

OVERVIEW

The Essential Services Commission finds the District Council of Cleve's current and projected financial performance **sustainable** taking into account the council's forecast low expense growth increase over the next 10 years, property growth of 1.4% p.a. over this period and the planned average rate increases per property of 2.2% p.a. until 2032-33

RISKS IMPACTING SUSTAINABILITY

- ⚠ Forecast inflation assumptions may be overstated
- ⚠ If low forecast expense growth is not achieved, this may result in higher average rate increases than previously projected
- ⚠ Forecast growth in rateable properties is not achieved

CONTINUE

- ✓ Reviewing inflation forecasts in the budget and forward projections from 2023-24
- ✓ Monitoring cost growth in the budget
- ✓ Reporting any actual and projected cost savings in the annual budget
- ✓ Reviewing the estimates of asset lives and asset valuations

COMMISSION'S RECOMMENDATIONS

- Provide more funding to the renewal of assets
- Increase transparency about the assumptions underpinning the figures in the Annual Business Plans, Budgets and the long-term financial plan
- Provide ratepayers with a version of the long-term financial plan in nominal terms
- Consider limiting future increases in rates to no more than expected inflation in real terms
- Consider minimising average rate level increases if unanticipated grants are received

KEY FACTS

- Population in 2021 was **1,765**
- Council covers **4,507 square kilometres**
- **1,550** rateable properties in 2022-23
- **\$3.8 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **\$55.6 million**

