b>46,230,184</b>
<b>Total liabilities</b>	<b>123,994,310</b>	<b>121,772,034</b>	<b>109,993,199</b>	<b>109,993,199</b>	<b>98,020,178</b>	<b>87,520,119</b>	<b>82,455,695</b>	<b>75,480,762</b>	<b>64,633,102</b>	<b>66,864,098</b>	<b>81,293,633</b>	<b>84,079,238</b>	<b>80,340,350</b>
<b>Net Assets</b>	<b>1,773,801,428</b>	<b>1,927,298,887</b>	<b>1,819,785,727</b>	<b>1,822,537,720</b>	<b>1,835,123,746</b>	<b>1,847,547,176</b>	<b>1,859,632,461</b>	<b>1,871,035,385</b>	<b>1,883,028,850</b>	<b>1,894,096,058</b>	<b>1,903,609,910</b>	<b>1,913,441,886</b>	<b>1,923,687,685</b>
<b>EQUITY</b>													
Accumulated Surplus	1,053,990,469	1,134,010,345	1,099,974,769	1,102,726,762	1,115,312,789	1,127,736,218	1,139,821,503	1,151,224,427	1,163,217,893	1,174,285,100	1,183,798,952	1,193,630,929	1,203,876,726
Asset Revaluation Reserve	719,810,958	793,288,542	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958	719,810,958
<b>Total equity</b>	<b>1,773,801,427</b>	<b>1,927,298,887</b>	<b>1,819,785,727</b>	<b>1,822,537,720</b>	<b>1,835,123,747</b>	<b>1,847,547,176</b>	<b>1,859,632,461</b>	<b>1,871,035,385</b>	<b>1,883,028,851</b>	<b>1,894,096,058</b>	<b>1,903,609,910</b>	<b>1,913,441,887</b>	<b>1,923,687,684</b>

**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Source and Application of Funds**  
**Consolidated -**

Scenario 2 Maintain

	Approved Budget	Current Estimate									
	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>OPERATING ACTIVITIES MOVEMENTS</b>											
<b>Operating Activities Receipts</b>											
Rates & Annual Charges	-86,545,908	-86,947,901	-90,118,044	-92,790,511	-95,511,879	-98,283,541	-101,106,942	-103,983,566	-106,914,956	-109,902,700	-112,948,439
User Charges & Fees	-29,824,384	-29,824,384	-30,639,657	-31,446,485	-32,269,450	-33,108,874	-33,965,086	-34,838,423	-35,729,227	-36,637,847	-37,564,639
Interest Received	-4,715,873	-4,715,873	-3,149,373	-3,083,973	-3,194,337	-3,144,483	-3,026,629	-3,092,188	-3,286,035	-3,651,413	-3,988,984
Grants & Contributions	-47,794,522	-47,794,522	-30,222,955	-30,948,366	-30,910,539	-31,267,007	-31,468,977	-31,786,585	-32,049,967	-32,429,215	-32,654,420
Other Operating Receipts	-4,381,020	-4,381,020	-4,468,641	-4,558,014	-4,649,174	-4,742,157	-4,837,000	-4,933,741	-5,032,415	-5,133,064	-5,235,725
<b>Operating Activities Payments</b>											
Employee Costs	47,981,635	47,131,635	47,889,008	49,254,950	50,970,694	52,746,444	54,584,301	56,486,441	58,455,119	60,492,664	62,601,490
Materials & Contracts	38,622,703	37,122,703	36,234,357	38,026,525	38,638,673	39,987,777	40,069,963	41,080,727	42,090,191	42,029,777	42,306,716
Interest Paid	4,495,417	4,495,417	3,176,397	2,667,993	2,512,726	2,233,513	1,758,602	2,041,720	2,975,647	3,251,511	2,946,207
Other Operating Payments	11,992,976	11,992,976	12,343,612	12,681,269	13,109,467	13,468,853	13,759,801	14,142,716	14,538,335	15,037,129	15,459,708
Overhead - Internal Transfer	0	0	0	0	0	0	0	0	0	0	0
<b>Net Revenues Used/(Provided) in Operations</b>	-70,168,976	-72,920,969	-58,955,296	-60,196,611	-61,303,818	-62,109,476	-64,231,969	-64,882,899	-64,953,308	-66,943,157	-69,078,085
<b>RESTRICTED ASSET MOVEMENTS</b>											
<b>Restricted Asset Movements Receipts</b>											
Transfer from Restricted Assets	-38,514,299	-38,514,299	-37,254,030	-30,335,082	-27,084,611	-47,544,400	-36,013,940	-32,743,248	-27,971,320	-23,670,600	-35,339,900
<b>Restricted Asset Movements Payments</b>											
Transfer to Restricted Assets	30,066,172	30,066,172	30,652,926	33,348,315	34,867,624	35,945,107	36,965,462	36,870,047	40,027,805	42,129,873	43,618,246
<b>Net Revenues Used/(Provided) in Restricted Assets</b>	-8,448,127	-8,448,127	-6,601,104	3,013,233	7,783,013	-11,599,293	951,522	4,126,799	12,056,485	18,459,273	8,278,346
<b>PP&amp;E MOVEMENTS</b>											
<b>Property, Plant &amp; Equipment Movements Receipts</b>											
Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Development Assets	0	0	0	0	0	0	0	0	0	0	0
<b>Property, Plant &amp; Equipment Movements Payments</b>											
Purchase of Assets	72,723,021	75,073,021	54,643,832	46,709,571	48,296,217	65,492,900	52,210,810	61,771,247	66,453,194	51,215,574	55,571,970
<b>Net Revenues Used/(Provided) in Investing Activity</b>	72,723,021	75,073,021	54,643,832	46,709,571	48,296,217	65,492,900	52,210,810	61,771,247	66,453,194	51,215,574	55,571,970
<b>FINANCING ACTIVITIES MOVEMENTS</b>											
<b>Financing Activities Receipts</b>											
Proceeds from Borrowings & Advances	-3,425,000	-3,425,000	0	0	-5,000,000	-3,000,000	0	-13,000,000	-22,500,000	-10,000,000	0
<b>Financing Activities Payments</b>											
Repayments of Borrowings & Advances	10,159,301	10,159,301	11,483,670	10,874,969	10,611,115	10,726,461	11,069,638	11,984,852	8,943,629	7,268,309	4,713,227
<b>Net Revenues Used/(Provided) in Financing Activity</b>	6,734,301	6,734,301	11,483,670	10,874,969	5,611,115	7,726,461	11,069,638	-1,015,148	-13,556,371	-2,731,691	4,713,227
<b>Net (Increase)/Decrease in Working Capital</b>	840,219	438,226	571,102	401,162	386,527	-489,408	0	0	0	0	-514,542

**Cash Flow  
Consolidated -**

**Scenario 2 Maintain**

	Current Estimate									
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>In / (Out)</b>										
Operating and Capital receipts	173,663,700	159,088,021	162,452,437	165,988,688	169,794,536	174,182,656	177,418,654	182,139,438	187,700,324	191,417,867
Operating Payments	(100,742,731)	(100,132,725)	(102,255,827)	(104,684,869)	(107,685,059)	(109,950,687)	(112,535,756)	(117,186,129)	(120,757,167)	(122,339,782)
<b>Net Cash Result from Operations</b>										
Net sale/ (purchase) of investments	8,886,353	7,172,206	(2,612,071)	(7,396,486)	11,109,885	(951,521)	(4,126,800)	(12,056,486)	(18,459,274)	(8,792,888)
Net sale/ (purchase) of PPE	(75,073,021)	(54,643,832)	(46,709,571)	(48,296,217)	(65,492,900)	(52,210,810)	(61,771,247)	(66,453,194)	(51,215,574)	(55,571,970)
Proceeds from new borrowings	3,425,000	0	0	5,000,000	3,000,000	0	13,000,000	22,500,000	10,000,000	0
Repayments of borrowings	(10,159,301)	(11,483,670)	(10,874,969)	(10,611,115)	(10,726,461)	(11,069,638)	(11,984,852)	(8,943,629)	(7,268,309)	(4,713,227)
<b>Net movement in cash</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(1)</b>	<b>1</b>	<b>(0)</b>	<b>(1)</b>
Cash at end of year	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
<b>Cash and Cash Equivalents</b>										
Cash	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
Investments	115,820,490	108,648,284	111,260,355	118,656,841	107,546,956	108,498,477	112,625,277	124,681,762	143,141,036	151,933,925
<b>Total Cash and Cash Equivalents</b>	<b>119,475,088</b>	<b>112,302,882</b>	<b>114,914,953</b>	<b>122,311,439</b>	<b>111,201,554</b>	<b>112,153,075</b>	<b>116,279,875</b>	<b>128,336,360</b>	<b>146,795,634</b>	<b>155,588,523</b>





## **2016-17 Long Term Financial Plan Financial Statements**

General Fund (Including Waste Management and Glasshouse) - Scenario 1: Reduce (ESRV, Rate Peg)

