

Appendix F

Financial Models

Page 2	Current position with the SRV commencing 1 July 2015
Page 3	Position with second SRV commencing 1 July 2018
Page 4	Position utilising a base level SRV as identified as a potential option in the LG Review

Gloucester Shire Council Plan 2015-2025

Key Performance Indicators

Base case - 13% 3 Years

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s

OPERATING PERFORMANCE RATIO											
Total Continuing Operating Revenue	12,054	12,056	12,709	13,551	13,967	14,396	14,837	15,293	15,762	16,245	16,744
Less Operating Exp incl interest & depreciation	(15,390)	(13,461)	(13,823)	(14,224)	(14,665)	(15,110)	(15,585)	(16,078)	(16,579)	(17,103)	(17,623)
= Net Operating Result	(3,336)	(1,405)	(1,114)	(672)	(698)	(715)	(748)	(785)	(817)	(858)	(879)
Divided by continuing operating revenue	12,054	12,056	12,709	13,551	13,967	14,396	14,837	15,293	15,762	16,245	16,744
Ratio Target - (+ve) Between 0% and 15%	-27.68%	-11.66%	-8.76%	-4.96%	-5.00%	-4.97%	-5.04%	-5.13%	-5.18%	-5.28%	-5.25%
AVERAGE OVER 3 YEARS	-47.54%	-40.87%	-16.03%	-8.46%	-6.24%	-4.98%	-5.00%	-5.05%	-5.12%	-5.20%	-5.24%

OWN SOURCE OPERATING REVENUE RATIO											
Total continuing operating revenue (less All grants)	7,271	7,674	8,218	8,947	9,225	9,511	9,807	10,111	10,425	10,748	11,082
Divided by Total continuing operating revenue (inc capital grants)	17,921	14,704	13,755	14,306	14,782	14,766	15,519	15,685	16,365	16,848	17,198
Ratio Target < or = to 60%	41%	52%	60%	63%	62%	64%	63%	64%	64%	64%	64%
AVERAGE OVER 3 YEARS	44%	49%	51%	58%	62%	63%	63%	64%	64%	64%	64%

DEBT SERVICE RESULT											
Cost of Debt Service (principle & interest)	484	462	451	448	449	448	297	299	218	223	228
Divided by Continuing Operating Revenue	12,054	12,056	12,709	13,551	13,967	14,396	14,837	15,293	15,762	16,245	16,744
Ratio Target Greater than 0% less than 20%	4%	4%	4%	3%	3%	3%	2%	2%	1%	1%	1%
AVERAGE OVER 3 YEARS	2%	2%	4%	4%	3%	3%	3%	2%	2%	2%	1%

BUILDING AND INFRASTRUCTURE ASSET RENEWAL RATIO											
Capital Renewal Expenditure	12,788	4,658	3,546	3,818	4,029	3,649	4,159	3,970	4,426	4,438	5,090
Divided by Depreciation/Amortisation Expense	3,846	3,704	3,824	3,955	4,098	4,236	4,393	4,559	4,723	4,895	5,085
Ratio Target greater than 100%	332.5%	125.7%	92.7%	96.5%	98.3%	86.1%	94.7%	87.1%	93.7%	90.7%	100.1%
AVERAGE OVER 3 YEARS	161.0%	167.4%	183.7%	105.0%	95.9%	93.7%	93.0%	89.3%	91.8%	90.5%	94.8%

INFRASTRUCTURE BACKLOG RATIO											
Estimated Cost to bring Assets to Satisfactory Condition	4,917	4,505	3,616	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006
Divided by Total WDV of Fixed Assets less Land	188,351	190,332	191,320	192,578	194,011	195,035	196,519	197,758	199,396	200,982	203,139
Ratio Target Less than 2%	2.6%	2.4%	1.9%	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%

ASSET MAINTENANCE RATIO											
Actual Asset Maintenance	2,026	2,393	2,465	2,539	2,615	2,693	2,774	2,857	2,943	3,031	3,122
Required Asset Maintenance	2,788	2,770	2,835	2,879	2,934	2,991	3,049	3,107	3,167	3,235	3,343
Ratio Target 100%	72.7%	86.4%	86.9%	88.2%	89.1%	90.0%	91.0%	92.0%	92.9%	93.7%	93.4%
AVERAGE OVER 3 YEARS	24.4%	63.4%	82.0%	87.2%	88.1%	89.1%	90.0%	91.0%	92.0%	92.9%	93.3%

