



Appendix six – Financial analysis

The table below summarises the performance of agencies against some key financial sustainability indicators.

Agencies	Operating margin	Liquidity	Employee expenses growth rate	Other expenses growth rate
	%	ratio	%	%
Finance Services and Innovation cluster				
Department of Finance, Services and Innovation	3	1.46	(10)	4
Fair Trading Administration Corporation	51	160	0	109
Luna Park Reserve Trust	(4)	3.50	0	161
New South Wales Government Telecommunications Authority	27	1.82	32	54
Place Management NSW	12	3.13	(46)	136
Property NSW	4	2.27	48	(24)
Rental Bond Board	(2)	61	0	(9)
Service NSW	13	0.64	18	(11)
State Archives and Records Authority of New South Wales	61	3.33	28	1
State Insurance Regulatory Authority	8	6.45	(20)	13
Teacher Housing Authority of New South Wales	(17)	6.01	(33)	6
Waste Assets Management Corporation	5	3.11	4	4
Premier and Cabinet cluster				
Department of Premier and Cabinet	(4)	0.76	7	1
Barangaroo Delivery Authority	94	0.24	9	(21)
Independent Commission Against Corruption	(3)	0.50	(27)	(7)
Independent Pricing and Regulatory Tribunal	(8)	0.54	(3)	(13)
Infrastructure NSW	4	1.93	56	334
Natural Resources Commission	(15)	1.30	(11)	(5)
New South Wales Electoral Commission	(4)	2.46	91	10
Ombudsman's Office	(1)	0.70	(2)	15
Parliamentary Counsel's Office	4	0.93	3	0
Public Service Commission	(2)	0.50	6	(2)
UrbanGrowth NSW Development Corporation	51	167	65	24
The Treasury cluster				
The Treasury	12	0.77	7	16
Long Service Corporation	45	3.56	(65)	11

Note: Table excludes NSW Treasury Corporation, Crown Entity, insurance and superannuation agencies, ministerial holding corporations and agencies not listed in the Budget Papers. Refer to section 2.3 of this report for analysis against the sustainability indicators.

Source: Financial statements (audited).

The formulas used to calculate the ratios and a description of the indicators is below:

Indicator	Formula	Description
Operating margin (%)	Adjusted net result / Total underlying revenue	Net result and total underlying revenue is obtained from the Statement of Comprehensive Income and is adjusted to take into account large one-off (non-recurring) transactions.
Liquidity (ratio)	Current assets / Current liabilities	This measures the ability to pay existing liabilities in the next 12 months. A ratio of one or more means there are more cash and liquid assets than short-term liabilities. Current liabilities exclude long-term employee provisions and revenue in advance.
Employee-related expenses or personnel service expenses growth rate (%)	(Employee-related expenses or personnel service expenses 2016–17) / (Employee-related expenses or personnel service expenses 2015–16) -1	This demonstrates the rate at which employee-related expenses or personnel service expenses for an agency has increased or decreased in the financial year 2016–17, compared to 2015–16. A positive growth rate indicates that expenses have increased compared to prior year, while a negative growth rate indicates that expenses have decreased compared to prior year.
Other expenses growth rate (%)	(Other expenses 2016–17) / (Other expenses 2015–16) -1	This demonstrates the rate at which other expenses for an agency has increased or decreased in the financial year 2016–17, compared to 2015–16. A positive growth rate indicates that expenses have increased compared to prior year, while a negative growth rate indicates that expenses have decreased compared to prior year.