Income Statement General Fund - (Including Waste Management and Glasshouse)					Scenario 1: Reduce									
	Actuals	Actuals	Approved Budget	Current Estimate										
	2014-15	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
Income from continuing operations														
Rates & Annual Charges	-54,221,773	-56,179,198	-56,772,782	-57,174,775	-57,081,529	-58,754,895	-60,456,244	-62,186,518	-63,946,700	-65,737,804	-67,560,888	-69,417,048	-71,307,421	
User Charges & Fees	-14,927,020	-16,370,917	-13,920,707	-13,920,707	-14,239,599	-14,564,869	-14,896,644	-15,235,054	-15,580,233	-15,932,316	-16,291,440	-16,657,746	-17,031,379	
Interest Received	-3,915,088	-4,333,160	-2,366,423	-2,366,423	-1,413,921	-1,419,804	-1,474,770	-1,546,438	-1,679,085	-1,848,103	-2,039,629	-2,217,018	-2,351,657	
Grants & Contributions - Operating	-17,909,487	-18,030,168	-17,280,179	-17,280,179	-13,922,003	-14,140,875	-14,396,096	-14,656,444	-14,921,972	-15,192,808	-15,469,084	-15,750,883	-16,038,291	
Other Operating Receipts	-4,846,103	-12,483,380	-4,106,370	-4,106,370	-4,188,498	-4,272,268	-4,357,713	-4,444,867	-4,533,765	-4,624,440	-4,716,929	-4,811,267	-4,907,493	
Grant & Contributions - Capital	-17,827,305	-47,970,605	-23,941,093	-23,941,093	-9,320,393	-8,980,851	-8,672,000	-8,752,000	-8,672,000	-8,702,000	-8,672,000	-8,752,000	-8,672,000	
Total income from continuing operations	-113,646,775	-155,367,427	-118,387,554	-118,789,547	-100,165,942	-102,133,562	-104,253,467	-106,821,323	-109,333,755	-112,037,470	-114,749,969	-117,605,963	-120,308,241	
Expenses from continuing operations														
Employee Costs	34,165,680	35,768,866	39,102,535	38,252,535	38,702,551	39,750,445	41,137,080	42,572,272	44,057,724	45,595,200	47,186,525	48,833,587	50,538,341	
Materials & Contracts	24,285,159	25,561,490	28,285,545	26,785,545	25,452,456	26,944,445	27,141,674	27,256,017	27,488,494	24,964,494	25,574,027	29,708,404	29,724,738	
Interest Paid	3,172,075	4,908,899	2,835,484	2,835,484	1,798,843	1,562,370	1,344,093	1,123,196	899,575	663,912	496,461	325,698	160,261	
Other Operating Payments	8,493,611	12,352,546	8,816,168	8,816,168	9,092,368	9,353,773	9,703,857	9,983,220	10,192,188	10,491,114	10,800,686	11,211,321	11,543,577	
Depreciation	23,810,256	24,258,858	23,905,601	23,905,601	24,665,269	25,447,642	26,253,399	27,083,239	27,937,881	28,818,068	29,724,563	30,658,153	31,619,647	
Overhead - Internal Transfer	-4,495,229	-4,558,937	-6,450,692	-6,450,692	-6,579,706	-6,711,300	-6,845,526	-6,982,436	-7,122,085	-7,264,527	-7,409,817	-7,558,014	-7,709,174	
(Gain)/Loss on Disposal of Assets	1,111,374	2,014,206	1,500,000	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648	1,656,121	1,689,244	1,723,029	1,757,489	1,792,639	
Total expenses from continuing operations	90,542,924	100,305,926	97,994,641	95,644,641	94,661,781	97,907,975	100,326,390	102,659,156	105,109,899	104,957,505	108,095,473	114,936,637	117,670,029	
Operating result from continuing operations														
	-23,103,851	-55,061,501	-20,392,913	-23,144,906	-5,504,161	-4,225,586	-3,927,078	-4,162,167	-4,223,856	-7,079,965	-6,654,496	-2,669,325	-2,638,212	
Net operating result for the year before grants and contributions provided for capital purposes														
	-5,276,546	-7,090,897	3,548,180	796,187	3,816,232	4,755,265	4,744,922	4,589,833	4,448,144	1,622,035	2,017,504	6,082,675	6,033,788	

# Port Macquarie - Hastings Council - Long Term Financial Plan

## Balance Sheet

### General Fund Combined- 2016-17 FINAL Original Budget

Scenario 1: Reduce

	Actuals	Actuals	Approved Budget	Current Estimate	Scenario 1: Reduce								
	2014-15	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>ASSETS</b>													
<b>Current Assets</b>													
Cash on Hand and at Bank	3,654,598	14,206,921	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
Current Investments	100,217,674	107,256,323	49,813,492	50,215,485	47,612,280	51,601,892	53,437,801	57,863,990	63,578,295	71,483,014	79,845,180	87,234,357	91,143,012
Current Receivables	14,665,918	13,397,007	14,665,918	14,665,918	14,921,994	15,419,454	15,939,871	16,741,628	16,661,008	17,974,112	18,756,120	18,606,731	19,497,660
Current Inventories	755,307	288,331	755,307	755,307	755,307	755,307	755,307	755,307	755,307	755,307	755,307	755,307	755,307
Other Current Assets	4,350	4,480	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350
<b>Total current assets</b>	<b>119,297,847</b>	<b>135,153,063</b>	<b>68,893,665</b>	<b>69,295,658</b>	<b>66,948,529</b>	<b>71,435,600</b>	<b>73,791,927</b>	<b>79,019,873</b>	<b>84,653,558</b>	<b>93,871,381</b>	<b>103,015,556</b>	<b>110,255,343</b>	<b>115,054,927</b>
<b>Non Current Assets</b>													
Non-Current Investments	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Receivables	3,687,206	2,643,115	3,687,206	3,687,206	2,737,061	2,549,562	2,546,460	2,427,988	2,811,700	2,598,331	2,657,103	2,920,963	2,961,871
Non-Current Inventories	168,000	597,659	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000
Property, Plant & Equipment	1,072,991,359	1,182,391,642	1,158,396,314	1,160,746,314	1,162,103,274	1,155,533,217	1,150,770,920	1,143,569,121	1,134,920,359	1,126,705,154	1,119,480,171	1,109,823,133	1,106,310,453
<b>Total non current assets</b>	<b>1,076,846,565</b>	<b>1,185,632,416</b>	<b>1,162,251,520</b>	<b>1,164,601,520</b>	<b>1,165,008,335</b>	<b>1,158,250,778</b>	<b>1,153,485,380</b>	<b>1,146,165,110</b>	<b>1,137,900,058</b>	<b>1,129,471,484</b>	<b>1,122,305,274</b>	<b>1,112,912,096</b>	<b>1,109,440,324</b>
<b>Total assets</b>	<b>1,196,144,412</b>	<b>1,320,785,479</b>	<b>1,231,145,185</b>	<b>1,233,897,178</b>	<b>1,231,956,864</b>	<b>1,229,686,379</b>	<b>1,227,277,307</b>	<b>1,225,184,983</b>	<b>1,222,553,616</b>	<b>1,223,342,865</b>	<b>1,225,320,830</b>	<b>1,223,167,439</b>	<b>1,224,495,251</b>
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Bank Overdraft	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Creditors	10,643,980	16,247,220	10,643,980	10,643,980	10,024,977	9,901,403	9,825,235	9,881,383	9,589,048	9,908,692	10,037,608	9,524,387	9,671,339
Current Provisions	13,936,668	15,422,832	13,936,668	13,936,668	13,949,153	14,393,105	14,997,365	15,623,756	16,277,317	16,974,783	17,671,920	18,395,133	19,144,840
Current Borrowings	4,507,438	6,079,738	5,739,406	5,739,406	4,877,032	4,107,465	3,492,777	3,145,314	2,947,452	875,312	833,187	-1,082,763	-1,694,598
<b>Total Current Liabilities</b>	<b>29,088,086</b>	<b>37,749,789</b>	<b>30,320,054</b>	<b>30,320,054</b>	<b>28,851,163</b>	<b>28,401,973</b>	<b>28,315,377</b>	<b>28,650,453</b>	<b>28,813,818</b>	<b>27,758,787</b>	<b>28,542,715</b>	<b>26,836,757</b>	<b>27,121,582</b>
<b>Non current liabilities</b>													
Non-Current Creditors	2,190,581	2,395,471	2,190,581	2,190,581	2,103,030	2,092,612	2,081,836	2,082,582	2,024,447	2,107,073	2,121,801	2,026,279	2,061,456
Non-Current Provisions	1,564,724	1,096,495	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724
Non-Current Borrowings	54,606,221	49,028,234	48,100,620	48,100,620	42,212,588	36,176,123	29,937,346	23,347,032	16,386,580	11,068,268	5,593,081	2,571,844	941,442
<b>Total non current liabilities</b>	<b>58,361,526</b>	<b>52,520,200</b>	<b>51,855,925</b>	<b>51,855,925</b>	<b>45,880,342</b>	<b>39,833,459</b>	<b>33,583,906</b>	<b>26,994,338</b>	<b>19,975,751</b>	<b>14,740,065</b>	<b>9,279,606</b>	<b>6,162,847</b>	<b>4,567,622</b>
<b>Total liabilities</b>	<b>87,449,612</b>	<b>90,269,990</b>	<b>82,175,979</b>	<b>82,175,979</b>	<b>74,731,505</b>	<b>68,235,432</b>	<b>61,899,283</b>	<b>55,644,791</b>	<b>48,789,569</b>	<b>42,498,852</b>	<b>37,822,321</b>	<b>32,999,604</b>	<b>31,689,204</b>
<b>Net Assets</b>	<b>1,108,694,800</b>	<b>1,230,515,489</b>	<b>1,148,969,206</b>	<b>1,151,721,199</b>	<b>1,157,225,360</b>	<b>1,161,450,947</b>	<b>1,165,378,024</b>	<b>1,169,540,192</b>	<b>1,173,764,048</b>	<b>1,180,844,014</b>	<b>1,187,498,509</b>	<b>1,190,167,835</b>	<b>1,192,806,047</b>
<b>EQUITY</b>													
Accumulated Surplus	670,179,330	728,374,417	710,453,736	713,205,729	718,709,890	722,935,476	726,862,554	731,024,721	735,248,578	742,328,543	748,983,039	751,652,364	754,290,577
Asset Revaluation Reserve	438,515,470	502,141,073	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470
<b>Total equity</b>	<b>1,108,694,800</b>	<b>1,230,515,489</b>	<b>1,148,969,206</b>	<b>1,151,721,199</b>	<b>1,157,225,360</b>	<b>1,161,450,946</b>	<b>1,165,378,024</b>	<b>1,169,540,191</b>	<b>1,173,764,048</b>	<b>1,180,844,013</b>	<b>1,187,498,509</b>	<b>1,190,167,834</b>	<b>1,192,806,047</b>

