Sunshine Coast Council - Total
Measures of Financial Sustainability

	Budget	Budget	Forward Estimate								
	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000	2025 $'000	2026 $'000	2027 $'000	2028 $'000
Operating Performance											
Operating Performance Ratio (%)	1.8%	5.4%	7.9%	7.6%	11.9%	11.5%	11.8%	9.4%	8.5%	13.3%	12.1%
Fiscal Flexibility											
Council controlled revenue (%)	79.0%	77.0%	76.8%	77.5%	71.4%	75.8%	76.5%	81.1%	83.2%	77.4%	77.4%
Total debt service cover ratio (times)	2.5 x	2.9 x	3.0 x	3.2 x	3.7 x	3.5 x	3.5 x	3.2 x	3.0 x	3.7 x	3.5 x
Net Financial Liabilities Ratio (%)	29.4%	76.1%	89.6%	93.9%	24.4%	25.6%	21.9%	17.6%	11.5%	6.1%	1.8%
Liquidity											
Cash expense cover ratio (months)	9.1	7.1	7.4	7.2	9.0	8.7	8.4	8.8	9.0	8.6	8.4
Asset Sustainability											
Asset Sustainability Ratio (%)	83.0%	75.6%	65.7%	67.3%	67.6%	67.3%	68.5%	67.1%	64.9%	66.2%	60.8%

Operating Performance Ratio

Measures the extent to which operating revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.
Calculation: Operating Result (excluding capital items) as a percentage of operating revenue

Target: between 0% and 10%

Council Controlled Revenue Ratio

Indicates the degree of reliance on external funding sources such as operating subsidies, donations and contributions. Council's financial flexibility improves the higher the level of its own source revenue.
Calculation: Net rates, levies and charges & fees and charges / total operating revenue.

Target: Greater than 60%

Total Debt Service Cover Ratio

Indicates the ability to repay loan funds. A low cover indicates constrained financial flexibility and limited capacity to manage unforeseen financial shocks.
Calculation: (Operating result (excluding capital items) + depreciation and amortisation + gross interest expense) / (gross interest expense + prior year current interest bearing liabilities)
Target: Greater than 2 times

Net Financial Liabilities Ratio

Measures the extent to which the net financial liabilities of Council can be repaid from operating revenues.
Calculation: (Total liabilities - current assets) / total operating revenue (excl. capital items)
Target: not greater than 60%.

Cash Expense Cover Ratio

Indicates the number of months council can continue paying its immediate expenses without additional cash loans.
Calculation: (Current year's cash and cash equivalents balance / (total operating expenses - depreciation and amortisation - finance costs charged by QTC - interest paid on overdraft) * 12
Target: Greater than 3 months.

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 replacement assets (renewals) / depreciation expense
Target: greater than 90%.