

EXTRACT FROM DELIVERY PROGRAM 2022-2026, OPERATIONAL PLAN 2022-2023 AND BUDGET SHOWING 2.5 PER CENT RATE PEG IMPACT

The Minister for Local Government has announced a one-off opportunity available for the 2022-2023 year for councils to apply for an Additional Special Variation (ASV) of up to 2.5 per cent, inclusive of the previously determined rate cap of 0.7 per cent.

The 0.7 per cent rate peg from the Independent Pricing and Regulatory Tribunal (IPART) was significantly lower than the 2.5 per cent Council used as a baseline assumption from prior year increases.

If a 2.5 per cent rate increase was granted, this would equate to \$2.7 million more revenue for 2022-2023 than is shown in the currently exhibited Long-Term Financial Plan. The estimated impact across the next 10 years is \$30 million.

This extract from the currently exhibited Delivery Program 2022-2026, Operational Plan 2022-2023 and budget reflects the annual Statement of Revenue Policy and projected financial statements with the possible 2.5 per cent rate peg.

IPART will publish ASV applications to enable community consultation for a period of at least three weeks.

Councils will be notified of IPART's decision no later than 21 June.

RESOURCING STRATEGY

Council provides a wide range of internal support services. These services are made up of our Resourcing Strategy – asset, workforce, financial, information technology and plant and fleet management – plus other services including procurement, supply, risk management, records, governance and corporate planning.

Council's Resourcing Strategy supports the Community Strategic Plan, Delivery Program and Operational Plan by detailing how Council can help achieve the community's goals in terms of money, assets – including technology and plant – and people.

Effective resource planning ensures focus on the short-term and long-term goals for the city.

For costings linked to the 10- and four-year financial forecasts, see pages 115-117 and 130-137 of this extract.

FINANCIAL MANAGEMENT

ANNUAL STATEMENT OF REVENUE POLICY

In accordance with Section 405 of the *Local Government Act 1993*, Council provides the following details of its Statement of Revenue Policy. This information explains the basis upon which rates and charges will be made.

RATES AND CHARGES

Through rates and charges, Council recovers the cost of providing its services for land within the Council boundaries. Rates and charges raise about 58 per cent of Council's operating income and are used to improve and maintain services and facilities for the community.

Some of these services include:

- maintenance of roads, parks and gardens
- libraries
- community services for young people and over 55s
- town planning
- food inspections
- animal services
- tourism
- swim centres.

Council rates are determined in accordance with the provisions of the *Local Government Act 1993* and *Local Government (General) Regulation 2021*.

Ordinary rates are levied on all rateable parcels of land based on independent valuations provided by Property NSW on behalf of the NSW Valuer General. Land valuations are supplied every three years by the NSW Valuer General. The land value does not include the value of a house, buildings or other improvements to the land. The latest valuation of the land in Lake Macquarie occurred with a base date of 1 July 2019. These valuations will be used to calculate and levy the 2022-2023 ordinary rate.

Rate pegging is determined by the Independent Pricing and Regulatory Tribunal (IPART) each year and sets the maximum general income Council can collect from ordinary rates. General income comprises income from ordinary rates and special rates, but does not include income from waste management charges.

On 13 December 2021, IPART announced the percentage increase to apply in the 2022-2023 financial year would be 0.7 per cent. The following information uses the 2.5 per cent rate peg option from the one-off Additional Special Variation process.

The general income for the previous year, 2021-2022 is increased by 2.5 per cent to determine the total general income yield which can be levied in 2022-2023. This does not mean that each individual rate assessment will increase by that percentage, but does mean that Council's total income from ordinary rates cannot exceed this percentage increase.

Accordingly, general rate income will increase by \$3.72 million in 2022-2023 to \$152.4 million.

ORDINARY RATES

In accordance with section 497 of the *Local Government Act 1993*, the structure of the ordinary rates are calculated annually and comprise of a base amount, plus an ad valorem (amount in the dollar) component, which is calculated using the land value supplied by Property NSW on behalf of the NSW Valuer General.

Section 494 of the *Local Government Act 1993* requires Council to make and levy ordinary rates on all rateable land for the year 2022-2023.