**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Source and Application of Funds**  
**General Fund Combined- 2016-17 FINAL Original Budget**

Scenario 1: Reduce

	Approved Budget	Current Estimate									
	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
OPERATING ACTIVITIES MOVEMENTS											
Operating Activities Receipts											
Rates & Annual Charges	-56,772,782	-57,174,775	-57,081,529	-58,754,895	-60,456,244	-62,186,518	-63,946,700	-65,737,804	-67,560,888	-69,417,048	-71,307,421
User Charges & Fees	-13,920,707	-13,920,707	-14,239,599	-14,564,869	-14,896,644	-15,235,054	-15,580,233	-15,932,316	-16,291,440	-16,657,746	-17,031,379
Interest Received	-2,366,423	-2,366,423	-1,413,921	-1,419,804	-1,474,770	-1,546,438	-1,679,085	-1,848,103	-2,039,629	-2,217,018	-2,351,657
Grants & Contributions	-41,221,272	-41,221,272	-23,242,396	-23,121,726	-23,068,096	-23,408,444	-23,593,972	-23,894,808	-24,141,084	-24,502,883	-24,710,291
Other Operating Receipts	-4,106,370	-4,106,370	-4,188,498	-4,272,268	-4,357,713	-4,444,867	-4,533,765	-4,624,440	-4,716,929	-4,811,267	-4,907,493
Operating Activities Payments											
Employee Costs	39,102,535	38,252,535	38,702,551	39,750,445	41,137,080	42,572,272	44,057,724	45,595,200	47,186,525	48,833,587	50,538,341
Materials & Contracts	28,285,545	26,785,545	25,452,456	26,944,445	27,141,674	27,256,017	27,488,494	24,964,494	25,574,027	29,708,404	29,724,738
Interest Paid	2,835,484	2,835,484	1,798,843	1,562,370	1,344,093	1,123,196	899,575	663,912	496,461	325,698	160,261
Other Operating Payments	8,816,168	8,816,168	9,092,368	9,353,773	9,703,857	9,983,220	10,192,187	10,491,114	10,800,686	11,211,321	11,543,576
Overhead - Internal Transfer	-6,450,692	-6,450,692	-6,579,706	-6,711,300	-6,845,526	-6,982,436	-7,122,085	-7,264,527	-7,409,817	-7,558,014	-7,709,174
Net Revenues Used/(Provided) in Operations	-45,798,514	-48,550,507	-31,699,430	-31,233,828	-31,772,289	-32,869,054	-33,817,859	-37,587,278	-38,102,088	-35,084,967	-36,050,498
RESTRICTED ASSET MOVEMENTS											
Restricted Asset Movements Receipts											
Transfer from Restricted Assets	-18,319,299	-18,319,299	-12,996,230	-6,869,182	-9,400,111	-8,135,400	-6,768,940	-5,048,248	-6,930,320	-8,410,600	-12,923,900
Restricted Asset Movements Payments											
Transfer to Restricted Assets	11,620,630	11,620,630	10,964,127	11,259,954	11,622,547	12,072,181	12,483,245	12,952,966	15,292,487	15,799,776	16,318,013
Net Revenues Used/(Provided) in Restricted Assets	-6,698,669	-6,698,669	-2,032,103	4,390,772	2,222,436	3,936,781	5,714,305	7,904,718	8,362,167	7,389,176	3,394,113
PP&E MOVEMENTS											
Property, Plant & Equipment Movements Receipts											
Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Development Assets	0	0	0	0	0	0	0	0	0	0	0
Property, Plant & Equipment Movements Payments											
Purchase of Assets	51,098,021	53,448,021	27,552,229	20,438,185	23,082,914	21,505,088	20,945,240	22,292,107	24,222,609	22,758,604	29,899,606
Net Revenues Used/(Provided) in Investing Activity	51,098,021	53,448,021	27,552,229	20,438,185	23,082,914	21,505,088	20,945,240	22,292,107	24,222,609	22,758,604	29,899,606
FINANCING ACTIVITIES MOVEMENTS											
Financing Activities Receipts											
Proceeds from Borrowings & Advances	-3,425,000	-3,425,000	0	0	0	0	0	0	0	0	0
Financing Activities Payments											
Repayments of Borrowings & Advances	5,664,381	5,664,381	6,750,406	6,806,032	6,853,465	6,937,777	7,158,314	7,390,452	5,517,312	4,937,187	2,242,237
Net Revenues Used/(Provided) in Financing Activity	2,239,381	2,239,381	6,750,406	6,806,032	6,853,465	6,937,777	7,158,314	7,390,452	5,517,312	4,937,187	2,242,237
Net (Increase)/Decrease in Working Capital	840,219	438,226	571,102	401,161	386,527	-489,408	0	-1	0	-1	-514,542

Cash Flow Consolidated -		Scenario 1: Reduce								
	Current Estimate									
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>In / (Out)</b>										
Operating and Capital receipts	118,789,547	100,860,010	101,823,602	103,736,151	106,138,037	109,030,664	110,937,735	113,909,188	117,491,492	119,376,403
Operating Payments	(70,239,040)	(69,160,580)	(70,589,773)	(71,963,863)	(73,268,983)	(75,212,805)	(73,350,458)	(75,807,101)	(82,406,525)	(83,325,906)
<b>Net Cash Result from Operations</b>										
Net sale/ (purchase) of investments	7,136,895	2,603,205	(3,989,611)	(1,835,910)	(4,426,189)	(5,714,305)	(7,904,719)	(8,362,167)	(7,389,176)	(3,908,655)
Net sale/ (purchase) of PPE	(53,448,021)	(27,552,229)	(20,438,185)	(23,082,914)	(21,505,088)	(20,945,240)	(22,292,107)	(24,222,609)	(22,758,604)	(29,899,606)
Proceeds from new borrowings	3,425,000	0	0	0	0	0	0	0	0	0
Repayments of borrowings	(5,664,381)	(6,750,406)	(6,806,032)	(6,853,465)	(6,937,777)	(7,158,314)	(7,390,452)	(5,517,312)	(4,937,187)	(2,242,237)
<b>Net movement in cash</b>	0	0	(0)	(0)	(0)	0	(0)	0	(0)	(0)
Cash at end of year	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
<b>Cash and Cash Equivalents</b>										
Cash	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
Investments	50,215,485	47,612,280	51,601,892	53,437,801	57,863,990	63,578,295	71,483,014	79,845,180	87,234,357	91,143,012
<b>Total Cash and Cash Equivalents</b>	53,870,083	51,266,878	55,256,490	57,092,399	61,518,588	67,232,893	75,137,612	83,499,778	90,888,955	94,797,610

## **2016-17 Long Term Financial Plan Financial Statements**

General Fund (Including Waste Management and Glasshouse) - Scenario 2 – Maintain (ESRV, SRV and Rate Peg)

