

2012/2013 Budget - Financial Statements

Financial Ratios	TOTAL COUNCIL									
	Budget 2012/2013 \$'000	Forward Estimate 2013/2014 \$000	Forward Estimate 2014/2015 \$000	Forward Estimate 2015/2016 \$000	Forward Estimate 2016/2017 \$000	Forward Estimate 2017/2018 \$000	Forward Estimate 2018/2019 \$000	Forward Estimate 2019/2020 \$000	Forward Estimate 2020/2021 \$000	Forward Estimate 2021/2022 \$000
Working Capital Ratio 1:	2.70	2.60	2.30	2.20	2.20	2.00	2.00	1.90	1.80	1.70
Operating Surplus Ratio	13.9%	14.6%	14.5%	13.7%	14.1%	13.5%	13.1%	12.5%	12.8%	12.8%
Net Financial Liabilities Ratio	30.0%	35.0%	40.0%	41.0%	38.0%	38.0%	34.0%	32.0%	30.0%	25.0%
Interest Coverage Ratio	(7.3)%	(6.4)%	(5.6)%	(5.0)%	(4.7)%	(4.4)%	(4.3)%	(4.2)%	(4.1)%	(4.0)%
Asset Sustainability Ratio	70.0%	73.0%	69.0%	64.0%	61.0%	61.0%	60.0%	59.0%	62.0%	60.0%
Asset Consumption Ratio	80.0%	80.0%	79.0%	78.0%	78.0%	77.0%	76.0%	76.0%	75.0%	74.0%
Operating Surplus Ratio (excluding Capital Revenues)	1.8%	2.6%	2.7%	2.5%	3.0%	3.0%	2.9%	2.8%	3.2%	3.6%

Working Capital Ratio

Measures the extent to which Council has liquid assets available to meet short term financial obligations.

Calculation: Current assets (CA)/current liabilities (CL), expressed as X:1 (where X = CA/CL)

Target: between 1:1 and 4:1

Operating Surplus Ratio

Measures the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

Calculation: Net result divided by total operating revenue, expressed as a %.

Target: between 0% and 10%

Net Financial Liabilities Ratio

Measures the extent to which the net financial liabilities of Council can be repaid from operating revenues.

Calculation: (total liabilities less current assets) divided by total operating revenue, expressed as a %.

Target: not greater than 60%.

Operating Surplus Ratio (excluding capital revenues)

Measures the extent to which operating revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

Calculation: Operating Surplus/(Deficit) divided by total operating revenue, expressed as a %.

Target: between 0% and 10%

Interest Coverage Ratio

Measures the extent to which Council's operating revenues are committed to funding the interest expense on current loan borrowings and leases.

Calculation: Net interest divided by total operating revenue, expressed as a %.

Target: between 0% and 5%

Asset Sustainability Ratio

This ratio reflects the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.

Calculation: capital expenditure on the replacement of infrastructure assets (renewals) divided by depreciation expense, expressed as a %.

Target: greater than 90%.

Asset Consumption Ratio

Shows the remaining average proportion of Council's infrastructure assets relative to their as new value in current dollars.

Calculation: written down value of infrastructure assets divided by gross replacement cost of infrastructure assets, expressed as a %.

Target: between 40% and 80%.