

Municipal Council of Roxby Downs

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the Municipal Council of Roxby Downs' current and projected financial performance **sustainable** taking into account the council's forecast low expense growth increase over the next 10 years and the planned average rate increases of 3.9% p.a. per property over this period

RISKS IMPACTING SUSTAINABILITY

- ⚠️ If services, facilities and existing infrastructure are kept at current levels, the Council will have cost control and affordability challenges potentially causing average rate increases at higher-than expected levels
- ⚠️ Infrastructure assets of a similar age, could require more repairs, maintenance and upgrades around the same time

CONTINUE

- ✅ Reviewing inflation forecasts in the budget and forward projections from 2024-25
- ✅ Ensuring income and expenditure data is consistent in the long-term financial plan and annual business plan
- ✅ Reviewing and updating the asset valuations and depreciation schedules regularly

COMMISSION'S RECOMMENDATIONS

- Undertake a review of the long-term financial plan each year
- Adopt inflation forecasts that align more closely with the RBA forecasts
- Include financial indicator reports in the long-term financial plan
- Introduce cost controls and monitor cost growth related to Roxby Link and capital expenditure
- Report actual and projected cost savings in the annual budget and long-term financial plan
- Update the infrastructure and asset management plans for each asset group, and ensure the timing of planned asset renewals/replacements are consistent with the remaining useful lives of existing assets
- Consider staggering future asset renewals to mitigate the risk of renewing assets simultaneously
- Consider limiting future increases in rates to below expected inflation

KEY FACTS

- Population in 2021 was **3,671**
- Council covers **110 square kilometres**
- **1,879** rateable properties in 2022-23
- **\$5.8 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **\$159.4 million**

