

Light Regional Council

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the Light Regional Council's current and projected financial performance **sustainable** taking into account the council's average expected growth in properties of 3.2% p.a. over the next 10 years, and the planned average rate increases per property of 0.6% p.a. over this period

RISKS IMPACTING SUSTAINABILITY

- ⚠ Delays or non-achievement of forecast growth through property development
- ⚠ Anticipated economies of scale relating to property growth are not achieved
- ⚠ Asset renewal projects are deferred worsening the asset renewal backlog
- ⚠ Unexpected operating costs and additional capital renewal liabilities resulting from the Transport Asset Management Plan Review

CONTINUE

- ✓ Reviewing inflation forecasts in the budget and forward projections from 2024-25
- ✓ Monitoring cost growth in its budgeting
- ✓ Reporting any actual and projected cost savings in the annual budget and long-term financial plan
- ✓ Consider limiting future increases in rates to no more than expected inflation

COMMISSION'S RECOMMENDATIONS

- Further define the basis, including inflation assumptions, for preparation of annual business plans, budgets and the long-term financial plan
- Increase funding to address deferred asset renewals
- Review adequacy of renewal spending by 2028
- Forecast and include the impact of new assets into the long-term financial plan

KEY FACTS

- Population in 2021 was **16,321**
- Council covers **1,277 square kilometres**
- **8,265** rateable properties in 2022-23
- **\$22.6 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **\$243.8 million**