Gloucester Shire Council Plan 2015-2025

Key Performance Indicators

13% 6 years

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
OPERATING PERFORMANCE RATIO											
Total Continuing Operating Revenue	12,054	12,056	12,709	13,551	14,516	15,583	16,766	17,282	17,815	18,363	18,929
Less Operating Exp incl interest & depreciation	(15,390)	(13,461)	(13,823)	(14,224)	(14,674)	(15,138)	(15,642)	(16,164)	(16,696)	(17,251)	(17,802)
= Net Operating Result	(3,336)	(1,405)	(1,114)	(672)	(158)	446	1,124	1,118	1,119	1,112	1,127
Divided by continuing operating revenue	12,054	12,056	12,709	13,551	14,516	15,583	16,766	17,282	17,815	18,363	18,929
Ratio Target - (+ve) Between 0% and 15%	-27.68%	-11.66%	-8.76%	-4.96%	-1.09%	2.86%	6.70%	6.47%	6.28%	6.06%	5.96%
AVERAGE OVER 3 YEARS	-47.54%	-40.87%	-16.03%	-8.46%	-4.94%	-1.06%	2.83%	5.34%	6.49%	6.27%	6.10%
OWN SOURCE OPERATING REVENUE RATIO											
Total continuing operating revenue (less All grants)	7,271	7,674	8,218	8,947	9,774	10,699	11,735	12,101	12,478	12,866	13,267
Divided by Total continuing operating revenue (inc capit)	17,921	14,704	13,755	14,306	15,331	15,954	17,447	17,674	18,418	18,966	19,383
Ratio Target < or = to 60%	41%	52%	60%	63%	64%	67%	67%	68%	68%	68%	68%
AVERAGE OVER 3 YEARS	44%	49%	51%	58%	62%	64%	66%	68%	68%	68%	68%
DEBT SERVICE RESULT											
Cost of Debt Service (principle & interest)	484	462	451	448	449	448	297	299	218	223	228
Divided by Continuing Operating Revenue	12,054	12,056	12,709	13,551	14,516	15,583	16,766	17,282	17,815	18,363	18,929
Ratio Target Greater than 0% less than 20%	4%	4%	4%	3%	3%	3%	2%	2%	1%	1%	1%
AVERAGE OVER 3 YEARS	2%	2%	4%	4%	3%	3%	3%	2%	2%	1%	1%
BUILDING AND INFRASTRUCTURE ASSET RENEWAL RATIO											
Capital Renewal Expenditure	12,788	4,658	3,546	3,818	4,624	4,932	6,233	6,096	6,606	6,672	7,380
Divided by Depreciation/Amortisation Expense	3,846	3,704	3,824	3,955	4,107	4,263	4,450	4,645	4,840	5,043	5,264
Ratio Target over 100%	332.5%	125.7%	92.7%	96.5%	112.6%	115.7%	140.1%	131.2%	136.5%	132.3%	140.2%
AVERAGE OVER 3 YEARS	161.0%	167.4%	183.7%	105.0%	100.6%	108.3%	122.8%	129.0%	135.9%	133.3%	136.3%
INFRASTRUCTURE BACKLOG RATIO											
Estimated Cost to bring Assets to Satisfactory Condition	4,917	4,505	3,616	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006
Divided by Total WDV of Fixed Assets less Land	188,351	190,332	191,320	192,578	194,598	196,877	200,379	203,656	207,357	211,030	215,297
Ratio Target Less than 2%	2.6%	2.4%	1.9%	1.6%	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%	1.4%
ASSET MAINTENANCE RATIO											
Actual Asset Maintenance	2,026	2,393	2,465	2,539	2,615	2,693	2,774	2,857	2,943	3,031	3,122
Required Asset Maintenance	2,788	2,770	2,835	2,867	2,912	2,933	2,958	2,978	3,000	3,086	3,175
Ratio Target 100%	72.7%	86.4%	86.9%	88.6%	89.8%	91.8%	93.8%	95.9%	98.1%	98.2%	98.3%
AVERAGE OVER 3 YEARS	24.4%	63.4%	82.0%	87.3%	88.4%	90.1%	91.8%	93.8%	95.9%	97.4%	98.2%

