

Fit for the Future Measures and Benchmarks

Measure	Definition	Benchmark
Sustainability		
Operating Performance Ratio	$\frac{\text{Total continuing operating revenue (exc. capital grants and contributions) less operating expenses}}{\text{Total continuing operating revenue (exc. capital grants and contributions)}}$	Greater than or equal to break-even -average over 3 years
Own Source Revenue Ratio	$\frac{\text{Total continuing operating revenue less all grants and contributions}}{\text{Total continuing operating revenue inclusive of capital grants and contributions}}$	Greater than 60% - average over 3 years
Building and Asset Renewal Ratio	$\frac{\text{Asset renewals (building and infrastructure)}}{\text{Depreciation, amortisation and impairment (building and infrastructure)}}$	Greater than 100% - average over 3 years

Infrastructure and Service Management

Infrastructure Backlog Ratio	$\frac{\text{Estimated cost to bring assets to a satisfactory condition}}{\text{Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets}}$	Less than 2%
Asset Maintenance Ratio	$\frac{\text{Actual asset maintenance}}{\text{Required asset maintenance}}$	Greater than 100% - average over 3 years
Debt Service Ratio	$\frac{\text{Cost of debt service (interest expense & principal repayments)}}{\text{Total continuing operating revenue (exc. capital grants and contributions)}}$	Greater than 0% and less than or equal to 20% - average over 3 years

Efficiency

Real Operating Expenditure	$\frac{\text{Operating expenditure}}{\text{Population}}$	A decrease in Real Operating Expenditure per capita over time
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About these measures

Measures are based on General Fund data and do not include water and sewer funds.

Operating Performance:-

- Consistent with Accounting Code/TCorp measure.
- Numerator and denominator excludes fair value adjustments, reversal of revaluation decrements, net gain/losses on sale of assets and net share/loss of interests in joint ventures.

Own Source Revenue:-

- Consistent with Accounting Code/TCorp measure.
- Numerator and denominator excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets and net share of interests in joint ventures.

Building and Asset Renewal, Infrastructure Backlog and Asset Maintenance:-

- Consistent with Accounting Code/TCorp measures.

Debt Service:-

- Denominator excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets and net share of interests in joint ventures.

Real Operating Expenditure per capita over time:-

- Expenditure is deflated by the Consumer Price Index (for 2009-11) and the Local Government Cost Index (for 2011-14) as published by IPART.
- The numerator excludes revaluation decrements, net loss from disposal of assets and net loss of interests in joint ventures.
- The denominator is population data from ABS, Regional Population Growth, Australia - Table 1. Estimated Resident Population, LGAs, NSW - Released 3.4.2014. The data has been averaged over 2 calendar years except for 2013-14 where population data for 2013 has been used.

For more information refer to the Self Assessment Tool.