

**Port Macquarie-Hastings Council**  
**Budget Review for the quarter ended 31 December 2022**  
**Income & Expenses**

	ANNUAL						YEAR TO DATE			CURRENT QUARTER		
	Original Budget 2022/23 (000's)	Original Budget including Carry-over 2022/23 (000's)	Approved Changes Jul-Aug 22 Reviews (000's)	Approved Changes Sep-Nov 22 Reviews (000's)	Revised Budget	Projected Year End Result 2022/23 (000's)	YTD Actuals (000's)	YTD Budget (000's)	Actuals as a % of Budget	Oct 22 - Dec 22 Actuals	Oct 22 - Dec 22 Budget	Oct 22 - Dec 22 Actuals as a % of Budget
<b>Income</b>												
Rates and Annual Charges	110,829	110,829			110,829	110,829	106,320	105,768	100.5%	1,776	(3,558)	-49.9%
User Charges and Fees	41,032	41,032			41,032	41,032	17,557	17,689	99.3%	9,910	10,119	97.9%
Interest and Investment Revenue	5,499	5,499			5,499	5,499	4,297	2,939	146.2%	2,359	1,944	121.3%
Other Revenues	6,084	6,084	10	11	6,105	6,105	3,795	3,156	120.2%	1,466	1,654	88.6%
Grants and Contributions - Operating	15,013	15,463	938	1,030	17,431	17,431	5,600	5,375	104.2%	3,838	1,841	208.5%
Grants and Contributions - Capital	73,465	79,403	2,485	1,043	82,931	82,931	19,526	22,656	86.2%	11,315	13,947	81.1%
<b>Total Income from Continuing Operations</b>	<b>251,922</b>	<b>258,310</b>	<b>3,433</b>	<b>2,084</b>	<b>263,827</b>	<b>263,827</b>	<b>157,095</b>	<b>157,583</b>	<b>99.7%</b>	<b>30,664</b>	<b>25,947</b>	<b>118.2%</b>
<b>Expenses</b>												
Employee Costs	57,410	57,410	10	113	57,533	57,533	28,365	29,715	95.5%	15,626	17,020	91.8%
Borrowing Costs	1,327	1,327			1,327	1,327	643	635	101.3%	461	587	78.5%
Materials and Contracts	53,468	54,666	1,528	1,747	57,941	57,941	20,760	25,372	81.8%	12,208	12,602	96.9%
Depreciation	50,753	50,753			50,753	50,753	26,104	25,377	102.9%	13,052	12,688	102.9%
Other Expenses	16,164	16,164	161		16,325	16,325	7,081	8,352	84.8%	3,538	3,519	100.5%
Net Loss/(Profit) from Disposal of Assets	3,000	3,000			3,000	3,000	0	0	0.0%	0	0	0.0%
<b>Total Expenses from Continuing Operations</b>	<b>182,122</b>	<b>183,320</b>	<b>1,699</b>	<b>1,860</b>	<b>186,879</b>	<b>186,879</b>	<b>82,953</b>	<b>89,451</b>	<b>92.7%</b>	<b>44,885</b>	<b>46,416</b>	<b>96.7%</b>
<b>Net Operating Result from Continuing Operations - Surplus/(Deficit)</b>	<b>69,800</b>	<b>74,990</b>	<b>1,734</b>	<b>224</b>	<b>76,948</b>	<b>76,948</b>	<b>74,142</b>	<b>68,133</b>	<b>108.8%</b>	<b>(14,221)</b>	<b>(20,469)</b>	<b>69.5%</b>
<b>Net Operating Result before Capital Items - Surplus/(Deficit)</b>	<b>(3,665)</b>	<b>(4,413)</b>	<b>(751)</b>	<b>(819)</b>	<b>(5,983)</b>	<b>(5,983)</b>	<b>54,616</b>	<b>45,477</b>	<b>120.1%</b>	<b>(25,536)</b>	<b>(34,416)</b>	<b>74.2%</b>

**Port Macquarie-Hastings Council**  
**Budget Review for the quarter ended 31 December 2022**  
**Capital Budget (excluding Commitments)**

