

## GENERAL FUND - OPERATING PERFORMANCE DATA

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000	2017-18 GENERAL FUND DATA \$000	2018-19 GENERAL FUND DATA \$000	2019-20 GENERAL FUND DATA \$000
Note 21 - Income Statement - Income - Total Income from continuing operations	65,783	68,017	70,423	74,750	76,539	79,623
Note 21 - Income Statement - Income - Grants & Contributions Provided For Capital Purposes	455	455	1,206	457	459	468
Note 21 - Income Statement - Income - Net gain from the disposal of assets	0	0	0	0	0	0
Note 21 - Income Statement - Income - Net share of interests in joint ventures/associates using the equity method	0	0	0	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Investments	0	0	0	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Other	0	0	0	0	0	0
# Other Revenues - Fair value adjustments - investment properties	0	0	0	0	0	0
# Other Revenues - Reversal of IPPE revaluation decrements previously expensed	0	0	0	0	0	0
Note 21 - Income Statement - Expenses - Total expenses from continuing operations	61,721	60,851	63,105	65,641	67,157	68,851
Note 21 - Income Statement - Expenses - Net Loss from the disposal of assets	0	0	0	0	0	0
Note 21 - Income Statement - Expenses - Net share of interests in joint ventures/associates using the equity method	0	0	0	0	0	0
* Other Expenses - Revaluation Decrements	0	0	0	0	0	0

*Total continuing operating revenue (exc. capital grants and contributions) less operating expenses*

*Total continuing operating revenue (exc. capital grants and contributions)*

2014-15	$\frac{(65783-455-0-0-0-0-0)-(61721-0-0-0)}{(65783-455-0-0-0-0-0)}$	=	3,607	=	0.055
			65,328		
2015-16	$\frac{(68017-455-0-0-0-0-0)-(60851-0-0-0)}{(68017-455-0-0-0-0-0)}$	=	6,711	=	0.099
			67,562		
2016-17	$\frac{(70423-1206-0-0-0-0-0)-((63802-697)-0-0-0)}{(70423-1206-0-0-0-0-0)}$	=	6,112	=	0.088
			69,217		
AVERAGE over 3 years	$\frac{5,477}{67,369}$	0.081			
<b>BENCHMARK AND RESULT</b>					
Benchmark:- <i>Greater or equal to break-even average over 3 years</i>					

2015-16	$\frac{(68017-455-0-0-0-0-0)-(60851-0-0-0)}{(68017-455-0-0-0-0-0)}$	=	6,711	=	0.099
			67,562		
2016-17	$\frac{(70423-1206-0-0-0-0-0)-((63802-697)-0-0-0)}{(70423-1206-0-0-0-0-0)}$	=	6,112	=	0.088
			69,217		
2017-18	$\frac{(74750-457-0-0-0-0-0)-((65641-0)-0-0-0)}{(74750-457-0-0-0-0-0)}$	=	8,652	=	0.117
			74,113		
AVERAGE over 3 years	$\frac{7,158}{70,297}$	0.102			
<b>BENCHMARK AND RESULT</b>					
Benchmark:- <i>Greater or equal to break-even average over 3 years</i>					

2016-17	<div> <div>(70423-1206-0-0-0-0-0-0)-(63802-697)-0-0-0</div> <div>(70423-1206-0-0-0-0-0-0)</div> </div>	=	6,112	=	0.088
			69,217		
2017-18	<div> <div>(74750-457-0-0-0-0-0-0)-(65641-0)-0-0-0</div> <div>(74570-457-0-0-0-0-0-0)</div> </div>	=	8,652	=	0.117
			74,113		
2018-19	<div> <div>(76539-459-0-0-0-0-0-0)-(67157-0)-0-0-0</div> <div>(76539-459-0-0-0-0-0-0)</div> </div>	=	8,923	=	0.117
			76,080		
AVERAGE over 3 years	<div> <div>7,896</div> <div>73,137</div> </div>				0.108
BENCHMARK AND RESULT					
Benchmark:-		Greater or equal to break-even average over 3 years			

2017-18	<div> <div>(74750-457-0-0-0-0-0-0)-(65641-0)-0-0-0</div> <div>(74570-457-0-0-0-0-0-0)</div> </div>	=	8,652	=	0.117
			74,113		
2018-19	<div> <div>(76539-459-0-0-0-0-0-0)-(67157-0)-0-0-0</div> <div>(76539-459-0-0-0-0-0-0)</div> </div>	=	8,923	=	0.117
			76,080		
2019-2020	<div> <div>(79623-468-0-0-0-0-0-0)-(68851-0)-0-0-0</div> <div>(79623-468-0-0-0-0-0-0)</div> </div>	=	10,304	=	0.130
			79,155		
AVERAGE over 3 years	<div> <div>9,293</div> <div>76,449</div> </div>				0.122
BENCHMARK AND RESULT					
Benchmark:-		Greater or equal to break-even average over 3 years			

## GENERAL FUND - OWN SOURCE REVENUE DATA

### Manly Council

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000	2017-18 GENERAL FUND DATA \$000	2018-19 GENERAL FUND DATA \$000	2019-20 GENERAL FUND DATA \$000
Note 21 - Income Statement - Income - Total Income from continuing operations	65,783	68,017	70,423	74,750	76,539	79,623
Note 21 - Income Statement - Income - Operating Revenues - Grants & Contributions Provided For Operating Purposes	4,621	4,953	4,778	4,782	4,817	4,932
Note 21 - Income Statement - Income - Grants & Contributions Provided For Capital Purposes	455	455	1,206	457	459	468
Note 21 - Income Statement - Income - Net gain from the disposal of assets	0	0	0	0	0	0
Note 21 - Income Statement - Income - Net share of interests in joint ventures/associates using the equity method	0	0	0	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Investments	0	0	0	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Other	0	0	0	0	0	0
# Other Revenues - Fair value adjustments - investment properties	0	0	0	0	0	0
# Other Revenues - Reversal of IPPE revaluation decrements previously expensed	0	0	0	0	0	0

# See Operating Performance data sheet notes.

*Total continuing operating revenue less all grants and contributions*  
*Total continuing operating revenue inclusive of capital grants and contributions*

**BENCHMARK AND RESULT**

Benchmark *Greater than 60% average over 3 years*

2014-15	<u>(65783-4621-455-0-0-0-0-0)</u> (65783-0-0-0-0-0-0)	=	60,707	=	0.923
			65,783		
2015-16	<u>(68017-4953-455-0-0-0-0-0)</u> (68017-0-0-0-0-0-0)	=	62,609	=	0.920
			68,017		
2016-17	<u>(70423-4778-1206-0-0-0-0-0)</u> (70423-0-0-0-0-0-0)	=	64,439	=	0.915
			70,423		
AVERAGE over 3 years			62,585	=	0.919
			68,074		

2015-16	<u>(68017-4953-455-0-0-0-0-0)</u> (68017-0-0-0-0-0-0)	=	62,609	=	0.920
			68,017		
2016-17	<u>(70423-4778-1206-0-0-0-0-0)</u> (70423-0-0-0-0-0-0)	=	64,439	=	0.915
			70,423		
2017-18	<u>(74750-4782-457-0-0-0-0-0)</u> (74750-0-0-0-0-0-0)	=	69,511	=	0.930
			74,750		
AVERAGE over 3 years			65,520	=	0.922
			71,063		

2016-17	<u>(70423-4778-1206-0-0-0-0-0)</u> (70423-0-0-0-0-0-0)	=	64,439	=	0.915
			70,423		
2017-18	<u>(74750-4782-457-0-0-0-0-0)</u> (74750-0-0-0-0-0-0)	=	69,511	=	0.930
			74,750		
2018-19	<u>(76539-4817-459-0-0-0-0-0)</u> (76539-0-0-0-0-0-0)	=	71,263	=	0.931
			76,539		
AVERAGE over 3 years			68,404	=	0.926
			73,904		

2017-18	(74750-4782-457-0-0-0-0-0-0)	=	69,511		
	(74750-0-0-0-0-0-0-0)		74,750	=	0.930
2018-19	(76539-4817-459-0-0-0-0-0-0)	=	71,263	=	0.931
	(76539-0-0-0-0-0-0-0)		76,539		
2019-2020	(79623-4932-468-0-0-0-0-0-0)	=	74,223	=	0.932
	(79623-0-0-0-0-0-0-0)		79,623		
AVERAGE over 3 years			71,666	=	0.931
			76,971		

## GENERAL FUND - BUILDING AND INFRASTRUCTURE

### Manly Council

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000	2017-18 GENERAL FUND DATA \$000	2018-19 GENERAL FUND DATA \$000	2019-20 GENERAL FUND DATA \$000
# Building and Infrastructure Renewals	4,328	7,899	6,005	4,594	4,644	4,895
# Depreciation, Amortisation and Impairment (Building and Infrastructure)	4,202	4,519	4,540	4,594	4,644	4,893

# For reporting purposes the consolidated data comes from Note 13 (11-12, 12-13) and Special Schedule 7

### BENCHMARK AND RESULT

Benchmark: *Greater than 100% average over 3 years*

#### Asset renewals (building and infrastructure) Depreciation, amortisation and impairment (building and infrastructure)

2014-15	4,328	=	4,328	=	1.030
	4,202		4,202		
2015-16	7,899	=	7,899	=	1.748
	4,519		4,519		
2016-17	6,005	=	6,005	=	1.323
	4,540		4,540		
AVERAGE over 3 years	6,077	=	1.375		
	4,420				

2015-16	7,899	=	7,899	=	1.748
	4,519		4,519		
2016-17	6,005	=	6,005	=	1.323
	4,540		4,540		
2017-18	4,594	=	4,594	=	1.000
	4,594		4,594		
AVERAGE over 3 years	6,166	=	1.355		
	4,551				

2016-17	6,005	=	6,005	=	1.323
	4,540		4,540		
2017-18	4,594	=	4,594	=	1.000
	4,594		4,594		
2018-19	4,644	=	4,644	=	1.000
	4,644		4,644		
AVERAGE over 3 years	5,081	=	1.106		
	4,593				

2017-18	4,594	=	4,594	=	1.000
	4,594		4,594		
2018-19	4,644	=	4,644	=	1.000
	4,644		4,644		
2019-20	4,895	=	4,895	=	1.000
	4,893		4,893		
AVERAGE over 3 years			4,711	=	1.000
			4,710		

## GENERAL FUND - INFRASTRUCTURE BACKLOG DATA

### Manly Council

	2016-17 GENERAL FUND DATA \$000	2017-18 GENERAL FUND DATA \$000	2018-19 GENERAL FUND DATA \$000	2019-20 GENERAL FUND DATA \$000
# Estimated cost to bring assets to a satisfactory condition	165	165	165	165
* Total (written down value) of infrastructure, buildings, other structures & depreciable land improvement assets.	380,387	379,227	378,019	377,542

