

## Performance Benchmarks

Indicator	Quantitative Measure	Definition	Benchmarks
Asset Maintenance Ratio	Compares actual versus required annual asset maintenance	Actual asset maintenance divided by required asset maintenance	>100%
Building and Infrastructure Renewal Ratio	Compares the proportion spent on infrastructure asset renewals against asset depreciation	Asset renewals (building and infrastructure) divided by depreciation, amortisation and impairment of buildings and infrastructure assets	> 100%
Cash Expense Cover Ratio	This liquidity ratio indicates the number of months a council can continue to paying for its immediate expenses without additional cash inflow	Current year's cash, cash equivalents and term deposits divided by payments from cash flow of operating and financing activities, multiplied by 12.	> 3 mths
Debt Service Cover Ratio	The ratio measures the availability of operating cash to service debt including interest, principal and lease payments.	Operating results (excludes fair value adjustments/decrements, net gain/losses on sale of assets, net share/loss on joint ventures) before capital excluding interest, depreciation/ impairment/amortisation divided by principal repayments (from cash flow) and the loan interest costs	> 2
Debt Service Ratio	Debt service ratio indicates the amount of general income that is used to repay debt and interest charges.	Cost of debt service (interest expense and principal repayments) divided by total continuing operating revenue (excludes fair value adjustments/decrements, net gain/losses on sale of assets, net share/loss on joint ventures) excluding capital grants and contributions	>0 < 20%
Infrastructure Backlog Ratio	This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure	Estimated cost to bring assets to a satisfactory condition divided by written down value (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets	< 2%
Operating Performance Ratio	Measures a council's ability to contain operating expenditure within operating revenue	Total continuing operating revenue (excludes fair value adjustments/decrements, net gain/losses on sale of assets, net share/loss on joint ventures) excluding capital grants and contributions less operating expenses divided by total continuing operating revenue (excluding fair value adjustments/decrements, net gain/losses on sale of assets, net share/loss on joint ventures and excluding capital grants and contributions)	> 0%
Outstanding Rates & Annual Charges	Used to assess the impact of uncollected rates and annual charges on liquidity and the efficiency of a council's debt recovery	Calculated by rates and annual charges outstanding divided by rates and annual charges collectable	<5% Metro/Coastal 10% Rural/Regional
Own Source Operating Revenue Ratio	Measures the level of a council's fiscal flexibility. It indicates the degree of reliance on external funding sources such as grants and contributions	Total continuing operating revenue (excluding fair value adjustments/decrements, net gain/losses on sale of assets, net share/loss on joint ventures) less all grants and contributions divided by total operating revenue (excluding fair value adjustments/decrements, net gain/losses on sale of assets, net share/loss on joint ventures) inclusive of capital grants and contributions	> 60%
Unrestricted Current Ratio	This ratio is specific to local government and is designed to assess the adequacy of working capital and the ability to satisfy its obligations in the short term for unrestricted activities of council.	Current assets less all external restrictions divided by current liabilities less specific purpose liabilities	>1.5