

City of Victor Harbor

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the City of Victor Harbor's current and projected financial performance **mostly sustainable** taking into account the Council's operating surpluses over the past 10 years, along with strong infrastructure growth and increasing contributions from ratepayers and government grants, and the planned average rate increases of 3.2% p.a. per property over the next 10 years

RISKS IMPACTING SUSTAINABILITY

- ⚠ Each rateable property must cover a high amount of asset stock that requires ongoing maintenance and renewal costs
- ⚠ Forecast growth in rateable properties is lower than anticipated and not realised
- ⚠ If moderate growth in forecasted expenses is not realised and the Council maintains the current cost trajectory, ratepayers risk shouldering the burden through unexpected higher rate increases
- ⚠ High levels of new capital / infrastructure projects creating a stream of future liabilities associated with each asset

CONTINUE

- ✓ Reviewing inflation forecasts in the budget and forward projections
- ✓ Reviewing the rateable property growth forecasts in the budget projections each year to ensure that they remain current
- ✓ Reporting in the annual business plan the estimated average annual change for the five categories of land use
- ✓ Seeking grant funding for the two projects, but only to the extent that at least a reasonable proportion of these capital costs can be recouped through time

COMMISSION'S RECOMMENDATIONS

- Undertake a review of the long-term financial plan on an annual basis in accordance with the LG Act
- Report any actual cost savings in the annual budget and long-term financial plan
- Include efficiency goals and projected cost savings in the long-term financial plan
- Consider reviewing the timing, scale and need for the Precinct and proposed Arts Centre
- Provide more funding for the renewal of assets
- Consider recovering the costs for the regional community, sport and recreation precinct and the arts and culture centre via user pay charges instead of general rates
- Consider publicly separating out each project (the regional community, sport and recreation precinct and the Arts and Culture Centre) from the Council's overall accounts

KEY FACTS

- Population in 2021 was **16,139**
- Council covers **386 square kilometres**
- **11,100** rateable properties in 2022-23
- **\$26.2 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **\$391.1 million**