# For reporting purposes the consolidated data is collected from Special Schedule 7. For this

\* For reporting purposes the consolidated data comes from Note 9/Special Schedule 7. For this

### BENCHMARK AND RESULT

Benchmark: *Less than 2%*

#### *Estimated cost to bring assets to a satisfactory condition*

#### *Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets*

2016-17	$\frac{165}{380,387}$	=	$\frac{165}{380,387}$	=	0.043%
2017-18	$\frac{165}{379,227}$	=	$\frac{165}{379,227}$	=	0.044%
2018-19	$\frac{165}{378,019}$	=	$\frac{165}{378,019}$	=	0.044%
2019-20	$\frac{165}{377,542}$	=	$\frac{165}{377,542}$	=	0.044%

## GENERAL FUND - ASSET MAINTENANCE DATA

### Manly Council

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000	2017-18 GENERAL FUND DATA \$000	2018-19 GENERAL FUND DATA \$000	2019-20 GENERAL FUND DATA \$000
# Actual Annual Maintenance	2,965	2,970	2,990	3,065	3,141	3,220
# Required Annual Maintenance	2,750	2,819	2,889	2,961	3,035	3,111

# For reporting purposes the consolidated data comes from Special Schedule 7. For

### BENCHMARK AND RESULT

Benchmark: *Greater than 100% average over 3 years*

*Actual asset maintenance*  
*Required asset maintenance*

2014-15	$\frac{2,965}{2,750} = 107.8\%$
2015-16	$\frac{2,970}{2,819} = 105.4\%$
2016-17	$\frac{2,990}{2,889} = 103.5\%$
AVERAGE over 3 years	$\frac{2,975}{2,819} = 1.055$

2015-16	$\frac{2,970}{2,819} = 105.4\%$
2016-17	$\frac{2,990}{2,889} = 103.5\%$
2017-18	$\frac{3,065}{2,961} = 103.5\%$
AVERAGE over 3 years	$\frac{3,008}{2,890} = 1.041$

2016-17	$\frac{2,990}{2,889} = 103.5\%$
2017-18	$\frac{3,065}{2,961} = 103.5\%$
2018-19	$\frac{3,141}{3,035} = 103.5\%$
AVERAGE over 3 years	$\frac{3,065}{2,962} = 1.035$

2017-18	$\frac{3,065}{2,961} = 103.5\%$
2018-19	$\frac{3,141}{3,035} = 103.5\%$
2019-20	$\frac{3,220}{3,111} = 103.5\%$
AVERAGE over 3 years	$\frac{3,142}{3,036} = 1.035$

## GENERAL FUND - DEBT SERVICE DATA

### Manly Council

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000	2017- 18 GENER AL FUND DATA \$000	2018-19 GENERAL FUND DATA \$000	2019-20 GENERAL FUND DATA \$000
@ Financing Activities - Payments - Borrowings & Advances	3,346	3,655	4,038	3,973	4,007	4,059
* Interest Charges - Interest on Loans	1,890	2,435	3,074	2,860	2,654	2,594
Note 21- Income Statement - Income - Total Income from continuing operations	65,783	68,017	70,423	74,750	76,539	79,623
Note 21 - Income Statement - Income - Grants & Contributions Provided For Capital Purposes	455	455	1,206	457	459	468
Note 21 - Income Statement - Income - Net gain from the disposal of assets	0	0	0	0	0	0
Note 21 - Income Statement - Income - Net share of interests in joint ventures/associates using the equity method	0	0	0	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Investments	0	0	0	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Other	0	0	0	0	0	0
# Other Revenues - Fair value adjustments - investment properties	0	0	0	0	0	0
# Other Revenues - Reversal of IPPE revaluation decrements previously expensed	0	0	0	0	0	0

*Note:- Figures to be entered as positive amounts*

*@ For reporting purposes the consolidated data comes from the Statement of Cashflows. For*

*\* For reporting purposes the consolidated data comes from Note 4. For this purpose, only enter*

*# See Operating Performance data sheet note*

### BENCHMARK AND RESULT

Benchmark 1 >	0%
Benchmark 2 <	20%

#### Cost of debt service (interest expense & principal repayments)

##### Total continuing operating revenue (exc. capital grants and contributions)

2014-15	(3346+1890)	=	5,236	=	8.01%
	(65783-455-0-0-0-0-0)		65,328		
2015-16	(3655+2435)	=	6,090	=	9.01%
	(68017-455-0-0-0-0-0)		67,562		
2016-17	(4038+3074)	=	7,112	=	10.27%
	(70423-1206-0-0-0-0-0)		69,217		
AVERAGE over 3 years	<u>6,146</u>	=	9.12%		
	67,369				

Benchmark 1 >	0%
Benchmark 2 <	20%

#### Cost of debt service (interest expense & principal repayments)

##### Total continuing operating revenue (exc. capital grants and contributions)

2015-16	(3655+2435)	=	6,090	=	9.01%
	(68017-455-0-0-0-0-0)		67,562		
2016-17	(4038+3074)	=	7,112	=	10.27%
	(70423-1206-0-0-0-0-0)		69,217		
2017-18	(3973+2860)	=	6,833	=	9.20%
	(74750-457-0-0-0-0-0)		74,293		
AVERAGE over 3 years	<u>6,678</u>	=	9.49%		
	70,357				

Benchmark 1 >	0%
Benchmark 2 <	20%

Cost of debt service (interest expense & principal repayments)					
Total continuing operating revenue (exc. capital grants and contributions)					
2016-17	(4038+3074)	=	7,112	=	10.27%
	(70423-1206-0-0-0-0-0)		69,217		
2017-18	(3973+2860)	=	6,833	=	9.20%
	(74750-457-0-0-0-0-0)		74,293		
2018-19	(4007+2654)	=	6,661	=	8.76%
	(76539-459-0-0-0-0-0)		76,080		
AVERAGE over 3 years	6,869	=	9.38%		
	73,197				
Benchmark 1 >			0%		
Benchmark 2 <			20%		

Cost of debt service (interest expense & principal repayments)					
Total continuing operating revenue (exc. capital grants and contributions)					
2017-18	(3973+2860)	=	6,833	=	9.20%
	(74750-457-0-0-0-0-0)		74,293		
2018-19	(4007+2654)	=	6,661	=	8.76%
	(76539-459-0-0-0-0-0)		76,080		
2019-20	(4059+2594)	=	6,653	=	8.41%
	(79623-468-0-0-0-0-0)		79,155		
AVERAGE over 3 years	6,716	=	8.78%		
	76,509				
Benchmark 1 >			0%		
Benchmark 2 <			20%		

# GENERAL FUND - REAL OPERATING EXPENDITURE PER CAPITA DATA

## Manly Council

### # Population Data

	43,822	44,232	44,807	45,390	45,980	46,577	47,183	47,796
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000
Note 21 - Income Statement - Expenses - Total expenses from continuing operations	59,525	59,681	61,721	60,851	63,105	65,641	67,157	68,851
Note 21 - Income Statement - Expenses - Net Loss from the disposal of assets	0	239	0	0	0	0	0	0
Note 21 - Income Statement - Expenses - Net share of interests in joint ventures/associates using the equity method	0	0	0	0	0	0	0	0
* Other Expenses - Revaluation Decrements	0	0	0	0	0	0	0	0

# Australian Bureau of Statistics, Regional Population Growth, Australia - Table 1. Estimated Resident Population, Local Government Areas, New

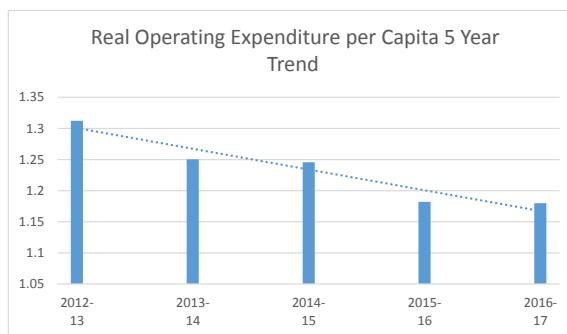
\* See Operating Performance data sheet note.

**This is how we calculated the council's result.....**

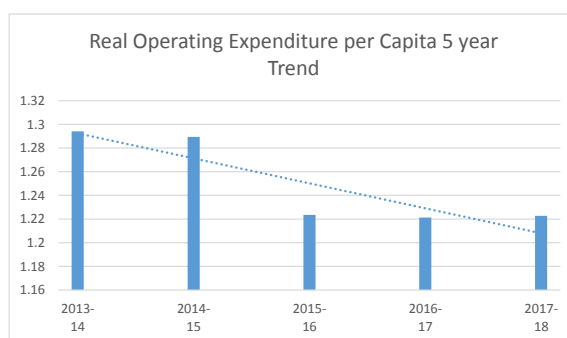
(Figures are carried over from the data sheet and are in \$000)

Expenditure deflated by:	CPI:-	2009-10	2010-11	LGCI:-	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
		2.3%	3%		3.0%	3.4%	3.7%	2.8%	2.5%	2.5%

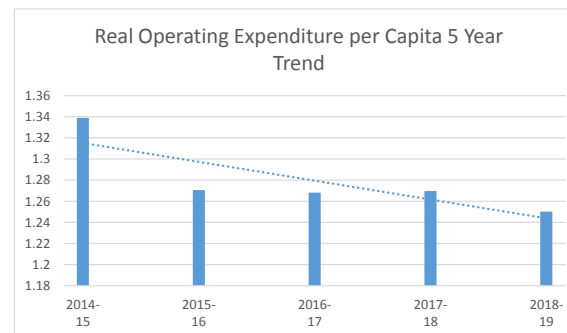
2012-13	(59525-0-0-0)x(1-.034)	=	57501	1.3122
	43,822		43,822	
2013-14	(59681-239-0-0)x(1-.034)x(1-.037)	=	55296	1.2501
	44,232		44,232	
2014-15	(61721-0-0-0)x(1-.034)x(1-.037)x(1-.028)	=	55809	1.2455
	44,807		44,807	
2015-16	(60851-0-0-0)x(1-.034)x(1-.037)x(1-.028)x(1-.025)	=	53647	1.1819
	45,390		45,390	
2016-17	(63105-0-0-0)x(1-.034)x(1-.037)x(1-.028)x(1-.025)x(1-.025)	=	54243	1.1797
	45,980		45,980	