In accordance with the provisions of section 514 of the *Local Government Act 1993*, each property in Lake Macquarie is declared to be within one of four categories for rating purposes depending on the dominant land use of the property.

THESE CATEGORIES ARE:



The categories of residential, farmland, mining and business apply to the whole of the Council area.

The rating structure for the **residential** category is based on a combination of a base amount and an ad valorem (amount in the dollar) component. The level of the base amount has been set to achieve 50 per cent of total rate income from this category, with the ad valorem component raising the remaining 50 per cent of the total income.

The rating structure for the **business** and **mining** categories is based on a combination of a base amount of rate and an ad valorem component. The level of the base amount has been set to achieve two per cent of total rate income from each category, with the ad valorem component raising 98 per cent of the total income.

The rating structure for the **farmland** category is based on a combination of a base amount and an ad valorem component. The base amount for this category is set the same as the base amount for the residential category, and is 33.48 per cent of the total income from the farmland category.

The rate amounts shown in this document include the ordinary rates variation for 2022-2023 of 2.5 per cent.

RATING STRUCTURE AND YIELD (2022-2023)

RATING CATEGORY	RESIDENTIAL	BUSINESS	FARMLAND	MINING
Ad valorem rate	0.2443	1.0911	0.1707	0.8685
Base amount (\$)	777.8	104.65	777.8	1361.75
Land value (2019 base date) (\$)	26,560,651,464	1,924,669,796	33,533,000	138,158,501
Base (%)	50	2	33.46	2
2022-2023 rate yield (\$)	129,753,800	21,429,103	86,019	1,224,418
Average rate (\$)	1558.53	5238.11	2324.84	68,023.22
Total revenue (%)	85.09	14.05	0.06	0.8

- The amounts shown in the row '2022-2023 rate yield' have been calculated in accordance with the permissible increase in Council's notional general income for 2022-2023 of 2.5 per cent. This is in accordance with the Additional Special Variation option from IPART.
- As Council will continue to process adjustments to its rating records until the time the Operational Plan is adopted, minor changes to the amounts shown in the above table will occur. These adjustments include the processing of supplementary valuation lists from the Valuer General's Department, changes to rating categories, and changes in the rateability of land.
- The amounts shown in the above table are inclusive of adjustments to notional income for newly rateable Crown Land.
- Interest will accrue on outstanding rates and charges at the rate of six per cent a year (simple interest calculated daily).

ADDITIONAL SPECIAL VARIATION

The Minister for Local Government has announced a one-off opportunity available for the 2022-2023 year for councils to apply for an [Additional Special Variation \(ASV\)](#) of up to 2.5 per cent, inclusive of the previously determined rate cap of 0.7 per cent.

The 0.7 per cent rate peg from IPART was significantly lower than the 2.5 per cent Council used as a baseline assumption from prior year increases.

If a 2.5 per cent rate increase was granted, this would equate to \$2.7 million more revenue for 2022-2023 than is shown in the reported Long-Term Financial Plan. The estimated impact across the next 10 years is \$30 million.

IPART will publish ASV applications to enable community consultation for a period of at least three weeks.

Councils will be notified of IPART's decision no later than 21 June.