Income Statement General Fund - (Including Waste Management and Glasshouse)													
Scenario 2: Maintain													
	Actuals	Actuals	Approved Budget	Current Estimate									
	2014-15	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Income from continuing operations</b>													
Rates & Annual Charges	-54,221,773	-56,179,198	-56,772,782	-57,174,775	-58,864,731	-60,600,509	-62,366,455	-64,163,587	-65,992,966	-67,855,689	-69,752,899	-71,685,779	-73,655,558
User Charges & Fees	-14,927,020	-16,370,917	-13,920,707	-13,920,707	-14,239,599	-14,564,869	-14,896,644	-15,235,054	-15,580,233	-15,932,316	-16,291,440	-16,657,746	-17,031,379
Interest Received	-3,915,088	-4,333,160	-2,366,423	-2,366,423	-1,413,921	-1,419,804	-1,474,770	-1,546,438	-1,679,085	-1,848,103	-2,039,629	-2,217,018	-2,351,657
Grants & Contributions - Operating	-17,909,487	-18,030,168	-17,280,179	-17,280,179	-13,922,003	-14,140,875	-14,396,096	-14,656,444	-14,921,972	-15,192,808	-15,469,084	-15,750,883	-16,038,291
Other Operating Receipts	-4,846,103	-12,483,380	-4,106,370	-4,106,370	-4,188,498	-4,272,268	-4,357,713	-4,444,867	-4,533,765	-4,624,440	-4,716,929	-4,811,267	-4,907,493
Grant & Contributions - Capital	-17,827,305	-47,970,605	-23,941,093	-23,941,093	-9,320,393	-8,980,851	-8,672,000	-8,752,000	-8,672,000	-8,702,000	-8,672,000	-8,752,000	-8,672,000
<b>Total income from continuing operations</b>	<b>-113,646,775</b>	<b>-155,367,427</b>	<b>-118,387,554</b>	<b>-118,789,547</b>	<b>-101,949,144</b>	<b>-103,979,176</b>	<b>-106,163,678</b>	<b>-108,798,391</b>	<b>-111,380,020</b>	<b>-114,155,355</b>	<b>-116,941,980</b>	<b>-119,874,694</b>	<b>-122,656,377</b>
<b>Expenses from continuing operations</b>													
Employee Costs	34,165,680	35,768,866	39,102,535	38,252,535	38,702,551	39,750,445	41,137,080	42,572,272	44,057,724	45,595,200	47,186,525	48,833,587	50,538,341
Materials & Contracts	24,285,159	25,561,490	28,285,545	26,785,545	25,901,855	27,409,573	27,623,082	27,754,274	28,004,190	25,498,239	26,126,453	30,280,165	30,316,511
Interest Paid	3,172,075	4,908,899	2,835,484	2,835,484	1,798,843	1,562,370	1,344,093	1,123,196	899,575	663,912	496,461	325,698	160,261
Other Operating Payments	8,493,611	12,352,546	8,816,168	8,816,168	9,092,368	9,353,773	9,703,857	9,983,220	10,192,188	10,491,114	10,800,686	11,211,321	11,543,577
Depreciation	23,810,256	24,258,858	23,905,601	23,905,601	24,665,269	25,447,642	26,253,399	27,083,239	27,937,881	28,818,068	29,724,563	30,658,153	31,619,647
Overhead - Internal Transfer	-4,495,229	-4,558,937	-6,450,692	-6,450,692	-6,579,706	-6,711,300	-6,845,526	-6,982,436	-7,122,085	-7,264,527	-7,409,817	-7,558,014	-7,709,174
(Gain)/Loss on Disposal of Assets	1,111,374	2,014,206	1,500,000	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648	1,656,121	1,689,244	1,723,029	1,757,489	1,792,639
<b>Total expenses from continuing operations</b>	<b>90,542,924</b>	<b>100,305,926</b>	<b>97,994,641</b>	<b>95,644,641</b>	<b>95,111,180</b>	<b>98,373,103</b>	<b>100,807,797</b>	<b>103,157,412</b>	<b>105,625,595</b>	<b>105,491,250</b>	<b>108,647,899</b>	<b>115,508,398</b>	<b>118,261,801</b>
<b>Operating result from continuing operations</b>	<b>-23,103,851</b>	<b>-55,061,501</b>	<b>-20,392,913</b>	<b>-23,144,906</b>	<b>-6,837,964</b>	<b>-5,606,073</b>	<b>-5,355,881</b>	<b>-5,640,979</b>	<b>-5,754,426</b>	<b>-8,664,105</b>	<b>-8,294,081</b>	<b>-4,366,296</b>	<b>-4,394,576</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>-5,276,546</b>	<b>-7,090,897</b>	<b>3,548,180</b>	<b>796,187</b>	<b>2,482,429</b>	<b>3,374,778</b>	<b>3,316,119</b>	<b>3,111,021</b>	<b>2,917,574</b>	<b>37,895</b>	<b>377,919</b>	<b>4,385,704</b>	<b>4,277,424</b>

**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Balance Sheet**  
**General Fund Combined- 2016-17 FINAL Original Budget**

Scenario 2: Maintain

	Actuals	Actuals	Approved Budget	Current Estimate	Scenario 2: maintain								
	2014-15	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
ASSETS													
Current Assets													
Cash on Hand and at Bank	3,654,598	14,206,921	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
Current Investments	100,217,674	107,256,323	49,813,492	50,215,485	47,612,280	51,601,892	53,437,801	57,863,990	63,578,295	71,483,014	79,845,180	87,234,357	91,143,012
Current Receivables	14,665,918	13,397,007	14,665,918	14,665,918	15,097,339	15,650,431	16,196,008	17,056,216	16,906,122	18,318,680	19,128,424	18,927,166	19,854,500
Current Inventories	755,307	288,331	755,307	755,307	755,307	755,307	755,307	755,307	755,307	755,307	755,307	755,307	755,307
Other Current Assets	4,350	4,480	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350
Total current assets	119,297,847	135,153,063	68,893,665	69,295,658	67,123,874	71,666,578	74,048,065	79,334,462	84,898,672	94,215,949	103,387,859	110,575,779	115,411,767
Non Current Assets													
Non-Current Investments	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Receivables	3,687,206	2,643,115	3,687,206	3,687,206	2,766,433	2,588,252	2,589,366	2,480,685	2,852,758	2,656,049	2,719,468	2,974,640	3,021,645
Non-Current Inventories	168,000	597,659	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000
Property, Plant & Equipment	1,072,991,359	1,182,391,642	1,158,396,314	1,160,746,314	1,163,437,077	1,158,247,507	1,154,914,013	1,149,191,026	1,142,072,833	1,135,441,768	1,129,856,370	1,121,896,302	1,120,139,986
Total non current assets	1,076,846,565	1,185,632,416	1,162,251,520	1,164,601,520	1,166,371,511	1,161,003,759	1,157,671,378	1,151,839,711	1,145,093,592	1,138,265,817	1,132,743,838	1,125,038,942	1,123,329,632
Total assets	1,196,144,412	1,320,785,479	1,231,145,185	1,233,897,178	1,233,495,385	1,232,670,337	1,231,719,443	1,231,174,172	1,229,992,264	1,232,481,766	1,236,131,697	1,235,614,720	1,238,741,399
LIABILITIES													
Current liabilities													
Bank Overdraft	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Creditors	10,643,980	16,247,220	10,643,980	10,643,980	10,222,679	10,164,717	10,116,387	10,221,441	9,859,119	10,294,311	10,442,089	9,880,199	10,068,782
Current Provisions	13,936,668	15,422,832	13,936,668	13,936,668	13,949,153	14,393,105	14,997,365	15,623,756	16,277,317	16,974,783	17,671,920	18,395,133	19,144,840
Current Borrowings	4,507,438	6,079,738	5,739,406	5,739,406	4,877,032	4,107,465	3,492,777	3,145,314	2,947,452	875,312	833,187	-1,082,763	-1,694,598
Total Current Liabilities	29,088,086	37,749,789	30,320,054	30,320,054	29,048,864	28,665,287	28,606,528	28,990,511	29,083,888	28,144,407	28,947,196	27,192,570	27,519,024
Non current liabilities													
Non-Current Creditors	2,190,581	2,395,471	2,190,581	2,190,581	2,110,046	2,098,967	2,089,728	2,109,810	2,040,550	2,123,739	2,151,988	2,044,579	2,080,628
Non-Current Provisions	1,564,724	1,096,495	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724	1,564,724
Non-Current Borrowings	54,606,221	49,028,234	48,100,620	48,100,620	42,212,588	36,176,123	29,937,346	23,347,032	16,386,580	11,068,268	5,593,081	2,571,844	941,442
Total non current liabilities	58,361,526	52,520,200	51,855,925	51,855,925	45,887,358	39,839,814	33,591,798	27,021,566	19,991,854	14,756,731	9,309,793	6,181,147	4,586,794
Total liabilities	87,449,612	90,269,990	82,175,979	82,175,979	74,936,222	68,505,101	62,198,326	56,012,077	49,075,742	42,901,138	38,256,989	33,373,717	32,105,818
Net Assets	1,108,694,800	1,230,515,489	1,148,969,206	1,151,721,199	1,158,559,163	1,164,165,236	1,169,521,117	1,175,162,096	1,180,916,522	1,189,580,628	1,197,874,708	1,202,241,003	1,206,635,580
EQUITY													
Accumulated Surplus	670,179,330	728,374,417	710,453,736	713,205,729	720,043,693	725,649,766	731,005,647	736,646,626	742,401,052	751,065,158	759,359,238	763,725,534	768,120,110
Asset Revaluation Reserve	438,515,470	502,141,073	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470	438,515,470
Total equity	1,108,694,800	1,230,515,489	1,148,969,206	1,151,721,199	1,158,559,163	1,164,165,236	1,169,521,117	1,175,162,096	1,180,916,522	1,189,580,628	1,197,874,708	1,202,241,004	1,206,635,580



**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Source and Application of Funds**  
**General Fund Combined- 2016-17 FINAL Original Budget**

