

Financial Prudence Benchmarks for the LTP 2021-2031

as at 26/02/2021 @ 08.54am

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, Council is required to report on a number of benchmarks. A number of the benchmarks require Council to set a limit to which Council is measured against.

		Year of LTP									
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Rates (Increases) Affordability	Current Benchmark	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
	Current Result	10.15%	10.18%	5.75%	7.05%	5.53%	2.47%	5.62%	4.90%	2.67%	4.67%
	Benchmark met	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Debt Affordability (Net Debt)	Current Benchmark	175%	175%	175%	175%	175%	175%	175%	175%	175%	175%
	Current Result	45%	61%	77%	85%	90%	100%	103%	94%	86%	78%
	Benchmark met	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Balanced Budget	Current Benchmark	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Current Result	101.71%	98.29%	98.20%	101.55%	104.56%	104.31%	105.40%	106.06%	107.37%	110.42%
	Benchmark met	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Debt Servicing	Current Benchmark	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
	Current Result	1.49%	1.86%	2.17%	2.39%	2.57%	2.81%	2.97%	3.02%	3.00%	2.91%
	Benchmark met	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Essential Services	Current Benchmark	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Current Result	151%	139%	127%	133%	152%	164%	162%	117%	116%	127%
	Benchmark met	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

How the benchmark is calculated:	The benchmarks and current set limits are:
This years total rates revenue less last years total rates revenue divided by last years total rates revenue	Council has currently set that rates increases each year will not exceed 8% for the LTP 2021-2031. This limit is set by Council.
Net debt divided by total revenue	The current benchmark is that net debt (being financial liabilities less financial assets) should not exceed 175% of total revenue. This limit is set by Council.
Total revenue divided by total operating expenditure	Balanced Budget, will be met where Councils revenue, excluding property revaluations and development and financial contributions exceeds or is equal to its planned operational expenses.
Borrowing costs divided by total Revenue	Debt Servicing, will be met where Council’s borrowing costs does not exceed 10% of revenue excluding property revaluations and development and financial contributions.
Capital expenditure additions divided by Depreciation	Essential Services benchmark, will be met where capital expenditure on network services, roading, water, wastewater and stormwater exceed expected depreciation on those services.