PROJECTED FINANCIAL STATEMENT

	2021-2022 \$'000	2022-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000
Income from continuing operations					
Rates and annual charges	189,588	196,936	203,534	210,325	216,609
User charges and fees	22,109	23,789	23,297	24,049	24,769
Grants and contributions provided for operating purposes	27,765	26,105	26,644	27,191	27,764
Grants and contributions provided for capital purposes	65,055	64,730	59,671	56,071	58,616
Interest and investment income	7,118	8,189	8,759	9,530	10,354
Other income	15,194	17,523	15,734	16,910	17,676
Net gains from the disposal of assets	84	-	-	-	-
TOTAL INCOME FROM CONTINUING OPERATIONS	326,913	337,272	337,639	344,076	355,788
Expenses from continuing operations					
Employee benefits and on-costs	(101,578)	(108,899)*	(111,961)	(114,645)	(117,062)
Borrowing costs	(8,350)	(8,364)	(8,324)	(8,888)	(9,543)
Materials and contracts	(78,690)	(76,977)	(74,111)	(77,672)	(78,326)
Depreciation and amortisation	(66,833)	(65,893)	(67,648)	(68,888)	(72,135)
Other expenses	(14,988)	(15,702)	(15,503)	(15,910)	(16,339)
TOTAL EXPENSES FROM CONTINUING OPERATIONS	(270,439)	(275,835)	(277,547)	(286,003)	(293,405)
Operating result from continuing operations	56,474	61,437	60,092	58,073	62,383
Net operating result for the year attributable to Council	56,474	61,437	60,092	58,073	62,383
Net operating result before grants and contributions provided for capital purposes	(8,581)	(3,293)	421	2,002	3,767
Capital expenditure	(116,516)	(130,324)	(119,642)	(111,486)	(112,998)
Capital dedications	(29,809)	(22,829)	(22,829)	(22,829)	(22,829)
Transfer to restricted cash	(68,374)	(69,391)	(87,406)	(93,892)	(102,971)
Loan repayments	(8,680)	(9,664)	(10,423)	(11,953)	(13,480)
TOTAL CAPITAL	(223,379)	(232,208)	(240,300)	(240,160)	(252,278)
Funds required	(166,905)	(170,771)	(180,208)	(182,087)	(189,895)
Funded by:					
Loans utilised	13,281	11,396	31,643	31,511	27,229
Proceeds from asset sales	2,886	7,521	-	-	-
Restricted cash	150,097	151,854	148,565	150,576	162,666
Budget surplus/(deficit)	(641)	-	-	-	-

*review of burdening costs from 2022-2023.

PROJECTED STATEMENT OF FINANCIAL POSITION

	2021-2022 \$'000	2022-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5,000	5,000	13,001	20,000	20,000
Investments	213,542	201,716	201,716	206,106	215,325
Receivables	16,723	18,214	17,223	17,621	18,236
Inventories	1,952	1,929	1,891	1,938	1,947
Other	967	957	925	966	977
TOTAL CURRENT ASSETS	238,184	227,816	234,756	246,631	256,485
NON-CURRENT ASSETS					
Investments	91,354	86,295	86,295	88,173	92,116
Receivables	1,927	2,005	2,066	2,134	2,198
Inventories	4,190	4,190	4,190	4,190	4,190
Infrastructure, property, plant and equipment	3,277,570	3,414,936	3,499,322	3,657,611	3,731,713
Other	56,780	57,524	59,070	60,379	60,694
TOTAL NON-CURRENT ASSETS	3,431,821	3,564,950	3,650,943	3,812,487	3,890,911
TOTAL ASSETS	3,670,005	3,792,766	3,885,699	4,059,118	4,147,396
LIABILITIES					
CURRENT LIABILITIES					
Payables	23,421	23,499	23,179	23,937	24,249
Borrowings	9,664	10,423	11,953	13,480	14,879
Provisions	85,808	86,761	87,729	88,715	89,718
Other	2,533	2,715	2,568	2,467	2,584
TOTAL CURRENT LIABILITIES	121,426	123,398	125,429	128,599	131,430
NON-CURRENT LIABILITIES					
Borrowings	198,631	199,603	219,293	237,325	249,675
Provisions	26,562	26,790	27,021	27,254	27,490
Other	643	436	210	246	284
TOTAL NON-CURRENT LIABILITIES	225,836	226,829	246,524	264,825	277,449
TOTAL LIABILITIES	347,262	350,227	371,953	393,424	408,879
NET ASSETS	3,322,743	3,442,539	3,513,746	3,665,694	3,738,517
EQUITY					
Retained earnings	1,472,504	1,533,940	1,594,033	1,652,106	1,714,489
Revaluation reserves	1,850,239	1,908,599	1,919,713	2,013,588	2,024,028
TOTAL EQUITY	3,322,743	3,442,539	3,513,746	3,665,694	3,738,517

PROJECTED CASH FLOW STATEMENT

Council maintains a number of assets (or reserves) for various purposes. Externally restricted reserves can only be used for the purpose for which they have been received, whereas internally restricted reserves have been determined by Council for use in a specific function.