	ANNUAL						YEAR TO DATE			CURRENT QUARTER		
	Original Budget 2022/23 (000's)	Carry- over (000's)	Approved Changes Jul-Aug 22 Reviews (000's)	Approved Changes Sep-Nov 22 Reviews (000's)	Revised Budget	Projected Year End Result 2022/23 (000's)	YTD Actuals (000's)	YTD Budget (000's)	Actuals as a % of Budget	Oct 22 - Dec 22 Actuals	Oct 22 - Dec 22 Budget	Oct 22 - Dec 22 Actuals as a % of Budget
<b>Capital Funding</b>												
General fund rates and environmental levy	14,043	2,457	57	25	16,582	16,582	7,231	8,171	88.5%	4,819	5,050	95.4%
Capital grants and contributions	60,934	5,656	2,418	1,043	70,051	70,051	13,384	13,033	102.7%	9,153	4,483	204.2%
Internal restrictions	14,363	4,440	(42)	4,877	23,638	23,638	10,355	12,154	85.2%	6,963	8,192	85.0%
External restrictions	40,579	3,829	(572)	4,087	47,923	47,923	4,412	7,967	55.4%	3,674	5,514	66.6%
S94/64 funds	18,606	493			19,099	19,099	727	1,128	64.5%	298	636	46.9%
Loans	4,300				4,300	4,300	3,800	3,643	104.3%	2,685	2,320	0.0%
<b>Total Capital Funding</b>	<b>152,825</b>	<b>16,875</b>	<b>1,861</b>	<b>10,032</b>	<b>181,593</b>	<b>181,593</b>	<b>39,909</b>	<b>46,096</b>	<b>86.6%</b>	<b>27,592</b>	<b>26,195</b>	<b>105.3%</b>
<b>Capital Expenditure</b>												
General fund asset purchases/construction	93,845	12,883	2,432	5,945	115,105	115,105	29,493	31,910	92.4%	19,952	16,467	121.2%
Waste management asset purchases/construction	1,014	245			1,259	1,259	37	116	31.9%	1	84	1.2%
Water supply asset purchases/construction	26,250	2,390	(621)		28,019	28,019	1,899	3,461	54.9%	1,189	1,899	62.6%
Sewerage services asset purchases/construction	24,519	1,357	50	4,087	30,013	30,013	2,917	4,922	59.3%	2,706	3,877	69.8%
<b>Capital Expenditure excluding Loans</b>	<b>145,628</b>	<b>16,875</b>	<b>1,861</b>	<b>10,032</b>	<b>174,396</b>	<b>174,396</b>	<b>34,346</b>	<b>40,409</b>	<b>85.0%</b>	<b>23,848</b>	<b>22,327</b>	<b>106.8%</b>
Loan Repayments (principal)	7,197	0	0	0	7,197	7,197	5,563	5,687	97.8%	3,744	3,868	96.8%
<b>Total Capital Expenditure</b>	<b>152,825</b>	<b>16,875</b>	<b>1,861</b>	<b>10,032</b>	<b>181,593</b>	<b>181,593</b>	<b>39,909</b>	<b>46,096</b>	<b>86.6%</b>	<b>27,592</b>	<b>26,195</b>	<b>105.3%</b>