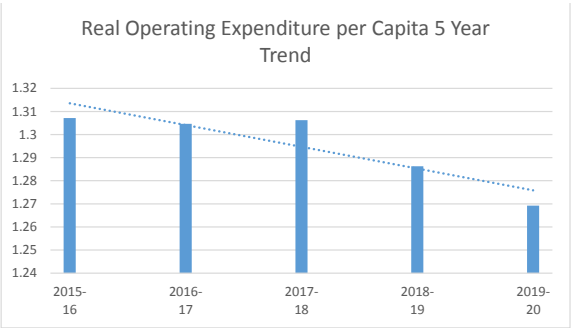
2013-14	(59681-239-0-0)x(1-.037)	=	57243	1.2941
	44,232		44,232	
2014-15	(61721-0-0-0)x(1-.037)x(1-.028)	=	57773	1.2894
	44,807		44,807	
2015-16	(60851-0-0-0)x(1-.037)x(1-.028)x(1-.025)	=	55535	1.2235
	45,390		45,390	
2016-17	(63105-0-0-0)x(1-.037)x(1-.028)x(1-.025)x(1-.025)	=	56152	1.2212
	45,980		45,980	
2017-18	(65641-0-0-0)x(1-.037)x(1-.028)x(1-.025)x(1-.025)x(1-.025)	=	56948	1.2227
	46,577		46,577	



2014-15	(61721-0-0-0)x(1-.028)	=	59993	1.3389
	44,807		44,807	
2015-16	(60851-0-0-0)x(1-.028)x(1-.025)	=	57668	1.2705
	45,390		45,390	
2016-17	(63105-0-0-0)x(1-.028)x(1-.025)x(1-.025)	=	58309	1.2682
	45,980		45,980	
2017-18	(65641-0-0-0)x(1-.028)x(1-.025)x(1-.025)x(1-.025)	=	59136	1.2696
	46,577		46,577	
2018-19	(67157-0-0-0)x(1-.028)x(1-.025)x(1-.025)x(1-.025)x(1-.025)	=	58990	1.2502
	47,183		47,183	



2015-16	$\frac{(60851-0-0-0) \times (1-.025)}{45,390}$	=	$\frac{59330}{45,390}$	1.3071
2016-17	$\frac{(63105-0-0-0) \times (1-.025) \times (1-.025)}{45,980}$	=	$\frac{59989}{45,980}$	1.3047
2017-18	$\frac{(65641-0-0-0) \times (1-.025) \times (1-.025) \times (1-.025)}{46,577}$	=	$\frac{60840}{46,577}$	1.3062
2018-19	$\frac{(67157-0-0-0) \times (1-.025) \times (1-.025) \times (1-.025) \times (1-.025)}{47,183}$	=	$\frac{60689}{47,183}$	1.2863
2019-20	$\frac{(68851-0-0-0) \times (1-.025) \times (1-.025) \times (1-.025) \times (1-.025) \times (1-.025)}{47,796}$	=	$\frac{60664}{47,796}$	1.2692



## GENERAL FUND - OPERATING PERFORMANCE DATA

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000	2017-18 GENERAL FUND DATA \$000	2018-19 GENERAL FUND DATA \$000	2019-20 GENERAL FUND DATA \$000
Note 21- Income Statement - Income - Total Income from continuing operations	65,783	68,017	70,423	74,750	76,539	79,623
Note 21 - Income Statement - Income - Grants & Contributions Provided For Capital Purposes	455	455	1,206	457	459	468
Note 21 - Income Statement - Income - Net gain from the disposal of assets	0	0	0	0	0	0
Note 21 - Income Statement - Income - Net share of interests in joint ventures/associates using the equity method	0	0	0	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Investments	0	0	0	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Other	0	0	0	0	0	0
# Other Revenues - Fair value adjustments - investment properties	0	0	0	0	0	0
# Other Revenues - Reversal of IPPE revaluation decrements previously expensed	0	0	0	0	0	0
Note 21 - Income Statement - Expenses - Total expenses from continuing operations	61,721	60,851	63,105	65,641	67,157	68,851
Note 21 - Income Statement - Expenses - Net Loss from the disposal of assets	0	0	0	0	0	0
Note 21 - Income Statement - Expenses - Net share of interests in joint ventures/associates using the equity method	0	0	0	0	0	0
* Other Expenses - Revaluation Decrement	0	0	0	0	0	0

*Total continuing operating revenue (exc. capital grants and contributions) less operating expenses*  
*Total continuing operating revenue (exc. capital grants and contributions)*

2014-15	$\frac{(65783-455-0-0-0-0-0)-(61721-0-0-0)}{(65783-455-0-0-0-0-0)}$	=	3,607 65,328	=	0.055
2015-16	$\frac{(68017-455-0-0-0-0-0)-(60851-0-0-0)}{(68017-455-0-0-0-0-0)}$	=	6,711 67,562	=	0.099
2016-17	$\frac{(70423-1206-0-0-0-0-0)-((63802-697)-0-0-0)}{(70423-1206-0-0-0-0-0)}$	=	6,112 69,217	=	0.088
AVERAGE over 3 years	5477 67369	=	0.0813		

### BENCHMARK AND RESULT

Benchmark:-

*Greater or equal to break-even average over 3 years*

## GENERAL FUND - OWN SOURCE REVENUE DATA

### Manly Council

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000
Note 21- Income Statement - Income - Total Income from continuing operations	65,783	68,017	70,423
Note 21 - Income Statement - Income - Operating Revenues - Grants & Contributions Provided For Operating Purposes	4,621	4,953	4,778
Note 21 - Income Statement - Income - Grants & Contributions Provided For Capital Purposes	455	455	1,206
Note 21 - Income Statement - Income - Net gain from the disposal of assets	0	0	0
Note 21 - Income Statement - Income - Net share of interests in joint ventures/associates using the equity method	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Investments	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Other	0	0	0
# Other Revenues - Fair value adjustments - investment properties	0	0	0
# Other Revenues - Reversal of IPPE revaluation decrements previously expensed	0	0	0

# See Operating Performance data sheet notes.

**Total continuing operating revenue less all grants and contributions**

**Total continuing operating revenue inclusive of capital grants and contributions**

2014-15	<u>(65783-4621-455-0-0-0-0-0-0)</u> (65783-0-0-0-0-0-0)	=	60,707 65,783	=	0.923
2015-16	<u>(68017-4953-455-0-0-0-0-0-0)</u> (68017-0-0-0-0-0-0)	=	62,609 68,017	=	0.920
2016-17	<u>(70423-4778-1206-0-0-0-0-0-0)</u> (70423-0-0-0-0-0-0)	=	64,439 70,423	=	0.915

AVERAGE over 3 years	62,585 68,074	=	0.919
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## GENERAL FUND - BUILDING AND INFRASTRUCTURE ASSET RENEWAL DATA

### Manly Council

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000
# Building and Infrastructure Renewals	4,328	7,899	6,005
# Depreciation, Amortisation and Impairment (Building and Infrastructure)	4,202	4,519	4,540

# For reporting purposes the consolidated data comes from Note 13 (11-12, 12-13) and Special Schedule 7 (13-14). For this

#### Asset renewals (building and infrastructure)

##### Depreciation, amortisation and impairment (building and infrastructure)

2014-15	4,328	=	4,328	=	1.030
	4,202		4,202		
2015-16	7,899	=	7,899	=	1.748
	4,519		4,519		
2016-17	6,005	=	6,005	=	1.323
	4,540		4,540		

AVERAGE over 3 years	6,077	=	1.375
	4,420		

## GENERAL FUND - INFRASTRUCTURE BACKLOG

### Manly Council

	2016-17 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000
# Estimated cost to bring assets to a satisfactory condition	165	165	165
* Total (written down value) of infrastructure, buildings, other structures & depreciable land improvement assets.	322,117	362,992	380,387

# For reporting purposes the consolidated data is collected from Special Schedule 7. For

\* For reporting purposes the consolidated data comes from Note 9/Special Schedule 7 .

#### Estimated cost to bring assets to a satisfactory condition

#### Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets

2016-17	$\frac{165}{380,387}$	=	$\frac{165}{380,387}$	=	0.043%
2015-16	$\frac{165}{362,992}$	=	$\frac{165}{362,992}$	=	0.045%
2014-15	$\frac{165}{322,117}$	=	$\frac{165}{322,117}$	=	0.051%

## GENERAL FUND - ASSET MAINTENANCE DATA

### Manly Council

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000
# Actual Annual Maintenance	2,822	2,632	2,697
# Required Annual Maintenance	2,488	2,632	2,697

*# For reporting purposes the consolidated data comes from Special Schedule 7. For this purpose,*

*Actual asset maintenance*  
*Required asset maintenance*

2014-15	$\frac{2,822}{2,488}$	=	113.4%
2015-16	$\frac{2,632}{2,632}$	=	100.0%
2016-17	$\frac{2,697}{2,697}$	=	100.0%

AVERAGE over 3 years	$\frac{2,717}{2,606}$	=	104%
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## GENERAL FUND - DEBT SERVICE DATA

### Manly Council

	2014-15 GENERAL FUND DATA \$000	2015-16 GENERAL FUND DATA \$000	2016-17 GENERAL FUND DATA \$000
@ Financing Activities - Payments - Borrowings & Advances	3,346	3,655	4,038
* Interest Charges - Interest on Loans	1,890	2,435	3,074
Note 21- Income Statement - Income - Total Income from continuing operations	65,783	68,017	70,423
Note 21 - Income Statement - Income - Grants & Contributions Provided For Capital Purposes	455	455	1,206
Note 21 - Income Statement - Income - Net gain from the disposal of assets	0	0	0
Note 21 - Income Statement - Income - Net share of interests in joint ventures/associates using the equity method	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Investments	0	0	0
# Interest & Investment Revenue - Fair value adjustments - Other	0	0	0
# Other Revenues - Fair value adjustments - investment properties	0	0	0
# Other Revenues - Reversal of IPPE revaluation decrements previously expensed	0	0	0

*Note:- Figures to be entered as positive amounts*

*@ For reporting purposes the consolidated data comes from the Statement of Cashflows. For this purpose,*

*\* For reporting purposes the consolidated data comes from Note 4. For this purpose, only enter data that*

*# See Operating Performance data sheet note*

#### Cost of debt service (interest expense & principal repayments)

#### Total continuing operating revenue (exc. capital grants and contributions)

2014-15	$\frac{(3346+1890)}{(65783-455-0-0-0-0-0)}$	=	$\frac{5,236}{65,328}$	=	8.01%
2015-16	$\frac{(3655+2435)}{(68017-455-0-0-0-0-0)}$	=	$\frac{6,090}{67,562}$	=	9.01%
2016-17	$\frac{(4038+3074)}{(70423-1206-0-0-0-0-0)}$	=	$\frac{7,112}{69,217}$	=	10.27%