	2021-2022 \$'000	2022-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000
Cash flows from operating activities					
Receipts:					
Rates and annual charges	189,550	196,783	203,397	210,184	216,479
User charges and fees	24,177	23,628	23,344	23,977	24,701
Investment and interest revenue received	5,836	8,249	8,717	9,442	10,273
Grants and contributions	60,173	68,051	63,446	60,406	63,580
Other	13,706	16,454	16,773	16,768	17,455
Payments:					
Employee benefits and on-costs	(101,059)	(108,368)*	(111,417)	(114,088)	(116,492)
Materials and contracts	(83,470)	(77,079)	(74,454)	(77,227)	(78,201)
Borrowing costs	(7,731)	(7,715)	(7,658)	(8,217)	(8,867)
Other	(13,242)	(15,595)	(15,504)	(15,815)	(16,277)
Net cash flows from operating activities	87,940	104,408	106,644	105,430	112,651
Cash flows from investing activities					
Receipts:					
Sale of investment securities	8,800	16,885	-	-	-
Sale of infrastructure, property, plant and equipment	2,886	7,521	-	-	-
Payments:					
Purchase of investment securities	-	-	-	(6,268)	(13,162)
Purchase of infrastructure, property, plant and equipment	(114,392)	(128,043)	(116,199)	(108,299)	(110,591)
Purchase of intangible assets	(2,124)	(2,281)	(3,443)	(3,187)	(2,407)
Net cash flows from investing activities	(104,830)	(105,918)	(119,642)	(117,754)	(126,160)
Cash flows from financing activities					
Receipts:					
Proceeds from borrowings	13,281	11,396	31,643	31,511	27,229
Payments:					
Repayment of borrowings	(8,679)	(9,664)	(10,423)	(11,953)	(13,480)
Principal component of lease payments	(220)	(222)	(221)	(235)	(240)
Net cash flows from financing activities	4,382	1,510	20,999	19,323	13,509
Net increase/(decrease) in cash and cash equivalents	(12,508)	-	8,001	6,999	-
Cash and cash equivalents at beginning of year	17,508	5,000	5,000	13,001	20,000
Cash and cash equivalents at end of year	5,000	5,000	13,001	20,000	20,000
Plus: Investments on hand at end of year	304,896	288,011	288,011	294,279	307,441
Total cash, cash equivalents and investments at end of year	309,896	293,011	301,012	314,279	327,441
Representing:					
- External restrictions	170,172	169,356	175,222	188,971	198,953
- Internal restrictions	128,467	104,016	97,799	92,279	95,488
- Unrestricted	11,257	19,639	27,991	33,029	33,000
	309,896	293,011	301,012	314,279	327,441

*review of burdening costs from 2022-2023.

