

City of Whyalla

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the City of Whyalla's current and projected financial performance **potentially unsustainable** taking into account Whyalla airport's high historical and forecast operating expenses over the next 10 years, and the planned average rate increases of 4.1% p.a. per property over this period

RISKS IMPACTING SUSTAINABILITY

- ⚠️ Whyalla airport's costs are not recovered (to be cost neutral) or are not reduced in the short-medium term
- ⚠️ Costs in all areas are not controlled and constrained
- ⚠️ The asset renewal needs of the existing infrastructure base are not met
- ⚠️ Retaining assets that do not provide benefit to the greater community, rather than disposing of them

CONTINUE

- ✅ Reviewing estimates of asset lives valuations
- ✅ Consulting with the community on strategic management plans
- ✅ Reviewing and considering options to limit further average rate increases above inflation

COMMISSION'S RECOMMENDATIONS

- Improve the transparency of changes to key planning assumptions in the long-term financial plan and annual business plan
- Complete a comprehensive review of the long-term financial plan and infrastructure and asset management plans with consideration of desired service levels
- Publish the long-term financial plan each year
- Report actual and projected cost savings in the annual business plan and long-term financial plan
- Implement the planned long-term funding model for the airport to ensure appropriate recovery of its costs
- Improve the transparency of the Council's budgeting and forecasts to remove the budget distortion linked to the airport
- Improve the transparency of borrowing assumptions in the long-term financial plan and annual business plans
- Provide more funding to the renewal of its assets, rather than prioritising initiatives involving new or upgraded infrastructure

KEY FACTS

- Population in 2021 was **21,244**
- Council covers **399 square kilometres**
- **11,512** rateable properties in 2022-23
- **\$23.7 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **\$358.6 million**