AVERAGE over 3 years	6,146	=	9.12%
	67,369		

Benchmark 1 >

0%

Benchmark 2 <

20%

## GENERAL FUND - REAL OPERATING EXPENDITURE PER CAPITA DATA

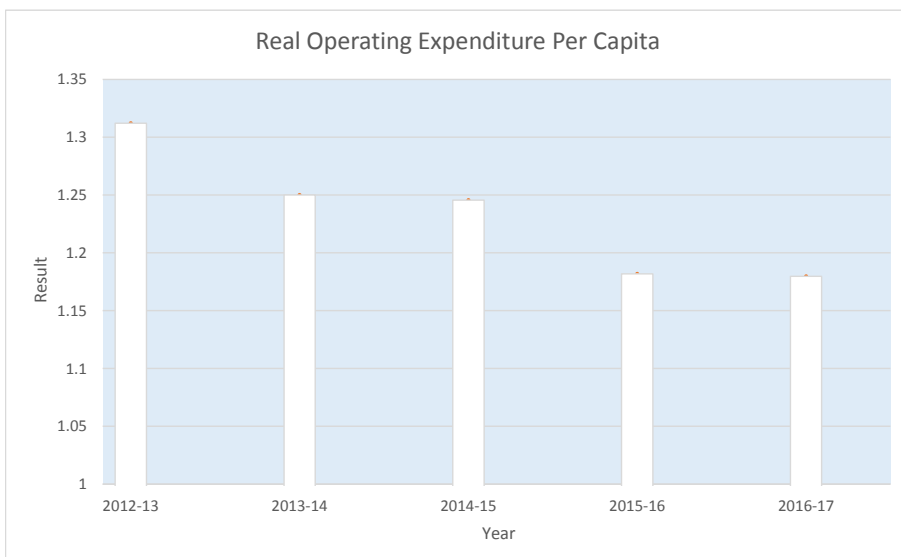
### Manly Council

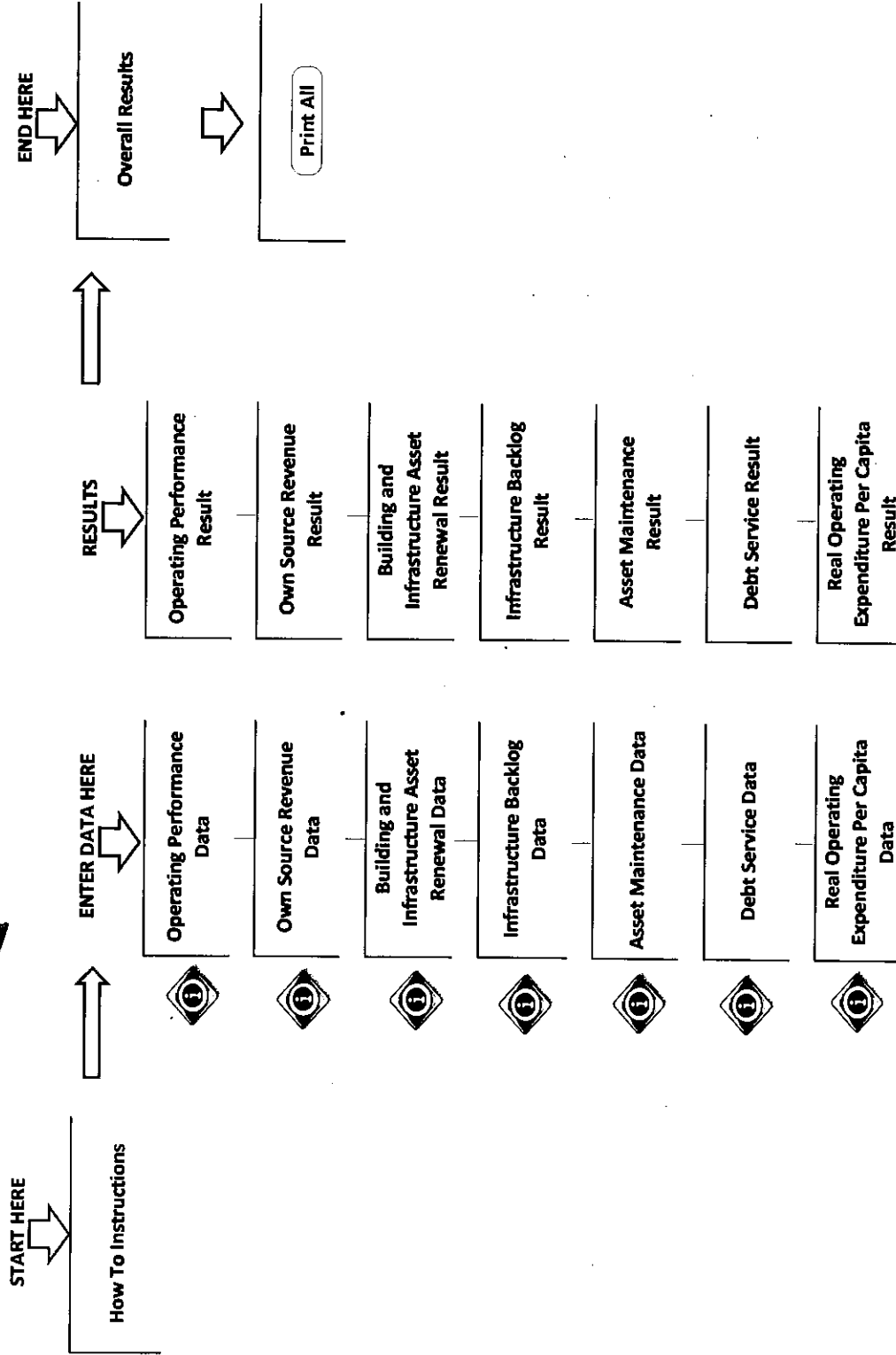
# Population Data	43,822	44,232	44,807	45,390	45,980
	2012-13	2013-14	2014-15	2015-16	2016-17
	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000	GENERAL FUND DATA \$000
Note 21 - Income Statement - Expenses - Total expenses from continuing operations	59,525	59,681	61,721	60,851	63,105
Note 21 - Income Statement - Expenses - Net Loss from the disposal of assets	0	239	0	0	0
Note 21 - Income Statement - Expenses - Net share of interests in joint ventures/associates using the equity method	0	0	0	0	0
* Other Expenses - Revaluation Decrements	0	0	0	0	0

# Australian Bureau of Statistics, Regional Population Growth, Australia - Table 1. Estimated Resident Population, Local Government Areas, New

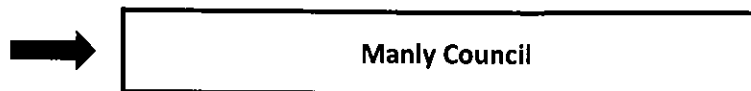
Expenditure deflated by:	CPI:-	2009-10	2010-11	LGCI:-	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
		2.3%	3%		3.0%	3.4%	3.7%	2.8%	2.5%	2.5%

2012-13	$\frac{(59525-0-0-0) \times (1-.034)}{43,822}$	=	$\frac{57501}{43,822}$	1.3122
2013-14	$\frac{(59681-239-0-0) \times (1-.034) \times (1-.037)}{44,232}$	=	$\frac{55296}{44,232}$	1.2501
2014-15	$\frac{(61721-0-0-0) \times (1-.034) \times (1-.037) \times (1-.028)}{44,807}$	=	$\frac{55809}{44,807}$	1.2455
2015-16	$\frac{(60851-0-0-0) \times (1-.034) \times (1-.037) \times (1-.028) \times (1-.025)}{45,390}$	=	$\frac{53647}{45,390}$	1.1819
2016-17	$\frac{(63105-0-0-0) \times (1-.034) \times (1-.037) \times (1-.028) \times (1-.025) \times (1-.025)}{45,980}$	=	$\frac{54243}{45,980}$	1.1797





# INSTRUCTIONS



COUNCILS ARE TO USE ONLY GENERAL FUND DATA FOR THIS PURPOSE

This self-assessment tool has been developed to assist councils in analysing their performance against the following seven Fit for the Future measures and by completing the Fit for the Future (existing structure) template. It may also assist councils that are considering merging or becoming a Rural Council, understand current performance.

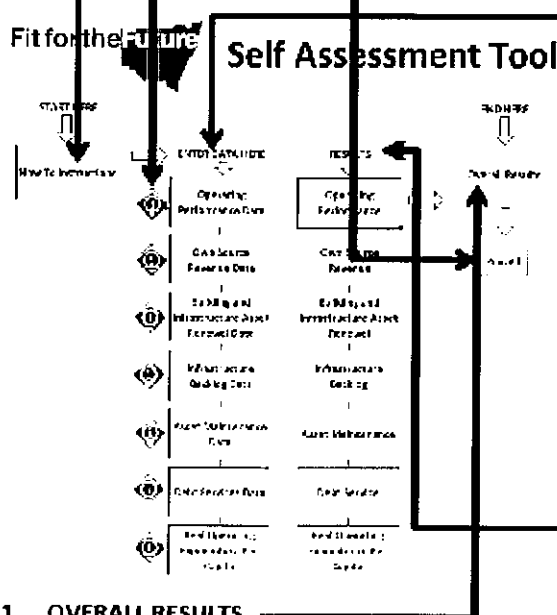


- *Operating Performance Ratio (greater or equal to break-even average over 3 years)*
- *Own Source Revenue Ratio (greater than 60% average over 3 years)*
- *Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)*
- *Infrastructure Backlog Ratio (less than 2%)*
- *Asset Maintenance Ratio (greater than 100% average over 3 years)*
- *Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)*
- *A decrease in Real Operating Expenditure per capita over time*

On the **Main Menu** and on each of the sheets there are a range of buttons to assist you in navigating through the template.

The **Print All** button will print all **Information**, **Data** and **Result** sheets as well as the **Overall Results** sheet.

1. Select your council from the dropdown list on the **How to Instructions** sheet.
2. For information regarding the description and rationale of the criteria/benchmark, click on the information icon.



3. **ENTER DATA HERE**  
Enter financial data for each of the seven measures to enable the automated calculations of the relevant ratios. *General Fund only data is to be entered*  
**DO:-**  
Enter numbers (\$000) only into ALL the white cells  
Enter '0' if not applicable  
Enter both revenue and expenditure as positive figures  
Enter General Fund data only  
**DON'T:-**  
Leave any white cells blank  
Enter N/A or anything other than a number  
Enter Water and Sewer data

Once you have entered the financial data in each of the seven **Data** sheets you can then view the result in the respective **Result** sheet.

4. **RESULTS**  
This section contains the benchmark result and shows how this has been calculated.

## 1. OVERALL RESULTS

The council's results will be displayed on the overall results sheet along-side the seven Fit for the Future benchmarks. Councils are required to enter the results for each of the measures into the Fit for the Future (existing structure) template and use this to inform strategies and actions to become or remain Fit for the Future.

# OPERATING PERFORMANCE RATIO

## Manly Council

$$\frac{\text{Total continuing operating revenue (exc. capital grants and contributions) less operating expenses}}{\text{Total continuing operating revenue (exc. capital grants and contributions)}}$$

### Description and Rationale for Criteria:

- TCorp in their review of financial sustainability of local government found that operating performance was a core measure of financial sustainability.
- Ongoing operating deficits are unsustainable and they are one of the key financial sustainability challenges facing the sector as a whole. While operating deficits are acceptable over a short period, consistent deficits will not allow Councils to maintain or increase their assets and services or execute their infrastructure plans.
- Operating performance ratio is an important measure as it provides an indication of how a Council generates revenue and allocates expenditure (e.g. asset maintenance, staffing costs). It is an indication of continued capacity to meet on-going expenditure requirements.