PROJECTED RESTRICTED CASH

2021-2022 TO
2025-2026

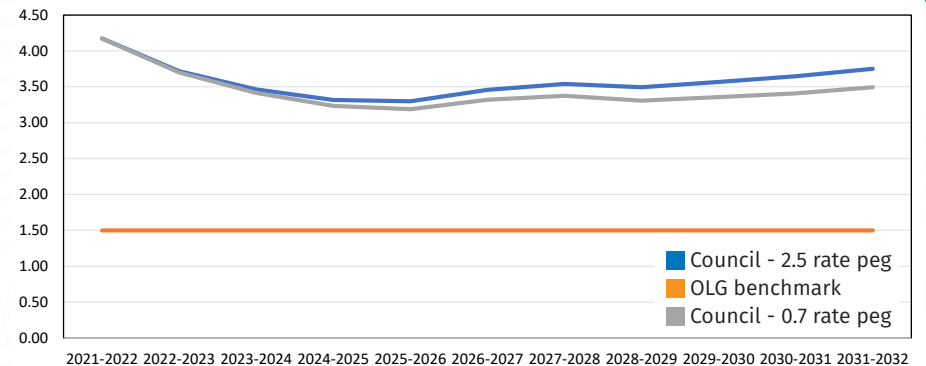
	2021-2022 \$'000	2022-2023 \$'000	2023-2024 \$'000	2024-2025 \$'000	2025-2026 \$'000
External restrictions					
Developer Contributions section 7.11	126,834	126,598	130,401	140,084	143,443
Specific purpose unexpended grants	5,822	5,578	5,429	5,266	5,099
Domestic waste management	8,523	6,986	7,407	9,376	11,791
Domestic waste management land infrastructure	5,977	6,631	7,298	7,979	8,673
Domestic waste management site rehabilitation	11,652	12,685	13,738	14,813	15,909
Crown reserve	290	8	60	67	79
Holiday Park reserve	3,035	2,789	2,764	3,217	5,745
Waste and sustainability improvement	11	11	11	11	11
Contributions to works	2,352	2,394	2,438	2,482	2,527
Trust restricted asset	4,416	4,416	4,416	4,416	4,416
Section 90 restricted asset	532	532	532	532	532
Other sundry contributions	130	130	130	130	130
Regional Illegal Dumping squad reserve	598	598	598	598	598
	170,172	169,356	175,222	188,971	198,953
Internal restrictions					
Asset replacement reserve	44,394	49,331	50,385	48,507	49,034
Unexpended loan funds	14,668	-	-	-	-
Strategic property reserve	17,303	15,381	8,479	6,116	7,216
External works surplus	-	-	-	-	-
Matching funds section 7.11	7,915	8,000	8,358	8,724	9,098
General fund restricted cash	12,061	-	-	-	-
Open space acquisition	3,620	3,535	3,492	3,447	3,402
Grant matching funds	4,131	4,261	4,394	4,529	4,667
Community land	11,853	10,161	10,349	10,540	10,735
Cemeteries improvement	1,191	1,328	1,469	1,614	1,762
IT replacement reserve	1,412	1,212	465	594	740
Water and energy reduction strategies reserve	263	263	263	263	263
Charlestown open space endowment fund	2,916	2,990	2,040	916	968
Cardiff Town Park endowment fund	2,236	2,282	2,328	2,376	2,424
Insurance proceeds	716	816	918	1,022	1,128
Roads and drainage reserve	161	161	161	161	161
Community facilities reserve	1,318	1,340	1,362	1,130	1,153
Wangi Point Lakeside Holiday Park	1,337	1,608	1,608	1,608	1,608
Election reserve	972	1,347	1,728	732	1,129
	128,467	104,016	97,799	92,279	95,488
TOTAL	298,639	273,372	273,021	281,250	294,441

RATIOS

UNRESTRICTED CURRENT RATIO

The unrestricted current ratio is specific to local government, measuring the adequacy of liquid working capital and its ability to satisfy its financial obligations as they fall due in the short-term. Restrictions placed on various funding sources (for example, development contributions) complicate the traditional current ratio used to assess liquidity of businesses, as cash allocated to specific projects is restricted and cannot be used to meet Council's other operating and borrowing costs. The benchmark set by the Office of Local Government (OLG) is greater than 1.5.

$$\frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$$

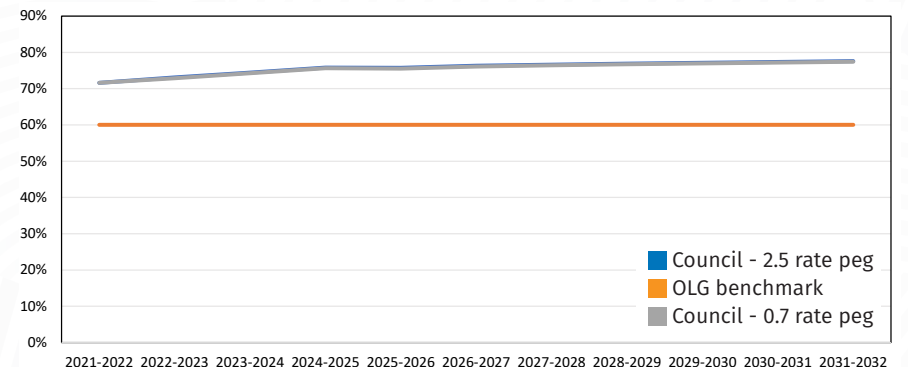


	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Council - 2.5 rate peg	4.17	3.72	3.46	3.32	3.30	3.46	3.54	3.49	3.57	3.65	3.75
OLG benchmark	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Council - 0.7 rate peg	4.17	3.70	3.41	3.23	3.19	3.32	3.38	3.31	3.36	3.41	3.49

