

Port Macquarie-Hastings Council - General Fund  
Fit for the Future Ratio Outcomes following application of proposed action plan

Note: in addition to the detailed action plan, the modeling includes introduction of Special Rate Variation (SRV) in 2017/18 to be phased in over 5 years

Operating Performance Ratio		Benchmark greater than 0											Excludes profit/loss on sale of assets Total continuing operating revenue (excluding capital grants and contributions) - Operating Expenses/Total continuing operating revenue (excluding capital grants and contributions)	
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Operating Revenue (Excl Capital) - Operating Expenses (\$'000)			-1,784	-12,183	-5,338	-8,783	-10,216	-11,118	-12,461	-13,430	-13,503	-14,471	-16,521	-17,769
Operating Revenue (Excl Capital) (\$'000)			89,746	89,901	88,606	90,236	90,555	93,203	95,839	98,513	101,238	104,015	106,856	109,747
Yearly Ratio			-0.02	-0.14	-0.06	-0.0973	-0.11	-0.12	-0.13	-0.14	-0.13	-0.14	-0.15	-0.16
Additional anticipated Operating Income from Action Plan														
Continuation of 4.43% SRV							1,948	2,006	2,066	2,128	2,192	2,258	2,326	2,395
Additional Crematorium Revenue						50	50	50	50	50	50	50	50	50
Parks & Gardens Income - Cost Recovery						300	307	315	322	330	338	346	354	363
Additional SRV (not approved)		% Required	53.53%			0	4,753	10,006	15,809	22,223	28,385	29,066	29,764	30,478
		Per Assessment	768.00											
Dividend from Sewerage Fund (dependent on loan review)					297	667	906	915	924	933	942	952	962	971
Dividend from Water Fund					527	661	978	988	997	959	832	717	496	387
Land Review					43	335	867	1,393	1,765	1,765	1,765	1,765	1,765	1,765
Additional anticipated Operating Expenditure from Action Plan														
Current interest on refinanced Glasshouse Loans					-849	-774	-704	-623	-558	-494	-421	-347	-269	-183
Revised interest on refinanced Glasshouse Loans					524	479	432	383	332	279	225	168	109	47
Leave Review					-100	-100	-100	-100	-100	-100	-100	-100	-100	-100
Continuation of 4.43% SRV Mtce Expenditure							580	597	615	633	652	672	692	713
Component of new SRV allocated to maintenance						2,500	2,560	2,637	2,742	2,879	3,052	3,266	3,527	3,844
Reduction in General Fund Buildings Depreciation				-400	-416	-433	-450	-468	-487	-506	-526	-547	-569	-592
Increase in Stormwater Depreciation based on 80 years				700	728	757	787	819	852	886	921	958	996	1,036
Reduction in Stormwater Depreciation based on 100 year life					-500	-520	-541	-562	-585	-608	-633	-658	-684	-712
Reduction in Roads Depreciation based on reduced useful life					-600	-624	-649	-675	-702	-730	-759	-790	-821	-854
Procurement Savings						-250	-256	-262	-268	-275	-281	-288	-295	-302
Yearly Ratio (after additional funds applied)		-0.034	-0.02	-0.14	-0.036	-0.085	-0.021	0.026	0.065	0.102	0.139	0.132	0.117	0.108
Fit for the Future ratio (avg over 3 years)			-0.095	-0.063	-0.064	-0.086	-0.047	-0.026	0.023	0.064	0.102	0.124	0.129	0.119
Own Source Revenue		Benchmark greater than 60%											Excludes profit/loss on sale of assets Total continuing operating revenues less all grants and contributions/Total continuing operating revenues inclusive of capital grants and contributions.	
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Operating Revenues Less all grants and contributions (\$'000)			79,248	75,236	75,656	76,747	76,918	79,089	81,305	83,547	85,827	88,145	90,514	92,919
Total operating revenue (\$'000)			113,360	114,633	117,441	99,753	99,998	102,681	105,257	108,012	110,657	113,463	116,274	119,246
Yearly Ratio			69.91%	65.63%	64.42%	76.94%	76.92%	77.02%	77.24%	77.35%	77.56%	77.69%	77.85%	77.92%
Additional anticipated Operating Income from Action Plan														
Continuation of 4.43% SRV					0	0	1,948	2,006	2,066	2,128	2,192	2,258	2,326	2,395
Additional Crematorium Revenue						50	50	50	50	50	50	50	50	50
Parks & Gardens Income - Cost Recovery						300	307	315	322	330	338	346	354	363
Additional SRV (not approved)		% Required	53.53%			0	4,753	10,006	15,809	22,223	28,385	29,066	29,764	30,478
Land Review					43	335	867	1,393	1,765	1,765	1,765	1,765	1,765	1,765
Yearly Ratio (after additional funds applied)		60.00%	69.91%	65.63%	64.43%	77.09%	78.61%	79.74%	80.88%	81.81%	82.68%	82.77%	82.89%	82.94%
Fit for the Future ratio (avg over 3 years)			64.60%	65.18%	66.66%	69.05%	73.38%	78.48%	79.74%	80.81%	81.79%	82.42%	82.78%	82.87%