### Description and Rationale for Benchmark:

- TCorp recommended that all Councils should be at least break even operating position or better, as a key component of financial sustainability. Consistent with this recommendation the benchmark for this criteria is greater than or equal to break even over a 3 year period.

# **OWN SOURCE REVENUE RATIO**

## **Manly Council**

$$\frac{\text{Total continuing operating revenue less all grants and contributions}}{\text{Total continuing operating revenue inclusive of capital grants and contributions}}$$

### **Description and Rationale for Criteria:**

- Own source revenue measures the degree of reliance on external funding sources (e.g. grants and contributions). This ratio measures fiscal flexibility and robustness. Financial flexibility increases as the level of own source revenue increases. It also gives councils greater ability to manage external shocks or challenges.
- Councils with higher own source revenue have greater ability to control or manage their own operating performance and financial sustainability.

### **Description and Rationale for Benchmark:**

- TCorp has used a benchmark for own source revenue of greater than 60 per cent of total operating revenue. All Councils should aim to meet or exceed this benchmark over a three year period.
- It is acknowledged that many councils have limited options in terms of increasing its own source revenue, especially in rural areas. However, 60 per cent is considered the lowest level at which councils have the flexibility necessary to manage external shocks and challenges.

# **BUILDING AND INFRASTRUCTURE ASSET RENEWAL RATIO**

## **Manly Council**

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### ***Asset renewals (building and infrastructure)***

### **Depreciation, amortisation and impairment (building and infrastructure)**

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#### ***Description and Rationale for Criteria:***

- The building and infrastructure renewals ratio represents the replacement or refurbishment of existing assets to an equivalent capacity or performance, as opposed to the acquisition of new assets or the refurbishment of old assets that increase capacity or performance. The ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration.
- This is a consistent measure that can be applied across councils of different sizes and locations. A higher ratio is an indicator of strong performance.

#### ***Description and Rationale for Benchmark:***

- Performance of less than one hundred percent indicates that a Council's existing assets are deteriorating faster than they are being renewed and that potentially council's infrastructure backlog is worsening. Councils with consistent asset renewals deficits will face degradation of building and infrastructure assets over time.
- Given that a ratio of greater than one hundred percent is adopted, to recognise that capital expenditures are sometimes lumpy and can be lagged, performance is averaged over three years.

# INFRASTRUCTURE BACKLOG RATIO

## Manly Council

*Estimated cost to bring assets to a satisfactory condition*

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*Total (WDV) of Infrastructure, buildings, other structures and depreciable land improvement assets*

### Description and Rationale for Criteria:

- The infrastructure backlog ratio indicates the proportion of backlog against the total value of the Council's infrastructure assets. It is a measure of the extent to which asset renewal is required to maintain or improve service delivery in a sustainable way. This measures how councils are managing their infrastructure which is so critical to effective community sustainability.
- It is acknowledged, that the reliability of infrastructure data within NSW local government is mixed. However, as asset management practices within councils improve, it is anticipated that infrastructure reporting data reliability and quality will increase.
- This is a consistent measure that can be applied across councils of different sizes and locations. A low ratio is an indicator of strong performance.

### Description and Rationale for Benchmark:

- High infrastructure backlog ratios and an inability to reduce this ratio in the near future indicate an underperforming Council in terms of infrastructure management and delivery. Councils with increasing infrastructure backlogs will experience added pressure in maintaining service delivery and financing current and future infrastructure demands.
- TCorp adopted a benchmark of less than 2 per cent to be consistently applied across councils. The application of this benchmark reflects the State Government's focus on reducing infrastructure backlogs.

# **ASSET MAINTENANCE RATIO**

## **Manly Council**

$$\frac{\text{Actual asset maintenance}}{\text{Required asset maintenance}}$$

### **Description and Rationale for Criteria:**

- The asset maintenance ratio reflects the actual asset maintenance expenditure relative to the required asset maintenance as measured by an individual council.
- The ratio provides a measure of the rate of asset degradation (or renewal) and therefore has a role in informing asset renewal and capital works planning.

### **Description and Rationale for Benchmark:**

- The benchmark adopted is greater than one hundred percent, which implies that asset maintenance expenditure exceeds the council identified requirements. This benchmark is consistently adopted by the NSW Treasury Corporation (TCORP). A ratio of less than one hundred percent indicates that there may be a worsening infrastructure backlog.
- Given that a ratio of greater than one hundred percent is adopted, to recognise that maintenance expenditure is sometimes lumpy and can be lagged, performance is averaged over three years.

# **DEBT SERVICE RATIO**

## **Manly Council**

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$$\frac{\text{Cost of debt service (interest expense \& principal repayments)}}{\text{Total continuing operating revenue (exc. capital grants and contributions)}}$$

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### **Description and Rationale for Criteria:**

- Prudent and active debt management is a key part of Councils' approach to both funding and managing infrastructure and services over the long term.
- Prudent debt usage can also assist in smoothing funding costs and promoting intergenerational equity. Given the long life of many council assets it is appropriate that the cost of these assets should be equitably spread across the current and future generations of users and ratepayers. Effective debt usage allows councils to do this.
- Inadequate use of debt may mean that councils are forced to raise rates that a higher than necessary to fund long life assets or inadequately fund asset maintenance and renewals. It is also a strong proxy indicator of a council's strategic capacity.
- Council's effectiveness in this area is measured by the Debt Service Ratio.

### **Description and Rationale for Benchmark:**

- As outlined above, it is appropriate for Councils to hold some level of debt given their role in the provision and maintenance of key infrastructure and services for their community. It is considered reasonable for Councils to maintain a Debt Service Ratio of greater than 0 and less than or equal to 20 per cent.
- Councils with low or zero debt may incorrectly place the funding burden on current ratepayers when in fact it should be spread across generations, who also benefit from the assets. Likewise high levels of debt generally indicate a weakness in financial sustainability and/or poor balance sheet management.

# ***REAL OPERATING EXPENDITURE PER CAPITA***

## **Manly Council**

### **Description and Rationale for Criteria:**

- At the outset it is acknowledged the difficulty in measuring public sector efficiency. This is because there is a range of difficulty in reliably and accurately measuring output.
- The capacity to secure economies of scale over time is a key indicator of operating efficiency. The capacity to secure efficiency improvements can be measured with respect to a range of factors, for example population, assets, and financial turnover.
- It is challenging to measure productivity changes over time. To overcome this, changes in real per capita expenditure was considered to assess how effectively Councils:
  - can realise natural efficiencies as population increases (through lower average cost of service delivery and representation); and
  - can make necessary adjustments to maintain current efficiency if population is declining (e.g. appropriate reductions in staffing or other costs).
- Assuming that service levels remain constant, decline in real expenditure per capita indicates efficiency improvements (i.e. the same level of output per capita is achieved with reduced expenditure).

### **Description and Rationale for Benchmark:**

- The measure 'trends in real expenditure per capita' reflects how the value of inflation adjusted inputs per person has grown over time. In the calculation, the expenditure is deflated by the Consumer Price Index (for 2009-11) and the Local Government Cost Index (for 2011-14) as published by the Independent Pricing and Regulatory Tribunal (IPART). It is acknowledged that efficiency and service levels are impacted by a broad range of factors, and that it is unreasonable to establish an absolute benchmark across Councils. It is also acknowledged that council service levels are likely to change for a variety of reasons however, it is important that councils prioritise or set service levels in conjunction with their community, in the context of their development of their Integrated Planning and Reporting.
- Councils will be assessed on a joint consideration of the direction and magnitude of their improvement or deterioration in real expenditure per capita. Given that efficiency improvements require some time for the results to be fully achieved and as a result, this analysis will be based on a 5-year trend.

## GENERAL FUND - OPERATING PERFORMANCE DATA

### Manly Council

	2011-12 GENERAL FUND DATA \$000	2012-13 GENERAL FUND DATA \$000	2013-14 GENERAL FUND DATA \$000
Note 21- Income Statement - Income - Total Income from continuing operations	57,908	60,983	64,385
Note 21 - Income Statement - Income - Grants & Contributions Provided For Capital Purposes	802	580	2,616
Note 21 - Income Statement - Income - Net gain from the disposal of assets	0	84	0
Note 21 - Income Statement - Income - Net share of interests in Joint ventures/associates using the equity method	291	241	92
# Interest & Investment Revenue - Fair value adjustments - Investments	144	18	24
# Interest & Investment Revenue - Fair value adjustments - Other	0	0	0
# Other Revenues - Fair value adjustments - Investment properties	0	0	0
# Other Revenues - Reversal of IPPE revaluation decrements previously expensed	0	0	0
Note 21 - Income Statement - Expenses - Total expenses from continuing operations	59,422	59,525	59,681
Note 21 - Income Statement - Expenses - Net Loss from the disposal of assets	41	0	239
Note 21 - Income Statement - Expenses - Net share of interests in Joint ventures/associates using the equity method	0	0	0
* Other Expenses - Revaluation Decrements	0	0	0

# For reporting purposes the consolidated data comes from Note 3. For this purpose, only enter data that relates to the **General Fund**

\* For reporting purposes the consolidated data comes from Note 4. For this purpose, only enter data that relates to the **General Fund**

# GENERAL FUND - OWN SOURCE REVENUE DATA

## Manly Council

	2011-12 GENERAL FUND DATA \$000	2012-13 GENERAL FUND DATA \$000	2013-14 GENERAL FUND DATA \$000
Note 21- Income Statement - Income - Total Income from continuing operations	57,908	60,983	64,385
Note 21 - Income Statement - Income - Operating Revenues - Grants & Contributions Provided For Operating Purposes	4,429	4,540	3,788
Note 21 - Income Statement - Income - Grants & Contributions Provided For Capital Purposes	802	580	2,616
Note 21 - Income Statement - Income - Net gain from the disposal of assets	0	84	0
Note 21 - Income Statement - Income - Net share of interests in joint ventures/associates using the equity method	291	241	92
# Interest & Investment Revenue - Fair value adjustments - Investments	144	18	24
# Interest & Investment Revenue - Fair value adjustments - Other	0	0	0
# Other Revenues - Fair value adjustments - Investment properties	0	0	0
# Other Revenues - Reversal of IPPE revaluation decrements previously expensed	0	0	0

# See Operating Performance data sheet notes.

# GENERAL FUND - BUILDING AND INFRASTRUCTURE ASSET RENEWAL DATA

Manly Council

	2011-12 GENERAL FUND DATA \$000	2012-13 GENERAL FUND DATA \$000	2013-14 GENERAL FUND DATA \$000
# Building and Infrastructure Renewals	3,642	6,748	4,411
# Depreciation, Amortisation and Impairment (Building and Infrastructure)	3,962	5,377	4,324

*# For reporting purposes the consolidated data comes from Note 13 (11-12, 12-13) and Special Schedule 7 (13-14). For this purpose, only enter data that relates to the **General Fund**.*