OWN SOURCE OPERATING REVENUE RATIO

A measure of fiscal flexibility, own source revenue refers to Council's ability to raise revenue through its own internal means, thereby reducing reliance on external sources of income and insulating against negative fluctuations in external funding. The benchmark set by OLG is greater than 60 per cent.

$$\frac{\text{Total continuing operating revenue excluding all grants and contributions}}{\text{Total continuing operating revenue}}$$

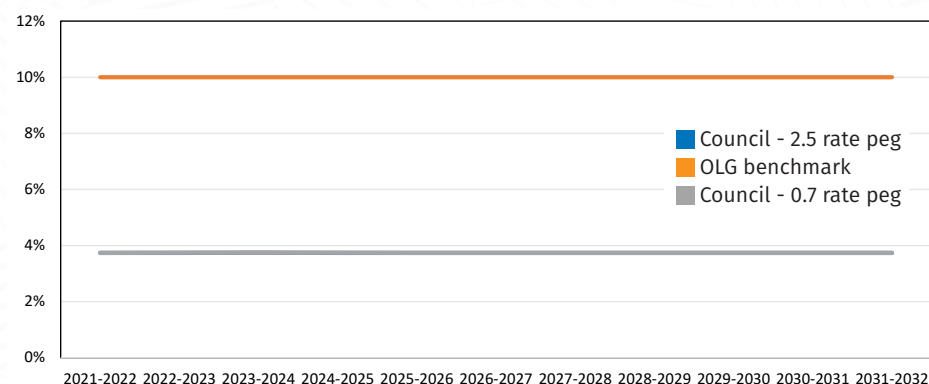


	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Council - 2.5 rate peg	71.60%	73.07%	74.44%	75.80%	75.72%	76.31%	76.62%	76.91%	77.12%	77.34%	77.61%
OLG benchmark	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Council - 0.7 rate peg	71.60%	72.85%	74.23%	75.60%	75.52%	76.11%	76.43%	76.72%	76.94%	77.16%	77.43%

RATES AND ANNUAL CHARGES OUTSTANDING PERCENTAGE

This measure indicates Council's success at recovering its annual rates and charges, with higher percentages of outstanding debts indicating a potential threat to Council's working capital and liquidity. The benchmark set by OLG is below 10 per cent.

[Rates and annual charges outstanding](#)
[Rates and annual charges collectable](#)



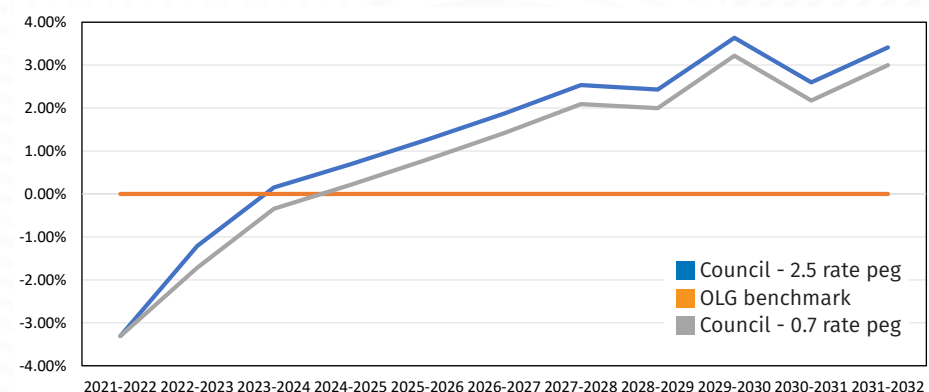
	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Council - 2.5 rate peg	3.73%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%
OLG benchmark	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Council - 0.7 rate peg	3.73%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%	3.74%

OPERATING PERFORMANCE RATIO

This ratio provides an indication of Council's financial sustainability by measuring operating result excluding capital grants and contributions (which are typically tied to delivery of new capital works). Performance at or above benchmark indicates Council has the ability to internally generate sufficient funding for its ongoing operations. The benchmark set by OLG is greater than 0 per cent.