Gloucester Shire Council Plan 2015-2025

Key Performance Indicators

3% 3 years then 6% thereafter

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
OPERATING PERFORMANCE RATIO											
Total Continuing Operating Revenue	12,054	12,056	12,709	13,551	14,132	14,740	15,379	16,048	16,751	17,488	18,025
Less Operating Exp incl interest & depreciation	(15,390)	(13,461)	(13,823)	(14,224)	(14,865)	(15,411)	(15,869)	(16,347)	(16,833)	(17,352)	(17,906)
= Net Operating Result	(3,336)	(1,405)	(1,114)	(672)	(734)	(671)	(490)	(299)	(82)	135	120
Divided by continuing operating revenue	12,054	12,056	12,709	13,551	14,132	14,740	15,379	16,048	16,751	17,488	18,025
Ratio Target - (+ve) Between 0% and 15%	-27.68%	-11.66%	-8.76%	-4.96%	-5.19%	-4.55%	-3.19%	-1.86%	-0.49%	0.77%	0.66%
AVERAGE OVER 3 YEARS	-47.54%	-40.87%	-16.03%	-8.46%	-6.31%	-4.90%	-4.31%	-3.20%	-1.85%	-0.53%	0.32%
OWN SOURCE OPERATING REVENUE RATIO											
Total continuing operating revenue (less All grants)	7,271	7,674	8,218	8,947	9,390	9,856	10,348	10,867	11,414	11,990	12,363
Divided by Total continuing operating revenue (inc capital grants)	17,921	14,704	13,755	14,306	14,946	15,111	16,060	16,440	17,354	18,090	18,480
Ratio Target < or = to 60%	41%	52%	60%	63%	63%	65%	64%	66%	66%	66%	67%
AVERAGE OVER 3 YEARS	44%	49%	51%	58%	62%	64%	64%	65%	65%	66%	66%
DEBT SERVICE RESULT											
Cost of Debt Service (principle & interest)	484	462	451	448	449	448	297	299	218	223	228
Divided by Continuing Operating Revenue	12,054	12,056	12,709	13,551	14,132	14,740	15,379	16,048	16,751	17,488	18,025
Ratio Target Greater than 0% less than 20%	4%	4%	4%	3%	3%	3%	2%	2%	1%	1%	1%
AVERAGE OVER 3 YEARS	2%	2%	4%	4%	3%	3%	3%	2%	2%	1%	1%
BUILDING AND INFRASTRUCTURE ASSET RENEWAL RATIO											
Capital Renewal Expenditure	12,788	4,658	3,546	3,818	4,029	3,851	4,584	4,720	5,202	5,434	6,269
Divided by Depreciation/Amortisation Expense	3,846	3,704	3,824	3,955	4,098	4,238	4,402	4,578	4,754	4,940	5,146
Ratio Target greater than 100%	332.5%	125.7%	92.7%	96.5%	98.3%	90.9%	104.1%	103.1%	109.4%	110.0%	121.8%
AVERAGE OVER 3 YEARS	161.0%	167.4%	183.7%	105.0%	95.9%	95.2%	97.8%	99.4%	105.6%	107.5%	113.8%
INFRASTRUCTURE BACKLOG RATIO											
Estimated Cost to bring Assets to Satisfactory Condition	4,917	4,505	3,616	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006
Divided by Total WDV of Fixed Assets less Land	188,351	190,332	191,320	192,578	194,011	195,234	197,134	199,103	201,486	204,024	207,299
Ratio Target Less than 2%	2.6%	2.4%	1.9%	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
ASSET MAINTENANCE RATIO											
Actual Asset Maintenance	2,026	2,393	2,465	2,539	2,815	2,991	3,049	3,107	3,167	3,235	3,344
Required Asset Maintenance	2,788	2,770	2,835	2,879	2,934	2,991	3,049	3,107	3,167	3,235	3,343
Ratio Target 100%	72.7%	86.4%	86.9%	88.2%	95.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
AVERAGE OVER 3 YEARS	24.4%	63.4%	82.0%	87.2%	90.4%	94.7%	98.6%	100.0%	100.0%	100.0%	100.0%