# GENERAL FUND - INFRASTRUCTURE BACKLOG DATA

**Manly Council**

**2013-14  
GENERAL FUND DATA  
\$000**

**# Estimated cost to bring assets to  
a satisfactory condition**

165

**\* Total (written down value) of  
infrastructure, buildings, other  
structures & depreciable land  
improvement assets.**

337,638

*# For reporting purposes the consolidated data is collected from  
Special Schedule 7. For this purpose, only enter data that relates to  
the **General Fund**.*

*\* For reporting purposes the consolidated data comes from Note  
9/Special Schedule 7. For this purpose, only enter data that relates to  
the **General Fund**.*

## GENERAL FUND - ASSET MAINTENANCE DATA

Manly Council

	2011-12 GENERAL FUND DATA \$000	2012-13 GENERAL FUND DATA \$000	2013-14 GENERAL FUND DATA \$000
# Actual Annual Maintenance	2,271	3,645	2,963
# Required Annual Maintenance	2,407	3,958	2,675

*# For reporting purposes the consolidated data comes from Special Schedule 7. For this purpose, only enter data that relates to the General Fund.*

# GENERAL FUND - DEBT SERVICE DATA

Manly Council

	2011-12 GENERAL FUND DATA \$000	2012-13 GENERAL FUND DATA \$000	2013-14 GENERAL FUND DATA \$000
@ Financing Activities - Payments - Borrowings & Advances	1,098	1,232	2,326
* Interest Charges - Interest on Loans	633	802	1,573
Note 21- Income Statement - Income - Total Income from continuing operations	57,908	60,983	64,385
Note 21 - Income Statement - Income - Grants & Contributions Provided For Capital Purposes	802	580	2,616
Note 21 - Income Statement - Income - Net gain from the disposal of assets	0	84	0
Note 21 - Income Statement - Income - Net share of interests in joint ventures/associates using the equity method	291	241	92
# Interest & Investment Revenue - Fair value adjustments - Investments	144	18	24
# Interest & Investment Revenue - Fair value adjustments - Other	0	0	0
# Other Revenues - Fair value adjustments - Investment properties	0	0	0
# Other Revenues - Reversal of IPPE revaluation decrements previously expensed	0	0	0

Note:- Figures to be entered as positive amounts

@ For reporting purposes the consolidated data comes from the Statement of Cashflows. For this purpose, only enter data that relates to the **General Fund**.

\* For reporting purposes the consolidated data comes from Note 4. For this purpose, only enter data that relates to the **General Fund**

# See Operating Performance data sheet note

# GENERAL FUND - REAL OPERATING EXPENDITURE PER CAPITA DATA

## Manly Council

	2009-10 GENERAL FUND DATA \$000	2010-11 GENERAL FUND DATA \$000	2011-12 GENERAL FUND DATA \$000	2012-13 GENERAL FUND DATA \$000	2013-14 GENERAL FUND DATA \$000
# Population Data	41,419	42,359	43,115	43,822	44,232
Note 21 - Income Statement - Expenses - Total expenses from continuing operations	54,833	57,346	59,422	59,525	59,681
Note 21 - Income Statement - Expenses - Net Loss from the disposal of assets	5	53	41	0	239
Note 21 - Income Statement - Expenses - Net share of interests in joint ventures/associates using the equity method	0	0	0	0	0
* Other Expenses - Revaluation Decrements	0	0	0	0	0

# Australian Bureau of Statistics, Regional Population Growth, Australia - Table 1. Estimated Resident Population, Local Government Areas, New South Wales - Released 3.4.2014. The population data has been averaged over 2 calendar years except for the 2013-14 year where the population data for 2013 has been used.

\* See Operating Performance data sheet note.

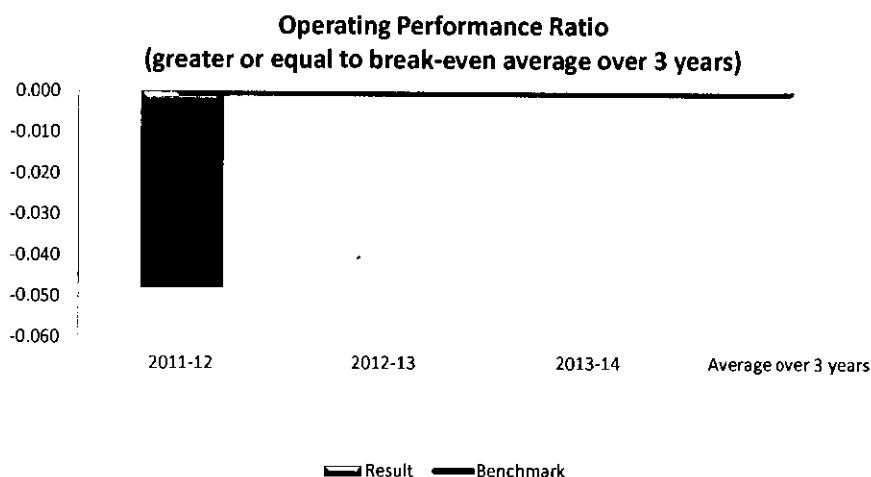
# GENERAL FUND - OPERATING PERFORMANCE RESULT

## Manly Council

### BENCHMARK AND RESULT

Benchmark:- Greater or equal to break-even average over 3 years

	2011-12	2012-13	2013-14	Average over 3 years
Result	-0.048	0.009	0.036	0.000
Benchmark	0	0	0	0



MEETS THE FFTF  
BENCHMARK



YES

*This is how we calculated the council's result.....*

*(Figures are carried over from the data sheet and are in \$'000)*

	<u>Total continuing operating revenue (exc. capital grants and contributions) less operating expenses</u>			
	<u>Total continuing operating revenue (exc. capital grants and contributions)</u>			
2011-12	$\frac{(57908-802-0-291-144-0-0-0)-(59422-41-0-0)}{57908-802-0-291-144-0-0-0}$	=	$\frac{-2,710}{56,671}$	= -0.048
2012-13	$\frac{(60983-580-84-241-18-0-0-0)-(59525-0-0-0)}{60983-580-84-241-18-0-0-0}$	=	$\frac{535}{60,060}$	= 0.009
2013-14	$\frac{(64385-2616-0-92-24-0-0-0)-(59681-239-0-0)}{64385-2616-0-92-24-0-0-0}$	=	$\frac{2,211}{61,653}$	= 0.036

*Note: Both numerator and denominator in this calculation excludes fair value adjustments, reversal of revaluation decrements, net gain/losses on sale of assets and net share/loss of interests in joint ventures*

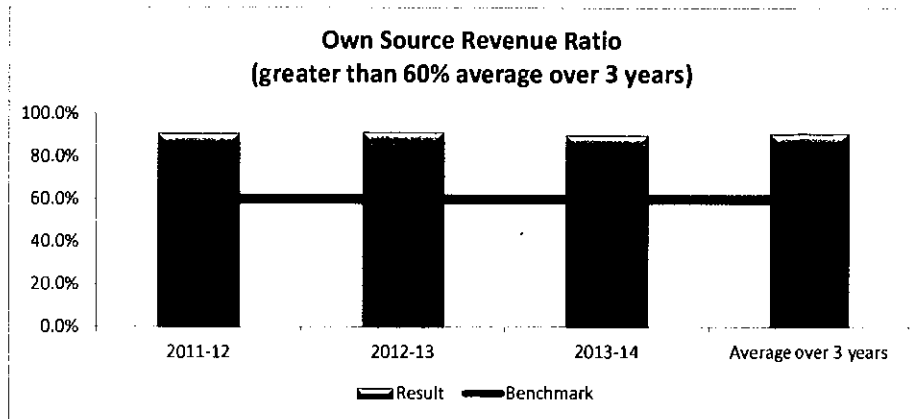
# GENERAL FUND - OWN SOURCE REVENUE RESULT

## Manly Council

### BENCHMARK AND RESULT

Benchmark:- Greater than 60% average over 3 years

	2011-12	2012-13	2013-14	Average over 3 years
Result	90.9%	91.6%	90.0%	90.8%
Benchmark	60%	60%	60%	60%



MEETS THE FFTF  
BENCHMARK

YES

***This is how we calculated the council's result.....***

*(Figures are carried over from the data sheet and are in \$000)*

	<i>Total continuing operating revenue less all grants and contributions</i>		<i>Total continuing operating revenue inclusive of capital grants and contributions</i>		
2011-12	$\frac{57908-4429-802-0-291-144-0-0-0}{57908-0-291-144-0-0-0}$	=	$\frac{52,242}{57,473}$	=	90.9%
2012-13	$\frac{60983-4540-580-84-241-18-0-0-0}{60983-84-241-18-0-0-0}$	=	$\frac{55,520}{60,640}$	=	91.6%
2013-14	$\frac{64385-3788-2616-0-92-24-0-0-0}{64385-0-92-24-0-0-0}$	=	$\frac{57,865}{64,269}$	=	90.0%

*Note: Both numerator and denominator in this calculation excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets and net share of interests in joint ventures*

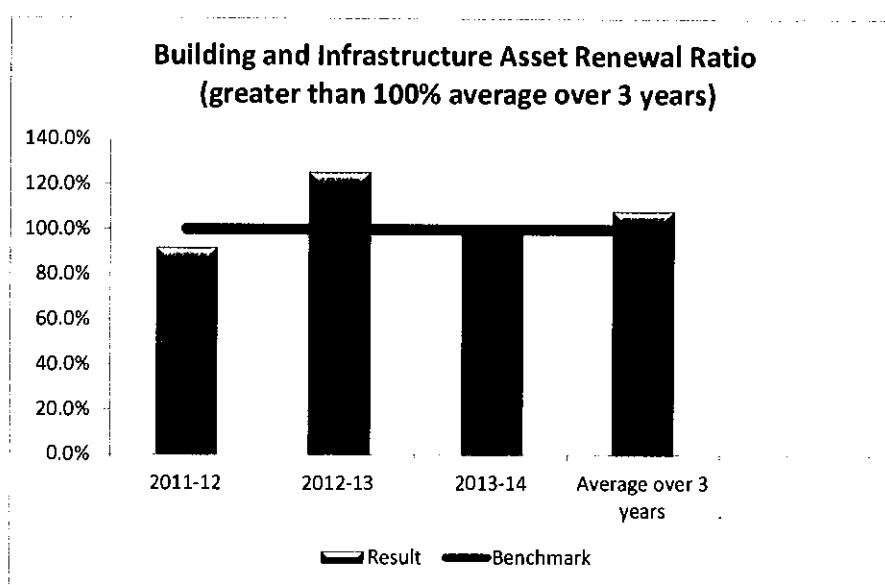
# GENERAL FUND - BUILDING AND INFRASTRUCTURE ASSET RENEWAL RESULT

## Manly Council

### BENCHMARK AND RESULT

Benchmark:- Greater than 100% average over 3 years

	2011-12	2012-13	2013-14	Average over 3 years
Result	91.9%	125.5%	102.0%	108.3%
Benchmark	100%	100%	100%	100%