[Total continuing operating revenue excluding capital grants and contributions less operating expenses](#)

[Total continuing operating revenue excluding capital grants and contributions](#)



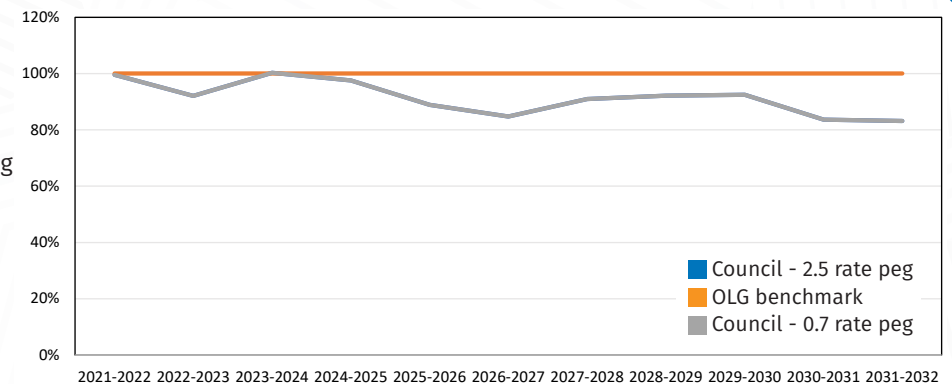
	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Council - 2.5 rate peg	-3.31%	-1.21%	0.15%	0.70%	1.27%	1.87%	2.53%	2.43%	3.64%	2.60%	3.41%
OLG benchmark	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Council - 0.7 rate peg	-3.31%	-1.72%	-0.34%	0.22%	0.80%	1.42%	2.09%	2.00%	3.22%	2.17%	3.00%

RATIOS

ASSET RENEWAL RATIO

This ratio indicates Council is adequately maintaining its asset base on the basis of planned renewal activities as a proportion of the depreciation expenditure. A ratio result of 100 per cent indicates Council is renewing its asset base and not contributing to infrastructure backlogs. The benchmark set by OLG is greater than 100 per cent.

$$\frac{\text{Asset renewals expenditure}}{\text{Depreciation and amortisation expenditure}}$$



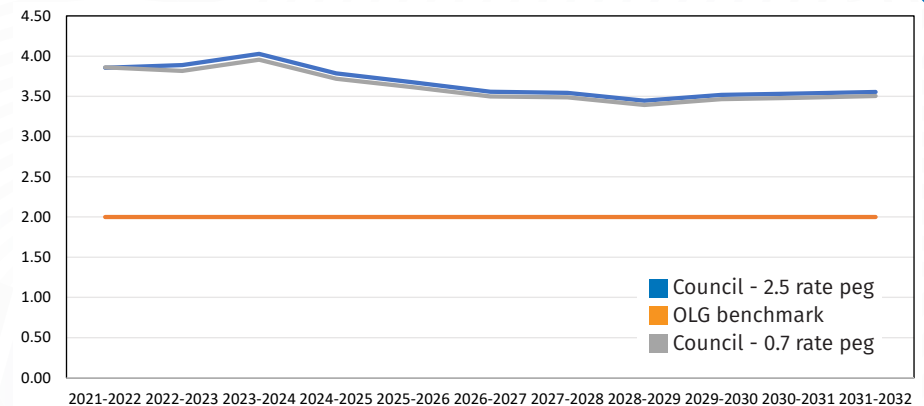
	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Council - 2.5 rate peg	99.55%	92.11%	100.26%	97.53%	88.90%	84.71%	90.99%	92.12%	92.49%	83.60%	83.15%
OLG benchmark	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Council - 0.7 rate peg	99.55%	92.10%	100.26%	97.53%	88.90%	84.71%	90.99%	92.12%	92.50%	83.60%	83.15%

*Ratio calculation does not include asset renewals expenditure that is incorporated as part of a new capital project.