**Port Macquarie-Hastings Council**  
**Budget Review for the quarter ended 31 December 2022**  
**Cash & Investments**

	Original Budget 2022/23 (000's)	Carry- over (000's)	Approved Changes Jul-Aug 22 Reviews (000's)	Approved Changes Sep-Nov 22 Reviews (000's)	Revised Budget	Projected year end result 2022/23 (000's)	YTD Actuals (000's)
<b>Unrestricted</b>	0		(102)	129	27	27	
<b>External restrictions</b>							
Developer Contributions (Incl Water & Sewer)	141,134	(494)		(33)	140,607	140,607	
Unexpended Contributions	153				153	153	
Unexpended Grants	61,440				61,440	61,440	
Unexpended Loans	(2,435)	(261)		(65)	(2,761)	(2,761)	
Water Supply	70,064	(2,148)	622	(188)	68,350	68,350	
Sewerage Services	29,945	(1,475)	(50)	(4,276)	24,144	24,144	
Employee Leave Entitlements (Restricted)	0				0	0	
Special Rates	1,069				1,069	1,069	
Domestic Waste Management	22,220	(380)	(160)	(64)	21,616	21,616	
Stormwater Management	176	(301)			(125)	(125)	
Deposits and Bonds	8,155				8,155	8,155	
<b>Total external restrictions</b>	331,921	(5,059)	412	(4,626)	322,648	322,648	
<b>Internal allocations</b>							
<b>Operational Reserves</b>							
Committed Works	5,110	(2,911)			2,199	2,199	
Employee Leave Entitlements	3,195				3,195	3,195	
Office Building & Equipment	1,305	(20)			1,285	1,285	
Plant Replacement	6,956	(72)	(110)		6,774	6,774	
Working Capital	5,669	(1,888)		(4,063)	(282)	(282)	
	22,235	(4,891)	(110)	(4,063)	13,171	13,171	0
<b>Quarantined Funds</b>							
Crown Reserves	407	(335)			72	72	
Environment Levy	933	(646)	41	(55)	273	273	
Onsite Effluent	1,217				1,217	1,217	
Surf Clubs	847	(151)			696	696	
Tourism & Industry Promotion	1,034	(25)	(116)	(113)	780	780	
	4,438	(1,157)	(75)	(168)	3,038	3,038	0
<b>Roads and Infrastructure</b>							
Asset Revaluation	148	(45)			103	103	
Depot Works	2,900				2,900	2,900	
The Glasshouse	457	(132)	132		457	457	
Ferries	1,954				1,954	1,954	
Infrastructure Priorities	351		(132)		219	219	
Lake Road Upgrade	0				0	0	
Major Buildings Renewals	282	(148)			134	134	
Ocean Drive Duplication	10,426	(176)	42		10,292	10,292	
Playing Fields	300				300	300	
PM Town Centre Masterplan	1,764	(56)		(694)	1,014	1,014	
Road Environmental Works	100				100	100	
Regional Road Infrastructure	613				613	613	
Strategic Priorities Reserve	160				160	160	
Transport Infrastructure Renewal	2,898				2,898	2,898	
William Street Carparking	3,391				3,391	3,391	
Works Associated with Developments	170				170	170	
	25,914	(557)	42	(694)	24,705	24,705	0
<b>Council Business Units</b>							
Airport	(290)			(105)	(395)	(395)	
Property Investment	2,034	(86)			1,948	1,948	
	1,744	(86)	0	(105)	1,553	1,553	0
<b>Coastal and Estuary Management</b>							
Canal Maintenance	69				69	69	
Lake Cathie Dredging	9				9	9	
Lake Cathie Remediation - Enforceable Undertaking	0				0	0	
Town Beach Sand Nourishment/4WD Access Points	909	(15)			894	894	
	987	(15)	0	0	972	972	0
<b>Other</b>							
Business Improvement Initiatives	1,681			(515)	1,166	1,166	
Council Election	450				450	450	
Covid-19 Relief Measures	337	(118)	(108)		111	111	
Cultural Activities	122		(115)		7	7	
Planning Studies	191				191	191	
Work Health & Safety Initiatives	345				345	345	
	3,126	(118)	(223)	(515)	2,270	2,270	0
<b>Total internally restricted</b>	58,444	(6,824)	(366)	(5,545)	45,709	45,709	
<b>Total restricted</b>	390,365	(11,883)	46	(10,171)	368,357	368,357	
<b>Total cash and investments</b>	390,365	(11,883)	(56)	(10,042)	368,384	368,384	
<b>Available cash</b>	0	0	(102)	129	27	27	

Total Cash & Investments per the Trial Balance 431,359  
less Cash at Bank & on Hand (4,360)

Total funds invested per the Investment Report 426,999

**Responsible Accounting Officer Statement**

All restricted funds are invested in accordance with Council's Investment Policy.  
Council's cash has been reconciled to the bank statement to the 31 December 2022  
The YTD Total Cash and Investments have been reconciled with funds invested and Cash at Bank.