MEETS THE FFTF  
BENCHMARK

YES

***This is how we calculated the council's result.....***

*(Figures are carried over from the data sheet and are in \$000)*

<b><i>Asset renewals (building and infrastructure)</i></b>			
<b><i>Depreciation, amortisation and impairment (building and infrastructure)</i></b>			
2011-12	$\frac{3,642}{3,962}$	=	91.9%
2012-13	$\frac{6,748}{5,377}$	=	125.5%
2013-14	$\frac{4,411}{4,324}$	=	102.0%

# GENERAL FUND - INFRASTRUCTURE BACKLOG RESULT

## Manly Council

### BENCHMARK AND RESULT

Benchmark:- Less than 2%

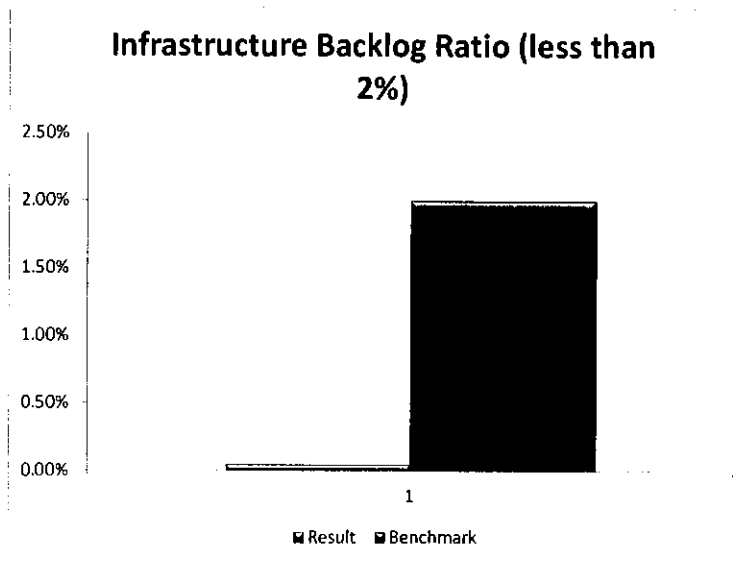
Result

2013-14

0.05%

Benchmark

2%



MEETS THE FFTF  
BENCHMARK

YES



***This is how we calculated the council's result.....***

*(Figures are carried over from the data sheet and are in \$000)*

***Estimated cost to bring assets to a satisfactory condition***

***Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets***

2013-14	$\frac{165}{337,638}$	=	0.05%
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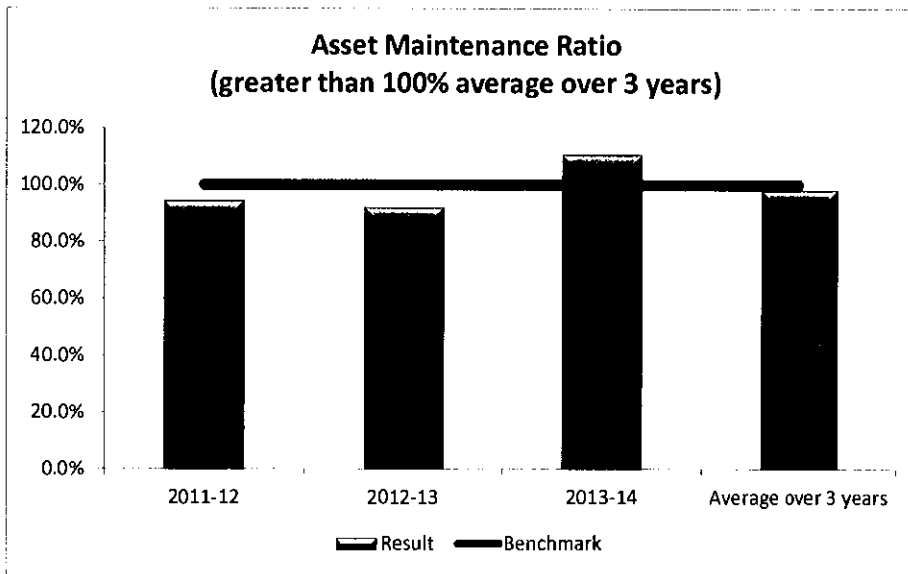
# GENERAL FUND - ASSET MAINTENANCE RESULT

## Manly Council

### BENCHMARK AND RESULT

Benchmark:- Greater than 100% average over 3 years

	2011-12	2012-13	2013-14	Average over 3 years
Result	94.3%	92.1%	110.8%	98.2%
Benchmark	100%	100%	100%	100%



MEETS THE FFTF  
BENCHMARK

NO

*This is how we calculated the council's result.....*

*(Figures are carried over from the data sheet and are in \$000)*

	<u>Actual asset maintenance</u>		
	<u>Required asset maintenance</u>		
2011-12	$\frac{2,271}{2,407}$	=	94.3%
2012-13	$\frac{3,645}{3,958}$	=	92.1%
2013-14	$\frac{2,963}{2,675}$	=	110.8%

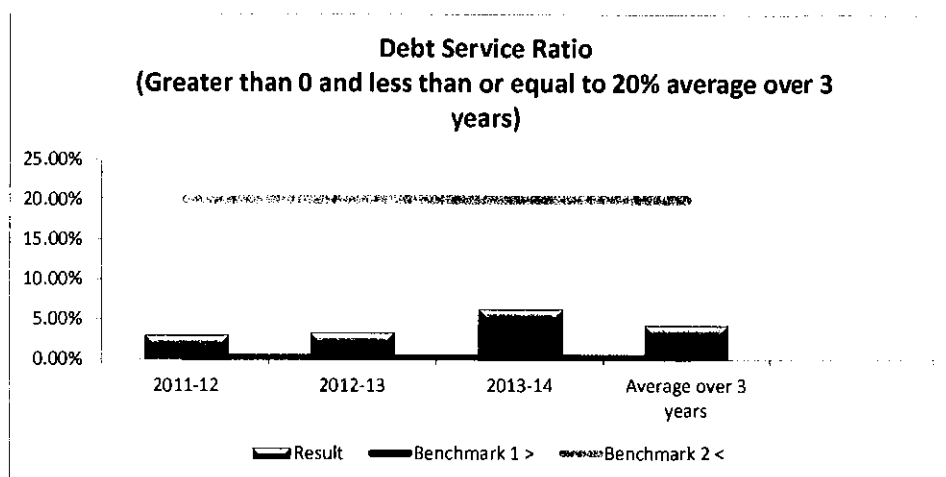
# GENERAL FUND - DEBT SERVICE RESULT

## Manly Council

### BENCHMARK AND RESULT

Benchmark:- Greater than 0 and less than or equal to 20% average over 3 years

	2011-12	2012-13	2013-14	Average over 3 years
Result	3.05%	3.39%	6.32%	4.30%
Benchmark 1 >	0%	0%	0%	0%
Benchmark 2 <	20%	20%	20%	20%



MEETS THE FFTF  
BENCHMARK



YES

*This is how we calculated the council's result.....*

*(Figures are carried over from the data sheet and are in \$000)*

	Cost of debt service (interest expense & principal repayments)		Total continuing operating revenue (exc. capital grants and contributions)	
2011-12	1098+633	=	1,731	= 3.05%
	57908-802-0-291-144-0-0		56,671	
2012-13	1232+802	=	2,034	= 3.39%
	60983-580-84-241-18-0-0		60,060	
2013-14	2326+1573	=	3,899	= 6.32%
	64385-2616-0-92-24-0-0		61,653	

*Note: The denominator in this calculation excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets and net share of interests in joint ventures*

# GENERAL FUND - REAL OPERATING EXPENDITURE PER CAPITA RESULT

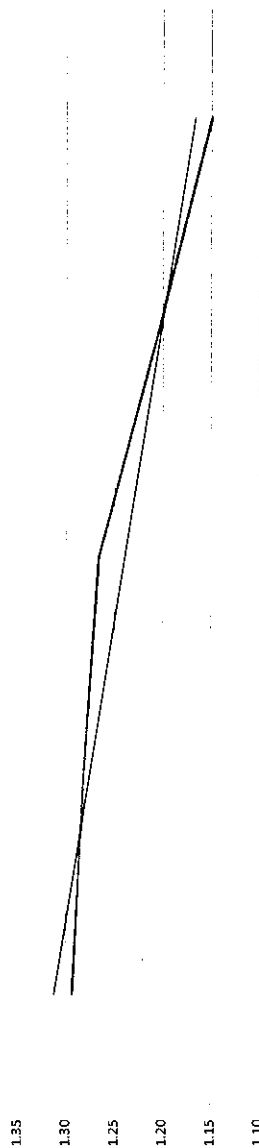
## Manly Council

### BENCHMARK AND RESULT

Benchmark:- A decrease in Real Operating Expenditure per capita over time

	2009-10	2010-11	2011-12	2012-13	2013-14
Result	1.29	1.28	1.27	1.21	1.15

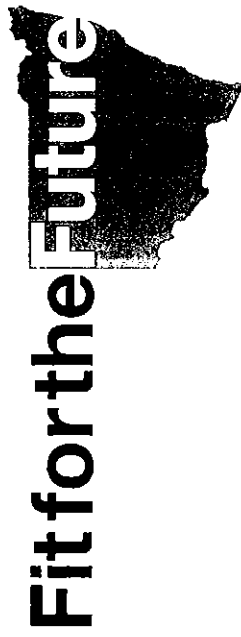
### Real Operating Expenditure per capita over time



This is how we calculated the council's result.....  
(Figures are carried over from the data sheet and are in \$000)

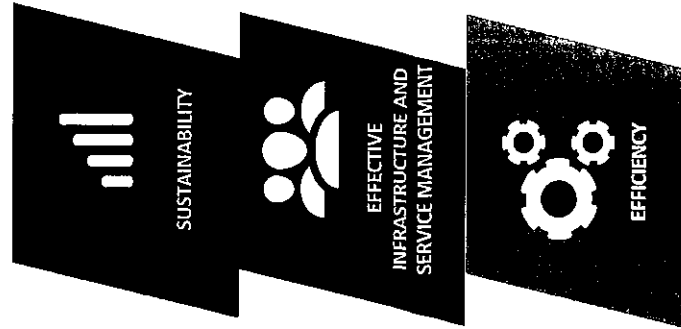
Expenditure deflated by:	CPI:-	2009-10 2.3%	2010-11 3%	2011-12 3.0%	2012-13 3.4%	2013-14 3.7%
2009-10	54833.5-0.0x(1-.023) 41418.5	=			53.567 41418.5	1.29
2010-11	57346.53-0.0x(1-.023)x(1-.03) 47358.5	=			54.296 42.359	1.28
2011-12	59422.41-0.0x(1-.023)x(1-.03)x(1-.03) 43115	=			54.587 43.115	1.27
2012-13	59525-0-0x(1-.023)x(1-.03)x(1-.03)x(1-.034) 43822	=			52.858 43.822	1.21
2013-14	59681.239-0-0x(1-.023)x(1-.03)x(1-.03)x(1-.034)x(1-.037) 44232	=			50.832 44.232	1.15

Note: The numerator in this calculation excludes revaluation decrements, net loss from disposal of assets and net loss of interests in joint ventures.



