

Financial Sustainability Ratios

2021 - 22



expanda
OUTBACK

For the People
Salonne
Shire Council



10 Year Long Term Financial Plan – 2021/22

Under Section 169 the relevant measures of financial sustainability are as follows and shown in the following graphs:

- (a) asset sustainability ratio;
- (b) net financial liabilities ratio;
- (c) operating surplus ratio

Under Section 171 of the Local Government Regulations 2012, Council must include in its budget statements the long term financial forecast covering a period of at least 10 years and are attached.

Performance Indicators	Target	Budget	Forecast								
		21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
1. Operating Surplus Ratio											
Net Result (excluding capital items)	0 - 10%	-40.70%	-13.44%	-17.93%	-14.56%	-21.44%	-21.65%	-19.47%	-22.79%	-20.55%	-20.67%
Total Operating Revenue (excluding capital items)											
<i>An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.</i>											
2. Asset Sustainability Ratio											
Capital Expenditure on the Replacement of Assets (renewals)	> 90%	70.00%	71.67%	65.92%	71.68%	68.30%	74.99%	79.68%	68.29%	75.51%	69.44%
Depreciation Expense											
<i>An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.</i>											
3. Net Financial Liabilities Ratio											
Total Liabilities less Current Assets	< 60%	-43.83%	-56.47%	-57.89%	-49.29%	-56.36%	-57.72%	-52.04%	-49.14%	-44.96%	-41.53%
Total Operating Revenue (excluding capital items)											
<i>An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.</i>											