Building and Infrastructure renewals ratio		Benchmark greater than 100%											
		Asset renewals (building and infrastructure) / Depreciation and impairment (building and infrastructure).											

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Asset renewals (building and infrastructure) (\$'000)		9,164	13,255	29,330	11,939	13,070	12,325	14,017	13,105	12,923	11,785	12,944	14,321
Depreciation and impairment (building & infrastructure) (\$'000)		20,448	26,069	24,803	25,795	26,827	27,900	29,016	30,176	31,383	32,639	33,944	35,302
% of purchases that are renewals		21.00%	21.00%	44.52%	60.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Yearly Ratio		44.82%	50.85%	118.25%	46.29%	48.72%	44.18%	48.31%	43.43%	41.18%	36.11%	38.13%	40.57%
<b>Adjusted Operating Expenditure from Action Plan</b>													
Continuation of 4.43% SRV						1,368	1,409	1,451	1,495	1,540	1,586	1,633	1,682
New SRV applied to renewals						2,193	7,369	13,067	19,343	25,333	25,800	26,237	26,633
Reduction in General Fund Buildings Depreciation			-400	-416	-433	-450	-468	-487	-506	-526	-547	-569	-592
Increase in Stormwater Depreciation based on 80 years			700	728	757	787	819	852	886	921	958	996	1,036
Reduction in Stormwater Depreciation based on 100 year life				-500	-520	-541	-562	-585	-608	-633	-658	-684	-712
Reduction in Roads Depreciation based on reduced useful life				-600	-624	-649	-675	-702	-730	-759	-790	-821	-854
Yearly Ratio (after additional funds applied)	74.30%	44.82%	50.85%	122.13%	47.80%	64.03%	78.12%	101.57%	116.17%	130.96%	123.95%	124.18%	124.74%
Fit for the Future ratio (avg over 3 years)		46.04%	56.65%	72.60%	73.59%	77.99%	63.32%	81.24%	98.62%	116.24%	123.70%	126.37%	124.29%

Infrastructure Backlog Ratio		Benchmark less than 2%											
		Estimated cost to bring to satisfactory condition / Total value of infrastructure, building, other structures and depreciable land improvement assets.											

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Estimated cost to bring assets to satisfactory condition (\$'000)		248,875	119,933	116,716	116,716	116,716	116,716	116,716	116,716	116,716	116,716	116,716	116,716
Total value of assets (\$'000)		1,213,690	1,250,742	1,292,607	1,287,531	1,274,626	1,259,938	1,245,861	1,229,748	1,212,285	1,192,468	1,172,546	1,152,687
Yearly Ratio		20.51%	9.59%	9.03%	9.07%	9.16%	9.26%	9.37%	9.49%	9.63%	9.79%	9.95%	10.13%
<b>Additional renewals expenditure as detailed in the Action Plan</b>													
Continuation of 4.43% SRV				0	0	1,368	1,409	1,451	1,495	1,540	1,586	1,633	1,682
New SRV applied to backlog						2,193	7,369	13,067	19,343	25,333	25,800	26,237	26,633
Yearly Ratio (after additional funds applied)		20.51%	9.59%	9.03%	9.07%	8.85%	8.20%	7.06%	5.40%	3.28%	1.14%	-1.01%	-3.16%
Fit for the Future ratio		20.51%	9.59%	9.03%	9.07%	8.85%	8.20%	7.06%	5.40%	3.28%	1.14%	-1.01%	-3.16%

Asset Maintenance Ratio		Benchmark greater than 100%											
		Actual Asset maintenance / Required asset maintenance											