## Criteria Results

### Manly Council



BENCHMARK		RESULT	MEETS FITF BENCHMARK
Sustainability	Operating Performance Ratio (greater or equal to break-even average over 3 years)	0.000	YES ✓
	Own Source Revenue Ratio (greater than 60% average over 3 years)	90.81%	YES ✓
	Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)	108.33%	YES ✓
Effective Infrastructure and Service Management	Infrastructure Backlog Ratio (less than 2%)	0.05%	YES ✓
	Asset Maintenance Ratio (greater than 100% average over 3 years)	98.22%	NO ✗
	Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)	4.30%	YES ✓
Efficiency		A decrease in Real Operating Expenditure per capita over time	Decreasing ✓

OVERALL RESULT ✗

The Council does not meet all seven of the Fit for the Future Criteria

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**Subject:** FW: Revised LTFP for Manly Council - Impact on Merger Analysis for Northern Beaches

**Importance:** High

**From:** Blong, Nick [REDACTED]

**Sent:** Wednesday, 17 June 2015 9:01 PM

**To:** HTWong; Kathryn Parker

**Cc:** Casey, Steven; Brooke, Graham

**Subject:** Revised LTFP for Manly Council - Impact on Merger Analysis for Northern Beaches

Dear Henry

Thank you for your email of 12 June providing a revised Long Term Financial Plan (LTFP) for Manly Council which we understand has recently been adopted by the Council.

As requested, we have incorporated the revised LTFP into our financial model that we prepared as part of our extensive local government reform analysis published in the final report *Independent review of structural options for Manly Council & Pittwater Council (Part A and Part B)* on 1 April 2015. Significantly, the final report was publically released and has informed extensive public consultations undertaken by each council on local government reform.

It is important to note each Council's LTFP forms the base case for analysing the financial and economic impacts of potential mergers. Consequently, revisions to a Council's LTFP will directly affect the financial and economic analysis of all merger options. In incorporating Manly Council's revised LTFP, we have assumed no changes to the LTFPs of Pittwater Council or Warringah Council. Similarly, we have assumed all assumptions underpinning our earlier analysis of merger impacts remain unchanged for each of the following scenarios:

- Option One: *No Merger (Status Quo)*
- Option Two: *Greater Manly Council & Greater Pittwater Council*
- Option Three: *One Council for Northern Beaches*

The assumptions and methodology underpinning our earlier analysis are provided in detail in our final report of 1 April 2015. The revised economic and financial impacts for each of these options, including the performance against the Fit for the Future criteria, are summarised below. Please be aware, this analysis is provided to Manly Council as un-branded KPMG work, and as such should not be publically attributed to KPMG.

### Option One: No Merger (Status Quo)

Under this scenario all Northern Beaches standalone with no mergers implemented. Table 1 provides a revised assessment of Manly Council's performance against the seven Fit for the Future benchmarks. Based on Manly Council's revised LTFP each of the Fit for the Future criteria are met.

*Table 1 Revised Fit for the Future Performance, No Mergers - Manly Council*

Ratio	Benchmark	2015 -16	2016 - 17	2017 - 18	2018 - 19	2019 - 20
Operating Performance (%)	> 0	9.9	7.8	11.6	11.7	13.0
Own Source Revenue (%)	> 60	92	92	93	93	93
Building & Infrastructure Asset Renewal (%)	> 100	181	132	100	100	100
Infrastructure Backlog (%)	< 2	0	0	0	0	0
Asset Maintenance (%)	> 100	105	105	105	105	105
Debt Service (%)	< 20	9	10	9	9	8

Real Operating Expenditure per capita (\$)	<b>Declining</b>	1,328	1,343	1,334	1,317	1,303
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Source: KPMG Analysis based on Manly Council's revised LTFP.

## Option Two: Greater Manly Council & Greater Pittwater Council

The Greater Manly Council & Greater Pittwater Council option combines three Northern Beaches councils into two. The revised assessment for Greater Manly Council's performance against the seven Fit for the Future benchmarks is presented below in Table 2. Based on Manly Council's revised LTFP each of the Fit for the Future criteria are met.

Table 2 Revised Fit for the Future Performance, Greater Manly Council

Ratio	Benchmark	2015 -16	2016 - 17	2017 - 18	2018 - 19	2019 - 20
Operating Performance (%)	<b>&gt; 0</b>	0.30	5.01	6.10	7.06	7.88
Own Source Revenue (%)	<b>&gt; 60</b>	93	93	94	94	94
Building & Infrastructure Asset Renewal (%)	<b>&gt; 100</b>	172	114	106	103	103
Infrastructure Backlog (%)	<b>&lt; 2</b>	0.00	0.00	0.00	0.00	0.00
Asset Maintenance (%)	<b>&gt; 100</b>	104	104	104	104	104
Debt Service (%)	<b>&lt; 20</b>	5.72	6.23	5.6	5.35	5.15
Real Operating Expenditure per capita (\$)	<b>Declining</b>	1,217	1,152	1,180	1,170	1,162

Source: KPMG Analysis based on Manly Council's revised LTFP

The creation of a Greater Pittwater Council and a Greater Manly Council on the Northern Beaches offers potential financial benefits for the region. Compared to the original analysis presented in the 1 April 2015 report, the revised financial analysis of Option Two (based on Manly Council's revised LTFP) indicates its successful implementation would be estimated to provide a net financial impact to the region of \$3.77 million (compared with \$3.25 million previously) over a ten year period from 2014-15 in net present terms. When accounting for possible NSW Government financial assistance for council mergers, the estimated net financial impact increases to \$14.26 million (compared with 13.75 million previously) over the ten year period.

The estimated net financial impact represents an aggregate improvement to current net operating results of 1.8 per cent (without financial assistance) and 7.6 per cent (with financial assistance). When measured as a proportion of the merged entities' operating revenue the net financial impacts are 0.2 per cent (without financial assistance) and 0.7 per cent (with financial assistance).

A summary of the revised net financial impact of Option Two are presented in Table 3.

Table 3 Summary of revised net financial impacts, Option Two

Summary of results without financial assistance		Original LTFP	Revised LTFP
PV of merger benefits	\$ million	29.22	29.71
PV of merger costs	\$ million	(25.97)	(25.97)
NPV	\$ million	<b>3.25</b>	<b>3.77</b>
NPV as a proportion of operating results	per cent	1.9	1.9
NPV as proportion of council size (operating revenue)	per cent	0.2	0.2
Summary of results with financial assistance			
PV of merger benefits	\$ million	29.22	29.71
PV of merger costs	\$ million	(15.47)	(15.47)
NPV of option	\$ million	<b>13.75</b>	<b>14.26</b>

NPV as a proportion of operating results	<i>per cent</i>	8.1	7.6
NPV as proportion of council size (operating revenue)	<i>per cent</i>	0.6	0.7

Source: KPMG Analysis of revised Manly Council LTFP

### Option Three: Single Northern Beaches Council

The Northern Beaches council combines Manly Council, Pittwater Council and Warringah Council. A single Northern Beaches Council would meet all seven Fit for the Future benchmarks. A revised assessment of the proposed Northern Beaches Council's performance against the Fit for the Future criteria based on the Manly Council's revised LTFP is presented in Table 4 below.

Table 4 Revised Fit for the Future Performance, Northern Beaches Council

Ratio	Benchmark	2015 -16	2016 - 17	2017 - 18	2018 - 19	2019 - 20
Operating Performance (%)	> 0	0.34	4.57	5.36	6.76	7.40
Own Source Revenue (%)	> 60	90	89	90	92	93
Building & Infrastructure Asset Renewal (%)	> 100	154	107	106	103	104
Infrastructure Backlog (%)	< 2	0	0	0	0	0
Asset Maintenance (%)	> 100	113	114	114	114	114
Debt Service (%)	< 20	4.41	4.75	4.46	4.31	4.15
Real Operating Expenditure per capita (\$)	Declining	1,166	1,114	1,131	1,116	1,108

Source: KPMG Analysis based on Manly Council's revised LTFP.

The merger of Manly Council, Pittwater Council and Warringah Council would likely generate financial benefits to the Northern Beaches region. Compared to the original analysis presented in the 1 April 2015 report, the revised financial analysis of Option Three (based on Manly Council's revised LTFP) indicates its successful implementation would be estimated to provide a net financial impact to the region of \$37.56 million (compared with \$34.50 million previously) over a ten year period from 2014-15 in net present terms. When accounting for possible NSW Government financial assistance for council mergers, the estimated net financial impact increases to \$48.06 million (compared with \$45.00 million) previously over the ten year period.

The estimated net financial impact represents an aggregate improvement to current net operating results of 17.9 per cent (without financial assistance) and 21.7 per cent (with financial assistance). When measured as a proportion of the merged entities' operating revenue the net financial impacts are 1.8 per cent (without financial assistance) and 2.3 per cent (with financial assistance). A summary of the net financial impacts of Option Three are presented in Table 5.

Table 5 Summary of revised net financial impacts, Option Three

Summary of results without financial assistance		Original LTFP	Revised LTFP
PV of merger benefits	\$ million	54.95	58.01
PV of merger costs	\$ million	(20.45)	(20.45)
NPV	\$ million	<b>34.50</b>	<b>37.56</b>
NPV as a proportion of operating results	<i>per cent</i>	20.4	17.9
NPV as proportion of council size (operating revenue)	<i>per cent</i>	1.6	1.8
Summary of results with financial assistance			
PV of merger benefits	\$ million	54.95	58.01
PV of merger costs	\$ million	(9.95)	(9.95)
NPV of option	\$ million	<b>45.00</b>	<b>48.06</b>

NPV as a proportion of operating results	<i>per cent</i>	26.4	21.7
NPV as proportion of council size (operating revenue)	<i>per cent</i>	2.1	2.3

Source: KPMG Analysis based on Manly Council's revised LTFP.

Overall, the revised LTFP provided to KPMG has resulted in Manly Council meeting all seven Fit for the Future benchmarks in each of the options considered – including the no merger base case (or status quo). Further, the revised LTFP has only a modest impact on the net financial benefits of each merger option and the overall narrative and findings of the final report of 1 April 2015 remain valid.

Please do not hesitate to contact me should you have any questions regarding the analysis presented above.

Kind regards

**Nick Blong**  
Associate Director

KPMG  
10 Shelley Street  
Sydney NSW 2000 Australia



[kpmg.com.au](http://kpmg.com.au)




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