Scenario 2: Maintain

	Approved Budget	Current Estimate									
	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>OPERATING ACTIVITIES MOVEMENTS</b>											
<b>Operating Activities Receipts</b>											
Rates & Annual Charges	-56,772,782	-57,174,775	-58,864,731	-60,600,509	-62,366,455	-64,163,587	-65,992,966	-67,855,689	-69,752,899	-71,685,779	-73,655,558
User Charges & Fees	-13,920,707	-13,920,707	-14,239,599	-14,564,869	-14,896,644	-15,235,054	-15,580,233	-15,932,316	-16,291,440	-16,657,746	-17,031,379
Interest Received	-2,366,423	-2,366,423	-1,413,921	-1,419,804	-1,474,770	-1,546,438	-1,679,085	-1,848,103	-2,039,629	-2,217,018	-2,351,657
Grants & Contributions	-41,221,272	-41,221,272	-23,242,396	-23,121,726	-23,068,096	-23,408,444	-23,593,972	-23,894,808	-24,141,084	-24,502,883	-24,710,291
Other Operating Receipts	-4,106,370	-4,106,370	-4,188,498	-4,272,268	-4,357,713	-4,444,867	-4,533,765	-4,624,440	-4,716,929	-4,811,267	-4,907,493
<b>Operating Activities Payments</b>											
Employee Costs	39,102,535	38,252,535	38,702,551	39,750,445	41,137,080	42,572,272	44,057,724	45,595,200	47,186,525	48,833,587	50,538,341
Materials & Contracts	28,285,545	26,785,545	25,901,855	27,409,573	27,623,082	27,754,274	28,004,190	25,498,239	26,126,453	30,280,165	30,316,511
Interest Paid	2,835,484	2,835,484	1,798,843	1,562,370	1,344,093	1,123,196	899,575	663,912	496,461	325,698	160,261
Other Operating Payments	8,816,168	8,816,168	9,092,368	9,353,773	9,703,857	9,983,220	10,192,187	10,491,114	10,800,686	11,211,321	11,543,576
Overhead - Internal Transfer	-6,450,692	-6,450,692	-6,579,706	-6,711,300	-6,845,526	-6,982,436	-7,122,085	-7,264,527	-7,409,817	-7,558,014	-7,709,174
<b>Net Revenues Used/(Provided) in Operations</b>	<b>-45,798,514</b>	<b>-48,550,507</b>	<b>-33,033,233</b>	<b>-32,614,315</b>	<b>-33,201,092</b>	<b>-34,347,866</b>	<b>-35,348,429</b>	<b>-39,171,417</b>	<b>-39,741,672</b>	<b>-36,781,937</b>	<b>-37,806,862</b>
<b>RESTRICTED ASSET MOVEMENTS</b>											
<b>Restricted Asset Movements Receipts</b>											
Transfer from Restricted Assets	-18,319,299	-18,319,299	-12,996,230	-6,869,182	-9,400,111	-8,135,400	-6,768,940	-5,048,248	-6,930,320	-8,410,600	-12,923,900
<b>Restricted Asset Movements Payments</b>											
Transfer to Restricted Assets	11,620,630	11,620,630	10,964,127	11,259,954	11,622,547	12,072,181	12,483,245	12,952,966	15,292,487	15,799,776	16,318,013
<b>Net Revenues Used/(Provided) in Restricted Assets</b>	<b>-6,698,669</b>	<b>-6,698,669</b>	<b>-2,032,103</b>	<b>4,390,772</b>	<b>2,222,436</b>	<b>3,936,781</b>	<b>5,714,305</b>	<b>7,904,718</b>	<b>8,362,167</b>	<b>7,389,176</b>	<b>3,394,113</b>
<b>PP&amp;E MOVEMENTS</b>											
<b>Property, Plant &amp; Equipment Movements Receipts</b>											
Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Development Assets	0	0	0	0	0	0	0	0	0	0	0
<b>Property, Plant &amp; Equipment Movements Payments</b>											
Purchase of Assets	51,098,021	53,448,021	28,886,032	21,818,671	24,511,717	22,983,900	22,475,810	23,876,247	25,862,194	24,455,574	31,655,970
<b>Net Revenues Used/(Provided) in Investing Activity</b>	<b>51,098,021</b>	<b>53,448,021</b>	<b>28,886,032</b>	<b>21,818,671</b>	<b>24,511,717</b>	<b>22,983,900</b>	<b>22,475,810</b>	<b>23,876,247</b>	<b>25,862,194</b>	<b>24,455,574</b>	<b>31,655,970</b>
<b>FINANCING ACTIVITIES MOVEMENTS</b>											
<b>Financing Activities Receipts</b>											
Proceeds from Borrowings & Advances	-3,425,000	-3,425,000	0	0	0	0	0	0	0	0	0
<b>Financing Activities Payments</b>											
Repayments of Borrowings & Advances	5,664,381	5,664,381	6,750,406	6,806,032	6,853,465	6,937,777	7,158,314	7,390,452	5,517,312	4,937,187	2,242,237
<b>Net Revenues Used/(Provided) in Financing Activity</b>	<b>2,239,381</b>	<b>2,239,381</b>	<b>6,750,406</b>	<b>6,806,032</b>	<b>6,853,465</b>	<b>6,937,777</b>	<b>7,158,314</b>	<b>7,390,452</b>	<b>5,517,312</b>	<b>4,937,187</b>	<b>2,242,237</b>
<b>Net (Increase)/Decrease in Working Capital</b>	<b>840,219</b>	<b>438,226</b>	<b>571,102</b>	<b>401,161</b>	<b>386,527</b>	<b>-489,408</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>-1</b>	<b>-514,542</b>

## Cash Flow Consolidated -

Scenario 2: Maintain

	Current Estimate									
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>In / (Out)</b>										
Operating and Capital receipts	118,789,547	102,438,495	103,604,265	105,616,988	108,046,864	111,158,041	112,939,507	116,068,818	119,820,779	121,682,038
Operating Payments	(70,239,040)	(69,405,262)	(70,989,951)	(72,415,895)	(73,698,998)	(75,809,613)	(73,768,090)	(76,327,144)	(83,038,842)	(83,875,177)
<b>Net Cash Result from Operations</b>										
Net sale/ (purchase) of investments	7,136,895	2,603,205	(3,989,611)	(1,835,910)	(4,426,189)	(5,714,305)	(7,904,719)	(8,362,167)	(7,389,176)	(3,908,655)
Net sale/ (purchase) of PPE	(53,448,021)	(28,886,032)	(21,818,671)	(24,511,717)	(22,983,900)	(22,475,810)	(23,876,247)	(25,862,194)	(24,455,574)	(31,655,970)
Proceeds from new borrowings	3,425,000	0	0	0	0	0	0	0	0	0
Repayments of borrowings	(5,664,381)	(6,750,406)	(6,806,032)	(6,853,465)	(6,937,777)	(7,158,314)	(7,390,452)	(5,517,312)	(4,937,187)	(2,242,237)
<b>Net movement in cash</b>	0	0	(1)	0	0	(0)	(1)	1	(0)	(1)
Cash at end of year	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
<b>Cash and Cash Equivalents</b>										
Cash	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598	3,654,598
Investments	50,215,485	47,612,280	51,601,892	53,437,801	57,863,990	63,578,295	71,483,014	79,845,180	87,234,357	91,143,012
<b>Total Cash and Cash Equivalents</b>	53,870,083	51,266,878	55,256,490	57,092,399	61,518,588	67,232,893	75,137,612	83,499,778	90,888,955	94,797,610



# **2016-17 Long Term Financial Plan Financial Statements**

Sewer Fund

**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Income Statement**  
**Sewer Fund - 2016-17 FINAL Original Budget**

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Income from continuing operations</b>												
Rates & Annual Charges	-20,563,903	-21,768,199	-22,820,288	-24,089,727	-24,811,451	-25,547,610	-26,298,493	-27,064,392	-27,845,610	-28,642,453	-29,455,232	-30,284,266
User Charges & Fees	-527,321	-607,286	-561,374	-601,149	-616,968	-633,105	-649,564	-666,352	-683,476	-700,942	-718,758	-736,930
Interest Received	-1,464,699	-1,022,000	-980,000	-602,279	-595,675	-621,435	-645,972	-681,350	-761,166	-847,691	-1,035,043	-1,247,877
Grants & Contributions	-352,751	-346,500	-354,750	-361,845	-369,082	-376,464	-383,993	-391,673	-399,506	-407,496	-415,646	-423,959
Other Operating Receipts	-163,304	-157,480	-159,650	-162,843	-166,100	-169,422	-172,810	-176,267	-179,792	-183,388	-187,055	-190,797
Grant & Contributions - Capital	-2,021,165	-3,753,535	-2,338,750	-2,460,442	-2,718,210	-2,718,210	-2,718,210	-2,718,210	-2,718,210	-2,718,210	-2,718,210	-2,718,210
<b>Total income from continuing operations</b>	-25,093,143	-27,655,000	-27,214,812	-28,278,284	-29,277,487	-30,066,245	-30,869,042	-31,698,244	-32,587,761	-33,500,180	-34,529,945	-35,602,039
<b>Expenses from continuing operations</b>												
Employee Costs	4,414,277	4,327,353	4,484,303	4,641,253	4,803,697	4,971,827	5,145,841	5,325,945	5,512,353	5,705,285	5,904,970	6,111,644
Materials & Contracts	5,796,908	5,684,464	5,070,512	4,996,223	5,098,947	5,463,726	6,170,600	5,814,613	5,390,805	5,504,221	5,619,905	5,737,903
Interest Paid	1,708,770	1,559,724	1,400,192	1,231,889	1,051,559	1,160,277	1,110,318	859,026	597,808	382,697	291,957	244,258
Other Operating Payments	1,801,465	2,017,123	1,896,238	1,934,163	1,972,846	2,012,303	2,052,549	2,093,600	2,135,472	2,178,182	2,221,745	2,266,180
Depreciation	7,476,558	9,599,999	7,600,000	7,828,000	8,062,840	8,304,725	8,553,867	8,810,483	9,074,797	9,347,041	9,627,453	9,916,276
Overhead - Internal Transfer	2,047,291	2,971,933	3,134,268	3,196,953	3,260,893	3,326,110	3,392,633	3,460,485	3,529,695	3,600,289	3,672,295	3,745,740
Loss on Disposal of Assets	22,805	400,000	400,000	408,000	416,160	424,483	432,973	441,632	450,465	459,474	468,664	478,037
Dividend Payments	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total expenses from continuing operations</b>	23,268,073	26,560,596	23,985,513	24,236,481	24,666,942	25,663,451	26,858,780	26,805,784	26,691,395	27,177,189	27,806,989	28,500,039
<b>Operating result from continuing operations</b>	-1,825,070	-1,094,404	-3,229,299	-4,041,803	-4,610,545	-4,402,794	-4,010,262	-4,892,459	-5,896,365	-6,322,991	-6,722,956	-7,101,999
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	196,095	2,659,131	-890,549	-1,581,361	-1,892,335	-1,684,583	-1,292,051	-2,174,249	-3,178,155	-3,604,780	-4,004,746	-4,383,789
<b>No of Residential Assessments</b>	27,249	27,521	27,797	28,075	28,355	28,639	28,925	29,215	29,507	29,802	30,100	30,401
<b>Typical Residential Bill</b>	714	749	777	812	828	845	861	877	893	910	926	943