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Actual Asset maintenance (\$'000)		13,120	13,382	13,703	14,032	14,369	14,714	15,067	15,428	15,799	16,178	16,566	16,964
Required asset maintenance (\$'000)		34,688	16,332	16,724	17,125	17,536	17,957	18,388	18,830	19,281	19,744	20,218	20,703
Yearly Ratio		37.82%	81.94%	81.94%	81.94%	81.94%	81.94%	81.94%	81.94%	81.94%	81.94%	81.94%	81.94%
Additional Operating Expenditure as detailed in the Action Plan													
Additional required to meet benchmark (from SRV)													
					2,500	2,560	2,637	2,742	2,879	3,052	3,266	3,527	3,844
Yearly Ratio (after additional funds applied)	29.70%	37.82%	81.94%	81.94%	96.54%	96.54%	96.62%	96.85%	97.23%	97.77%	98.48%	99.38%	100.51%
Fit for the Future ratio (avg over 3 years)		33.00%	49.82%	67.23%	86.80%	91.67%	96.56%	96.67%	96.90%	97.28%	97.82%	98.54%	99.46%

Efficiency Ratio		Benchmark is a decrease in real operating expenditure per capita over time											
		Excludes profit/loss on sale of assets Total expenses excluding loss on disposal of assets and revaluation decrements / population											

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Deflated operating expenses		78,273	84,853	76,134	78,241	77,635	78,361	79,316	79,934	79,884	80,429	81,655	82,285
Population Data		76,563	77,398	78,241	79,094	79,956	80,828	81,709	82,599	83,500	84,410	85,330	86,260
Yearly Ratio		102.23%	109.63%	97.31%	98.92%	97.10%	96.95%	97.07%	96.77%	95.67%	95.28%	95.69%	95.39%
Revised Operating Expenditure as detailed in the Action Plan													
Continuation of 4.43% SRV Mtce Expenditure													
Procurement Savings													
Reduction in General Fund Buildings Depreciation													
Increase in Stormwater Depreciation based on 80 years													
Reduction in Stormwater Depreciation based on 100 year life													
Additional Maintenance expenditure from new SRV													
Current interest on refinanced Glasshouse Loans													
Revised interest on refinanced Glasshouse Loans													
2009/10													
2010/11													
2011/12													
Yearly Ratio (after additional funds applied)	1.02	0.99	1.10	0.968	1.007	0.994	0.993	0.994	0.992	0.982	0.979	0.984	0.983
5 year average		1.040	1.058	1.039	1.017	1.012	1.012	0.991	0.996	0.991	0.988	0.986	0.984

Debt Service Ratio			Benchmark greater than 0 but less than 20%											Debt Services / Total revenue from continuing operations excluding capital grants and contributions.										
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	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25											
Debt Service Costs		7,690	9,119	9,257	9,595	9,328	8,900	8,673	8,536	8,532	8,528	5,997	5,427											
Total revenue from continuing operations less capital grants and contributions		89,746	89,901	88,606	90,236	90,555	93,203	95,839	98,513	101,238	104,015	106,856	109,747											
Yearly Ratio		8.57%	10.14%	10.45%	10.63%	10.30%	9.55%	9.05%	8.66%	8.43%	8.20%	5.61%	4.94%											
Additional anticipated Operating Income from the Action Plan																								
Continuation of 4.43% SRV				0	0	1,948	2,006	2,066	2,128	2,192	2,258	2,326	2,395											
Additional Crematorium Revenue				0	50	50	50	50	50	50	50	50	50											
Parks & Gardens Income - Cost Recovery				0	300	307	315	322	330	338	346	354	363											
Additional SRV (not approved)	% Required	53.53%		0	0	4,753	10,006	15,809	22,223	28,385	29,066	29,764	30,478											
Land Review				43	335	867	1,393	1,765	1,765	1,765	1,765	1,765	1,765											
Revised Loan Expenditure as anticipated from the Action Plan																								
Current interest on refinanced Glasshouse Loans				-849	-774	-704	-623	-558	-494	-421	-347	-269	-183											
Revised interest on refinanced Glasshouse Loans				524	479	432	383	332	279	225	168	109	47											
Current principal on refinanced Glasshouse Loans				-991	-1,066	-1,137	-1,042	-933	-997	-1,069	-1,143	-1,222	-1,308											
Revised principal on refinanced Glasshouse Loans				1,190	1,236	1,283	1,331	1,382	1,435	1,490	1,547	1,606	1,667											
Yearly Ratio (after additional funds applied)	8.06%	8.57%	10.14%	10.30%	10.42%	9.34%	8.37%	7.68%	7.01%	6.54%	6.37%	4.41%	3.90%											
Fit for the Future ratio (avg over 3 years)		8.65%	8.92%	9.67%	10.29%	10.02%	9.38%	8.46%	7.68%	7.07%	6.64%	5.77%	4.89%											