DEBT SERVICE COVER RATIO

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. A high ratio indicates the ability of the Council to repay debt. The benchmark set by OLG is greater than two.

$$\frac{\text{Operating result before capital excluding interest and depreciation/impairment/amortisation}}{\text{Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)}}$$

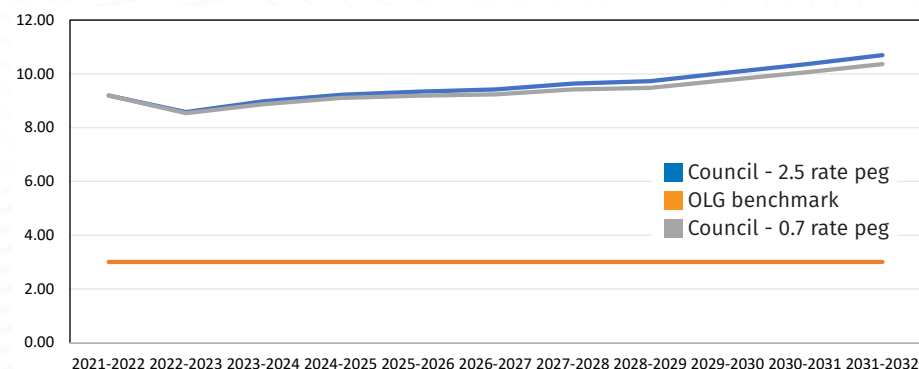


	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Council - 2.5 rate peg	3.86	3.89	4.03	3.79	3.67	3.56	3.54	3.45	3.52	3.53	3.56
OLG benchmark	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Council - 0.7 rate peg	3.86	3.81	3.96	3.72	3.61	3.50	3.49	3.39	3.47	3.48	3.50

CASH EXPENSE COVER RATIO

This liquidity ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

Current year's cash and cash equivalents plus all term deposit
Monthly payments from cash flow of operating and financing activities

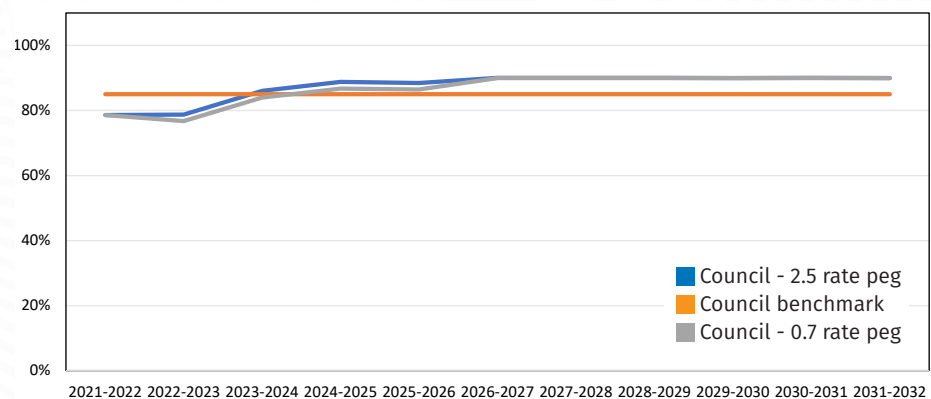


	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Council - 2.5 rate peg	9.19	8.58	8.98	9.22	9.34	9.42	9.63	9.73	10.04	10.36	10.70
OLG benchmark	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Council - 0.7 rate peg	9.19	8.54	8.87	9.10	9.19	9.23	9.42	9.48	9.77	10.05	10.36

CASH FUNDING OF DEPRECIATION

This liquidity ratio is used to assess Council's ability to fund future replacement of capital assets with cash. The target set by Council is great than 85 per cent.

Amount of funding being applied to the asset
Depreciation and amortisation expenditure



Note: This is an additional financial management target and not a requirement of the Office of Local Government.

	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Council - 2.5 rate peg	78.6%	78.8%	86.0%	88.8%	88.4%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Council benchmark	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Council - 0.7 rate peg	78.6%	76.7%	84.0%	86.8%	86.5%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%