**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Balance Sheet**  
**Sewer Fund - 2016-17 FINAL Original Budget**

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>ASSETS</b>												
<b>Current assets</b>												
Cash on Hand and at Bank	0	0	0	0	0	0	0	0	0	0	0	0
Current Investments	33,541,686	22,402,046	20,648,487	21,005,833	19,989,636	22,933,404	21,816,822	25,625,072	28,060,815	32,402,880	42,901,965	49,279,592
Current Receivables	972,075	972,075	972,075	972,075	972,075	972,075	972,075	972,075	972,075	972,075	972,075	972,075
Current Inventories	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279
Other Current Assets	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total current assets</b>	<b>34,517,040</b>	<b>23,377,400</b>	<b>21,623,841</b>	<b>21,981,187</b>	<b>20,964,990</b>	<b>23,908,758</b>	<b>22,792,175</b>	<b>26,600,426</b>	<b>29,036,169</b>	<b>33,378,234</b>	<b>43,877,319</b>	<b>50,254,946</b>
<b>Non current assets</b>												
Non-Current Investments	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Receivables	450,682	450,682	450,682	450,682	450,682	450,682	450,682	450,682	450,682	450,682	450,682	450,682
Non-Current Inventories	0	0	0	0	0	0	0	0	0	0	0	0
Property, Plant & Equipment	261,131,845	271,077,803	273,617,803	274,693,603	277,534,603	280,640,395	284,978,555	282,151,439	281,576,177	281,174,661	276,603,545	276,485,232
<b>Total non current assets</b>	<b>261,582,527</b>	<b>271,528,485</b>	<b>274,068,485</b>	<b>275,144,285</b>	<b>277,985,285</b>	<b>281,091,077</b>	<b>285,429,237</b>	<b>282,602,122</b>	<b>282,026,859</b>	<b>281,625,344</b>	<b>277,054,227</b>	<b>276,935,914</b>
<b>Total assets</b>	<b>296,099,567</b>	<b>294,905,885</b>	<b>295,692,326</b>	<b>297,125,472</b>	<b>298,950,275</b>	<b>304,999,834</b>	<b>308,221,412</b>	<b>309,202,547</b>	<b>311,063,028</b>	<b>315,003,577</b>	<b>320,931,546</b>	<b>327,190,860</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank Overdraft	0	0	0	0	0	0	0	0	0	0	0	0
Current Creditors	421,462	421,462	421,462	421,462	421,462	421,462	421,462	421,462	421,462	421,462	421,462	421,462
Current Provisions	1,137,866	1,137,866	1,137,866	1,137,866	1,137,866	1,137,866	1,137,866	1,137,866	1,137,866	1,137,866	1,137,866	1,137,866
Current Borrowings	2,140,134	2,442,858	2,608,657	2,785,742	3,353,235	3,788,684	3,911,324	4,035,884	2,382,442	794,987	842,686	893,247
<b>Total current liabilities</b>	<b>3,699,462</b>	<b>4,002,186</b>	<b>4,167,985</b>	<b>4,345,070</b>	<b>4,912,563</b>	<b>5,348,012</b>	<b>5,470,652</b>	<b>5,595,213</b>	<b>3,941,770</b>	<b>2,354,315</b>	<b>2,402,014</b>	<b>2,452,575</b>
<b>Non current liabilities</b>												
Non-Current Creditors	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Provisions	113,273	113,273	113,273	113,273	113,273	113,273	113,273	113,273	113,273	113,273	113,273	113,273
Non-Current Borrowings	22,322,727	19,731,915	17,123,258	14,337,516	10,984,282	12,195,598	11,284,273	7,248,389	4,865,947	4,070,960	3,228,274	2,335,027
<b>Total non current liabilities</b>	<b>22,436,000</b>	<b>19,845,189</b>	<b>17,236,532</b>	<b>14,450,790</b>	<b>11,097,555</b>	<b>12,308,871</b>	<b>11,397,546</b>	<b>7,361,662</b>	<b>4,979,220</b>	<b>4,184,233</b>	<b>3,341,547</b>	<b>2,448,300</b>
<b>Total liabilities</b>	<b>26,135,462</b>	<b>23,847,375</b>	<b>21,404,517</b>	<b>18,795,860</b>	<b>16,010,118</b>	<b>17,656,883</b>	<b>16,868,199</b>	<b>12,956,874</b>	<b>8,920,990</b>	<b>6,538,548</b>	<b>5,743,561</b>	<b>4,900,875</b>
<b>Net assets</b>	<b>269,964,106</b>	<b>271,058,510</b>	<b>274,287,809</b>	<b>278,329,612</b>	<b>282,940,158</b>	<b>287,342,952</b>	<b>291,353,214</b>	<b>296,245,673</b>	<b>302,142,038</b>	<b>308,465,029</b>	<b>315,187,985</b>	<b>322,289,984</b>
<b>EQUITY</b>												
Accumulated Surplus	167,044,276	168,138,680	171,367,979	175,409,782	180,020,328	184,423,122	188,433,384	193,325,843	199,222,208	205,545,199	212,268,155	219,370,154
Asset Revaluation Reserve	102,919,830	102,919,830	102,919,830	102,919,830	102,919,830	102,919,830	102,919,830	102,919,830	102,919,830	102,919,830	102,919,830	102,919,830
<b>Total equity</b>	<b>269,964,106</b>	<b>271,058,510</b>	<b>274,287,809</b>	<b>278,329,612</b>	<b>282,940,158</b>	<b>287,342,952</b>	<b>291,353,214</b>	<b>296,245,673</b>	<b>302,142,038</b>	<b>308,465,029</b>	<b>315,187,985</b>	<b>322,289,984</b>

**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Budget Statement**  
**Sewer Fund - 2016-17 FINAL Original Budget**