# Port Macquarie-Hastings Council

Budget Review for the quarter ended 31 December 2022

## TCORP Ratios

### T-Corp Ratios

Ratio	Purpose	Definition	Benchmark	June 2022 Actual Result	Projected June 2023 Position		Internal Target - Short Term (1-2 yrs)	CALCULATION METHOD
					Original 2022/23 Budget	Revised 2022/23 Budget		
Operating Performance	This ratio measures Council's achievement of containing operating expenditure within operating revenue.	(Operating Revenue excluding capital grants and contributions - operating expenses) / (Operating Revenue excluding capital grants and contributions)	Greater than 0	✔ 14.45%	🟡 -0.18%	🟡 -1.65%	>0%	Budget
Own Source Operating 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.	Operating Revenue excluding all grants and contributions/ Total Revenue including all grants and contributions	Greater than 60%	✔ 59.67%	✔ 64.92%	✔ 68.57%	60.00%	Budget
Unrestricted Current Ratio	This ratio is designed to represent Council's ability to meet short term obligations as they fall due.	Current assets less all external restrictions/ current liabilities less specific purpose liabilities	Greater than 1.5	✔ 1.64	✔ 4.86	✔ 1.64	>1.5	Estimate
Debt Service Cover	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.	(Op results before capital excluding interest & depn, impairment, amortisation) / (Principal repayments + borrowing costs)	Greater than 2	✔ 6.29	✔ 4.10	✔ 5.76	>2	Estimate
Rates and Annual Charges Outstanding Percentage	To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	Rates and annual charges outstanding/ Rates and annual charges collectible	<5% metro and <10% rural	✔ 5.75	✔ 4.97	✔ 5.93	< 5.5%	Estimate
Cash Expenses Cover	This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash flow.	(Current year's cash equivalents + term deposits)/ (Payments from cash flow of operating and financing activities) x 12	Greater than 3 months	✔ 37.92	✔ 27.92	✔ 36.73	> 3 months	Estimate
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.	Asset renewals (building, infrastructure and other structures/Depreciation, amortisation and impairment (building, infrastructure and other structures)	100%	✘ 31.91%	✔ 108.92%	✔ 102.24%	>45%	Estimate
Infrastructure Backlog Ratio	This ratio shows what proportion the backlog is against the total value of Council's infrastructure.	Estimated cost to bring assets to a satisfactory condition/ Total value of infrastructure, building, other structures and depreciable land improvement assets.	Less than 2%	🟡 2.37%	✔ 1.48%	✔ 2.27%	<6%	Estimate
Asset Maintenance	This ratio compares actual versus required annual maintenance, as detailed in Special Schedule 7 (of the annual financial statements).	Actual asset maintenance/Required asset maintenance	Greater than 1	🟡 92.45%	🟡 93.77%	🟡 93.22%	>.9	Estimate

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Meets ratio benchmark  
Close to meeting ratio benchmark  
Does not meet benchmark

**Port Macquarie-Hastings Council**  
**Budget Review for the quarter ended 31 December 2022**  
**Consultancy and Legal Expenses**

	<b>Expenditure YTD excluding GST</b>	<b>Budgeted Y/N</b>
<b>Expense</b>		
Legal Fees	151,478	Yes
IT Consulting	461,702	Yes
Business Consultant	630,907	Yes
Engineering Consulting	1,122,576	Yes
Environmental Consulting	160,452	Yes
Property Development	66,282	Yes
<b>Total Expense</b>	<b>2,593,397</b>	

**Port Macquarie-Hastings Council**  
**Budget Review for the quarter ended 31 December 2022**  
**Contracts entered into during the December quarter.**

Division	Contractor	Contract detail & purpose	Contract value	Commencement Date	Duration of Contract	Budgeted Y/N	Explanation as to why not budgeted
Business and Performance	Civica Pty Ltd	Enterprise Resource Planning - Annual Licensing	\$446,858 (GST incl)	1-Jul-22	12 months, with option to renew for further 12 months	Yes	Not Applicable
Business and Performance	Jedox Pty Ltd	Budget and Reporting Application	\$75,000 per annum	1-Mar-23	Taking up option to extend current contract	Yes	Not Applicable
Business and Performance	The Trustees of the Roman Catholic Church for the Diocese of Lismore	Purchase of Tuffins Lane Sports Precinct Land	\$1,512,500 (GST incl)	20-Oct-22	Complete upon settlement	No	Council resolved to enter into loan borrowings for land acquisition