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>OPERATING ACTIVITIES MOVEMENTS</b>												
<b>Operating Activities Receipts</b>												
Rates & Annual Charges	-20,563,903	-21,768,199	-22,820,288	-24,089,727	-24,811,451	-25,547,610	-26,298,493	-27,064,392	-27,845,610	-28,642,453	-29,455,232	-30,284,266
User Charges & Fees	-527,321	-607,286	-561,374	-601,149	-616,968	-633,105	-649,564	-666,352	-683,476	-700,942	-718,758	-736,930
Interest Received	-1,464,699	-1,022,000	-980,000	-602,279	-595,675	-621,435	-645,972	-681,350	-761,166	-847,691	-1,035,043	-1,247,877
Grants & Contributions	-2,373,916	-4,100,035	-2,693,500	-2,822,287	-3,087,292	-3,094,674	-3,102,203	-3,109,883	-3,117,717	-3,125,707	-3,133,857	-3,142,170
Other Operating Receipts	-163,304	-157,480	-159,650	-162,843	-166,100	-169,422	-172,810	-176,267	-179,792	-183,388	-187,055	-190,797
<b>Operating Activities Payments</b>												
Employee Costs	4,414,277	4,327,353	4,484,303	4,641,253	4,803,697	4,971,827	5,145,841	5,325,945	5,512,353	5,705,285	5,904,970	6,111,644
Materials & Contracts	5,796,908	5,684,464	5,070,512	4,996,223	5,098,947	5,463,726	6,170,600	5,814,613	5,390,805	5,504,221	5,619,905	5,737,903
Interest Paid	1,708,770	1,559,724	1,400,192	1,231,889	1,051,559	1,160,277	1,110,318	859,026	597,808	382,697	291,957	244,258
Other Operating Payments	1,801,465	2,017,123	1,896,238	1,934,163	1,972,846	2,012,303	2,052,549	2,093,600	2,135,472	2,178,182	2,221,745	2,266,180
Overhead - Internal Transfer	2,047,291	2,971,933	3,134,268	3,196,953	3,260,893	3,326,110	3,392,633	3,460,485	3,529,695	3,600,289	3,672,295	3,745,740
<b>Net Revenues Used/(Provided) in Operations</b>	<b>-9,324,432</b>	<b>-11,094,403</b>	<b>-11,229,299</b>	<b>-12,277,803</b>	<b>-13,089,545</b>	<b>-13,132,002</b>	<b>-12,997,102</b>	<b>-14,144,575</b>	<b>-15,421,628</b>	<b>-16,129,506</b>	<b>-16,819,072</b>	<b>-17,496,313</b>
<b>RESTRICTED ASSET MOVEMENTS</b>												
<b>Restricted Asset Movements Receipts</b>												
Transfer from Restricted Assets	-5,520,205	-18,065,202	-9,575,000	-8,311,800	-10,320,000	-6,235,000	-10,325,000	-5,960,000	-7,950,000	-8,405,000	-4,525,000	-9,276,000
<b>Restricted Asset Movements Payments</b>												
Transfer to Restricted Assets	7,236,738	6,925,561	7,821,441	8,669,146	9,303,803	9,178,767	9,208,418	9,768,251	10,385,743	12,747,064	15,024,086	15,653,627
<b>Net Revenues Used/(Provided) in Restricted Assets</b>	<b>1,716,533</b>	<b>-11,139,641</b>	<b>-1,753,559</b>	<b>357,346</b>	<b>-1,016,197</b>	<b>2,943,767</b>	<b>-1,116,582</b>	<b>3,808,251</b>	<b>2,435,743</b>	<b>4,342,064</b>	<b>10,499,086</b>	<b>6,377,627</b>
<b>PP&amp;E MOVEMENTS</b>												
<b>Property, Plant &amp; Equipment Movements Receipts</b>												
Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Development Assets	0	0	0	0	0	0	0	0	0	0	0	0
<b>Property, Plant &amp; Equipment Movements Payments</b>												
Purchase of Assets	5,987,775	19,945,957	10,540,000	9,311,800	11,320,000	11,835,000	13,325,000	6,425,000	8,950,000	9,405,000	5,525,000	10,276,000
<b>Net Revenues Used/(Provided) in Investing Activity</b>	<b>5,987,775</b>	<b>19,945,957</b>	<b>10,540,000</b>	<b>9,311,800</b>	<b>11,320,000</b>	<b>11,835,000</b>	<b>13,325,000</b>	<b>6,425,000</b>	<b>8,950,000</b>	<b>9,405,000</b>	<b>5,525,000</b>	<b>10,276,000</b>
<b>FINANCING ACTIVITIES MOVEMENTS</b>												
<b>Financing Activities Receipts</b>												
Proceeds from Borrowings & Advances	0	0	0	0	0	-5,000,000	-3,000,000	0	0	0	0	0
<b>Financing Activities Payments</b>												
Repayments of Borrowings & Advances	2,149,640	2,288,087	2,442,858	2,608,657	2,785,742	3,353,235	3,788,684	3,911,324	4,035,884	2,382,442	794,987	842,686
<b>Net Revenues Used/(Provided) in Financing Activity</b>	<b>2,149,640</b>	<b>2,288,087</b>	<b>2,442,858</b>	<b>2,608,657</b>	<b>2,785,742</b>	<b>-1,646,765</b>	<b>788,684</b>	<b>3,911,324</b>	<b>4,035,884</b>	<b>2,382,442</b>	<b>794,987</b>	<b>842,686</b>
<b>Net (Increase)/Decrease in Working Capital</b>	<b>529,516</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **2016-17 Long Term Financial Plan Financial Statements**

Water Fund



**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Income Statement**  
**Water Fund - 2016-17 FINAL Original Budget**

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Income from continuing operations</b>												
Rates & Annual Charges	-6,547,443	-6,792,108	-6,952,838	-7,163,587	-7,378,551	-7,597,814	-7,821,462	-8,049,584	-8,282,267	-8,519,605	-8,761,689	-9,008,615
User Charges & Fees	-15,487,713	-14,542,166	-15,342,303	-15,798,909	-16,264,648	-16,739,701	-17,224,256	-17,718,501	-18,222,632	-18,736,845	-19,261,343	-19,796,330
Interest Received	-2,031,005	-1,479,450	-1,369,450	-1,133,173	-1,068,493	-1,098,132	-952,072	-666,194	-482,919	-398,716	-399,353	-389,450
Grants & Contributions	-402,619	-426,300	-404,750	-412,845	-421,102	-429,524	-438,114	-446,877	-455,814	-464,931	-474,229	-483,714
Other Operating Receipts	-104,543	-115,000	-115,000	-117,300	-119,646	-122,039	-124,480	-126,969	-129,509	-132,099	-134,741	-137,436
Grant & Contributions - Capital	-3,476,468	-3,475,000	-3,475,000	-3,745,428	-4,318,245	-4,318,245	-4,318,245	-4,318,245	-4,318,245	-4,318,245	-4,318,245	-4,318,245
<b>Total income from continuing operations</b>	<b>-28,049,789</b>	<b>-26,830,024</b>	<b>-27,659,341</b>	<b>-28,371,242</b>	<b>-29,570,685</b>	<b>-30,305,455</b>	<b>-30,878,630</b>	<b>-31,326,371</b>	<b>-31,891,387</b>	<b>-32,570,440</b>	<b>-33,349,600</b>	<b>-34,133,790</b>
<b>Expenses from continuing operations</b>												
Employee Costs	3,863,499	4,217,962	4,394,797	4,545,204	4,700,808	4,861,788	5,028,331	5,200,631	5,378,888	5,563,308	5,754,107	5,951,505
Materials & Contracts	4,625,023	6,317,102	5,266,646	5,336,279	5,518,005	5,551,865	6,062,902	6,251,160	10,191,683	10,459,517	6,129,707	6,252,302
Interest Paid	461,554	369,290	259,741	145,665	54,064	8,356	0	0	780,000	2,096,489	2,633,857	2,541,688
Other Operating Payments	1,181,424	1,280,570	1,280,570	1,317,081	1,354,650	1,393,307	1,433,084	1,474,013	1,516,130	1,559,468	1,604,063	1,649,952
Depreciation	10,571,635	10,999,999	10,600,000	10,918,000	11,245,540	11,582,906	11,930,393	12,288,305	12,656,954	13,036,663	13,427,763	13,830,596
Overhead - Internal Transfer	2,447,938	3,020,074	3,316,424	3,382,752	3,450,407	3,519,416	3,589,804	3,661,600	3,734,832	3,809,529	3,885,719	3,963,433
Loss on Disposal of Assets	112,148	780,000	1,000,000	1,020,000	1,040,400	1,061,208	1,082,432	1,104,081	1,126,162	1,148,686	1,171,659	1,195,093
Dividend Payments	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total expenses from continuing operations</b>	<b>23,263,222</b>	<b>26,984,997</b>	<b>26,118,178</b>	<b>26,664,982</b>	<b>27,363,874</b>	<b>27,978,845</b>	<b>29,126,946</b>	<b>29,979,791</b>	<b>35,384,650</b>	<b>37,673,659</b>	<b>34,606,875</b>	<b>35,384,568</b>
<b>Operating result from continuing operations</b>	<b>-4,786,567</b>	<b>154,973</b>	<b>-1,541,163</b>	<b>-1,706,260</b>	<b>-2,206,811</b>	<b>-2,326,610</b>	<b>-1,751,683</b>	<b>-1,346,580</b>	<b>3,493,263</b>	<b>5,103,219</b>	<b>1,257,275</b>	<b>1,250,778</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>-1,310,099</b>	<b>3,629,973</b>	<b>1,933,837</b>	<b>2,039,168</b>	<b>2,111,434</b>	<b>1,991,636</b>	<b>2,566,562</b>	<b>2,971,666</b>	<b>7,811,509</b>	<b>9,421,464</b>	<b>5,575,521</b>	<b>5,569,024</b>
No of Residential Assessments	29,193	29,485	29,780	30,078	30,378	30,682	30,989	31,299	31,612	31,928	32,247	32,570
Typical Residential Bill	669	643	667	680	694	707	721	734	748	762	776	790



**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Balance Sheet**  
**Water Fund - 2016-17 FINAL Original Budget**

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>ASSETS</b>												
<b>Current assets</b>												
Cash on Hand and at Bank	0	0	0	0	0	0	0	0	0	0	0	0
Current Investments	50,608,647	44,952,417	44,956,518	40,030,170	39,668,827	42,285,636	27,866,144	19,295,110	13,081,448	12,433,702	13,004,714	11,511,321
Current Receivables	5,167,257	5,167,257	5,167,257	5,167,257	5,167,257	5,167,257	5,167,257	5,167,257	5,167,257	5,167,257	5,167,257	5,167,257
Current Inventories	222,515	222,515	222,515	222,515	222,515	222,515	222,515	222,515	222,515	222,515	222,515	222,515
Other Current Assets	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total current assets</b>	55,998,419	50,342,190	50,346,291	45,419,943	45,058,599	47,675,408	33,255,917	24,684,883	18,471,221	17,823,475	18,394,487	16,901,094
<b>Non current assets</b>												
Non-Current Investments	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Receivables	1,152,717	1,152,717	1,152,717	1,152,717	1,152,717	1,152,717	1,152,717	1,152,717	1,152,717	1,152,717	1,152,717	1,152,717
Non-Current Inventories	0	0	0	0	0	0	0	0	0	0	0	0
Property, Plant & Equipment	348,400,622	351,957,407	351,442,407	355,950,407	357,235,367	356,540,753	372,711,927	382,629,541	397,791,425	414,792,076	421,427,654	420,041,965
<b>Total non current assets</b>	349,553,339	353,110,124	352,595,124	357,103,124	358,388,084	357,693,470	373,864,644	383,782,258	398,944,142	415,944,793	422,580,371	421,194,682
<b>Total assets</b>	405,551,758	403,452,314	402,941,415	402,523,067	403,446,684	405,368,878	407,120,562	408,467,142	417,415,362	433,768,268	440,974,858	438,095,776
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank Overdraft	0	0	0	0	0	0	0	0	0	0	0	0
Current Creditors	394,191	394,191	394,191	394,191	394,191	394,191	394,191	394,191	394,191	394,191	394,191	394,191
Current Provisions	2,018,373	2,018,373	2,018,373	2,018,373	2,018,373	2,018,373	2,018,373	2,018,373	2,018,373	2,018,373	2,018,373	2,018,373
Current Borrowings	2,090,696	2,082,062	2,124,607	1,283,195	404,415	0	0	0	1,043,875	1,536,135	1,628,304	1,726,002
<b>Total current liabilities</b>	4,503,260	4,494,626	4,537,171	3,695,759	2,816,979	2,412,564	2,412,564	2,412,564	3,456,439	3,948,699	4,040,868	4,138,566
<b>Non current liabilities</b>												
Non-Current Creditors	0	0	0	0	0	0	0	0	0	0	0	0
Non-Current Provisions	187,922	187,922	187,922	187,922	187,922	187,922	187,922	187,922	187,922	187,922	187,922	187,922
Non-Current Borrowings	5,718,054	3,782,217	1,687,610	404,415	0	0	0	0	11,397,609	32,361,474	40,733,170	39,007,168
<b>Total non current liabilities</b>	5,905,976	3,970,139	1,875,532	592,337	187,922	187,922	187,922	187,922	11,585,531	32,549,396	40,921,092	39,195,090
<b>Total liabilities</b>	10,409,236	8,464,765	6,412,703	4,288,096	3,004,901	2,600,486	2,600,486	2,600,486	15,041,970	36,498,095	44,961,960	43,333,656
<b>Net assets</b>	395,142,522	394,987,549	396,528,712	398,234,971	400,441,782	402,768,392	404,520,075	405,866,655	402,373,392	397,270,173	396,012,898	394,762,120
<b>EQUITY</b>												
Accumulated Surplus	216,766,864	216,611,891	218,153,054	219,859,313	222,066,124	224,392,734	226,144,417	227,490,997	223,997,734	218,894,515	217,637,240	216,386,462
Asset Revaluation Reserve	178,375,658	178,375,658	178,375,658	178,375,658	178,375,658	178,375,658	178,375,658	178,375,658	178,375,658	178,375,658	178,375,658	178,375,658
<b>Total equity</b>	395,142,522	394,987,549	396,528,712	398,234,971	400,441,782	402,768,392	404,520,075	405,866,655	402,373,392	397,270,173	396,012,898	394,762,120

**Port Macquarie - Hastings Council - Long Term Financial Plan**  
**Budget Statement**  
**Water Fund - 2016-17 FINAL Original Budget**

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>OPERATING ACTIVITIES MOVEMENTS</b>												
<b>Income from continuing operations</b>												
Rates & Annual Charges	-6,547,443	-6,792,108	-6,952,838	-7,163,587	-7,378,551	-7,597,814	-7,821,462	-8,049,584	-8,282,267	-8,519,605	-8,761,689	-9,008,615
User Charges & Fees	-15,487,713	-14,542,166	-15,342,303	-15,798,909	-16,264,648	-16,739,701	-17,224,256	-17,718,501	-18,222,632	-18,736,845	-19,261,343	-19,796,330
Interest Received	-2,031,005	-1,479,450	-1,369,450	-1,133,173	-1,068,493	-1,098,132	-952,072	-666,194	-482,919	-398,716	-399,353	-389,450
Grants & Contributions	-3,879,086	-3,901,300	-3,879,750	-4,158,273	-4,739,347	-4,747,769	-4,756,360	-4,765,122	-4,774,060	-4,783,176	-4,792,475	-4,801,959
Other Operating Receipts	-104,543	-115,000	-115,000	-117,300	-119,646	-122,039	-124,480	-126,969	-129,509	-132,099	-134,741	-137,436
<b>Expenses from continuing operations</b>												
Employee Costs	3,863,499	4,217,962	4,394,797	4,545,204	4,700,808	4,861,788	5,028,331	5,200,631	5,378,888	5,563,308	5,754,107	5,951,505
Materials & Contracts	4,625,023	6,317,102	5,266,646	5,336,279	5,518,005	5,551,865	6,062,902	6,251,160	10,191,683	10,459,517	6,129,707	6,252,302
Interest Paid	461,554	369,290	259,741	145,665	54,064	8,356	0	780,000	2,096,489	2,633,857	2,541,688	2,541,688
Other Operating Payments	1,181,424	1,280,570	1,280,570	1,317,081	1,354,650	1,393,307	1,433,084	1,474,013	1,516,130	1,559,468	1,604,063	1,649,952
Overhead - Internal Transfer	2,447,938	3,020,074	3,316,424	3,382,752	3,450,407	3,519,416	3,589,804	3,661,600	3,734,832	3,809,529	3,885,719	3,963,433
<b>Net Revenues Used/(Provided) in Operations</b>	<b>-15,470,351</b>	<b>-11,625,026</b>	<b>-13,141,163</b>	<b>-13,644,260</b>	<b>-14,492,751</b>	<b>-14,970,724</b>	<b>-14,764,509</b>	<b>-14,738,966</b>	<b>-10,289,853</b>	<b>-9,082,130</b>	<b>-13,342,147</b>	<b>-13,774,910</b>
<b>RESTRICTED ASSET MOVEMENTS</b>												
<b>Restricted Asset Movements Receipts</b>												
Transfer from Restricted Assets	-8,574,538	-16,270,947	-10,620,000	-15,946,000	-13,145,900	-11,449,500	-29,084,000	-23,285,000	-19,745,000	-12,636,000	-10,735,000	-13,140,000
<b>Restricted Asset Movements Payments</b>												
Transfer to Restricted Assets	11,120,357	10,394,718	10,624,101	11,019,653	12,784,557	14,066,309	14,664,509	14,713,966	13,531,338	11,988,254	11,306,012	11,646,607
<b>Net Revenues Used/(Provided) in Restricted Assets</b>	<b>2,545,820</b>	<b>-5,876,229</b>	<b>4,101</b>	<b>-4,926,347</b>	<b>-361,343</b>	<b>2,616,809</b>	<b>-14,419,491</b>	<b>-8,571,034</b>	<b>-6,213,662</b>	<b>-647,746</b>	<b>571,012</b>	<b>-1,493,393</b>
<b>PP&amp;E MOVEMENTS</b>												
<b>Property, Plant &amp; Equipment Movements Receipts</b>												
Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Development Assets	0	0	0	0	0	0	0	0	0	0	0	0
<b>Property, Plant &amp; Equipment Movements Payments</b>												
Purchase of Assets	9,874,878	15,556,784	11,085,000	16,446,000	13,570,900	11,949,500	29,184,000	23,310,000	28,945,000	31,186,000	21,235,000	13,640,000
<b>Net Revenues Used/(Provided) in Investing Activity</b>	<b>9,874,878</b>	<b>15,556,784</b>	<b>11,085,000</b>	<b>16,446,000</b>	<b>13,570,900</b>	<b>11,949,500</b>	<b>29,184,000</b>	<b>23,310,000</b>	<b>28,945,000</b>	<b>31,186,000</b>	<b>21,235,000</b>	<b>13,640,000</b>
<b>FINANCING ACTIVITIES MOVEMENTS</b>												
<b>Financing Activities Receipts</b>												
Proceeds from Borrowings & Advances	0	0	0	0	0	0	0	0	-13,000,000	-22,500,000	-10,000,000	0
<b>Financing Activities Payments</b>												
Repayments of Borrowings & Advances	1,832,219	1,944,471	2,052,062	2,124,607	1,283,195	404,415	0	0	558,516	1,043,875	1,536,135	1,628,304
<b>Net Revenues Used/(Provided) in Financing Activity</b>	<b>1,832,219</b>	<b>1,944,471</b>	<b>2,052,062</b>	<b>2,124,607</b>	<b>1,283,195</b>	<b>404,415</b>	<b>0</b>	<b>0</b>	<b>-12,441,484</b>	<b>-21,456,125</b>	<b>-8,463,865</b>	<b>1,628,304</b>
<b>Net (Increase)/Decrease in Working Capital</b>	<b>-1,217,434</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>