Advice

Local Government Advice

Regional Council of Goyder

February 2023

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone:	(08) 8463 4444
Freecall:	1800 633 592 (SA and mobiles only)
E-mail:	advice@escosa.sa.gov.au
Web:	www.escosa.sa.gov.au

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Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Regional Council of Goyder
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	*Local Government Act 1999*
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

1 The Commission's key advice findings for the Regional Council of Goyder

The Essential Services Commission (**Commission**) finds the Regional Council of Goyder's (**Council's**) current financial position and outlook sustainable, with a small operating surplus achieved historically and further surpluses forecast over the medium to long term. The Council will continue to rely on rate contributions, as well as grants income growth, to achieve this performance, but it is also forecast to accumulate relatively high cash reserves with a period of cost constraint and service consolidation.

The Commission suggests the following steps to ensure that it continues to budget prudently, manages its cost base efficiently, reviews the extent of its cash reserves, plans its asset needs appropriately and ultimately, considers the extent of any further rate increases in the context of any emerging affordability risk:

Budgeting considerations

1. **Provide** greater transparency in its long-term financial plan (and as necessary, its annual business plan and budget) concerning the inflation assumptions feeding into its projected revenue (including rates) and expense series, distinct from 'real' impacts.
2. **Review** its inflation assumptions (cost index) in its forward projections from 2023-24, given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.

Achieving and reporting on cost efficiencies

3. **Monitor** cost growth in its budgeting, where possible, particularly related to 'employee' and 'materials, contracts, and other' expenses.
4. **Report** its actual and projected cost savings in its annual budget, to provide evidence of minimising cost growth and achieving efficiency across its operations and service delivery.

Considering the extent of projected cash reserves

5. **Review** the extent of cash reserves forecast in the context of its net financial liabilities ratio performance to determine whether reserves can be prudently lowered and additional spending initiatives undertaken or future rate rises reduced.

Refinements to asset management planning

6. **Finalise** and adopt its asset management plans across different asset categories and make them accessible from its website.

Containing rate levels

7. **Review** and **consider** limiting future increases above inflation in its average rates to help reduce any emerging affordability risk in the community.

2 About the advice

The Essential Services Commission (**Commission**), South Australia's independent economic regulator and advisory body, has been given a role by the State Government to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (**SMPs**) and on the proposed revenue sources, including rates, which underpin those plans.[1]

One of the main purposes of the Local Government Advice Scheme (**advice** or **the scheme**) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (**LTFPs**) and infrastructure and asset management plans (**IAMPs**)[2] – both required as part of a council's SMP.[3] Financial sustainability is considered to encompass intergenerational equity,[4] as well as program (service level) and rates stability in this context.[5] The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, outlined in the LTFP.[6] In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.[7]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 15 councils for advice in the first scheme year (2022-23), including the Regional Council of Goyder (**Council**).

This report provides the Local Government Advice for the Regional Council of Goyder in 2022-23.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2023-24 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.[8] It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website[9]), nor is it compelled under the LG Act to follow the advice. The Commission thanks the Regional Council of Goyder for providing relevant information to assist the Commission in preparing this advice.

2.1 Summary of advice

In general, the Commission finds the Regional Council of Goyder's current and projected financial position and outlook sustainable with a small operating surplus achieved historically and continued surpluses forecast in the medium to longer term. The Commission observes that the Council has been able to achieve this position with a small rates base. The Council will continue to rely on rate contributions, as well as grants income growth, to achieve this performance, but its rate levels are still relatively low.[10]

1 Amendments to the *Local Government Act 1999* (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).
2 Commonly referred to as asset management plans.
3 The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.
4 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.
5 Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.
6 LG Act s122(1f) (a) and (1g) (a)(ii).
7 LG Act s122(1f) (b) and (1g) (b).
8 LG Act s122(1h).
9 The Commission must publish its advice under LG Act s122(1i) (a).
10 Refer to council rates data for 2019-20 available at https://councilsinfocus.sa.gov.au/home.

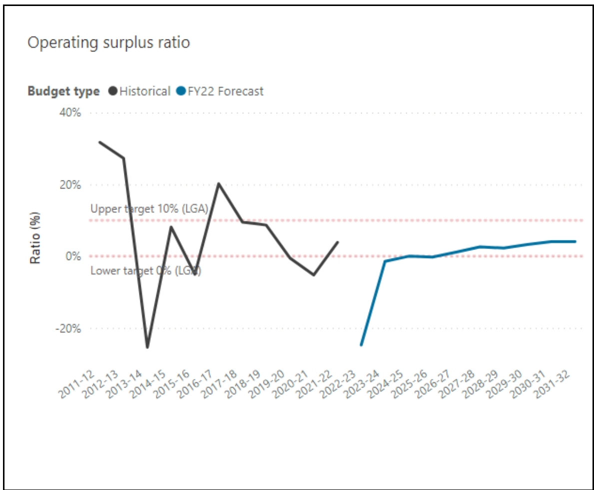
The Council is also continuing to forecast an accumulation of cash with future operating surpluses, limited capital spending on new and upgraded assets and declining borrowings over the forecast period. This should provide it with leverage to consider allocating funds towards spending initiatives or reducing further rate increases if appropriate, in consultation with its community.

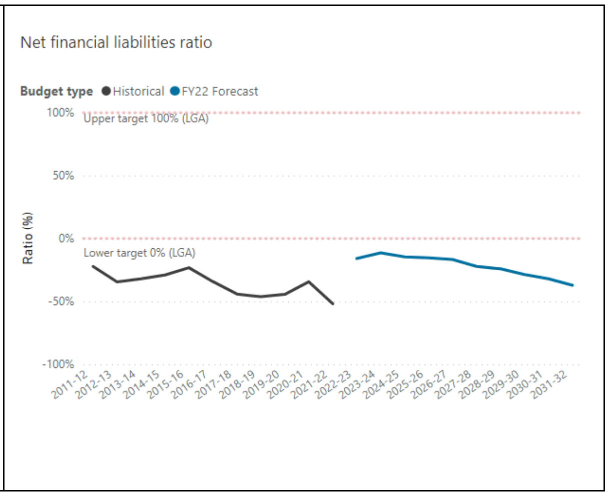
The Council has a history of incurring slightly high growth in employee costs and, to a lesser extent, contract-related costs, which is partly associated with its commercial activities.[11] With declining grants income in the past, the rates base, and to a lesser extent user charges income, has funded most of this cost growth. Looking ahead, the Council forecasts lower cost growth in its LTFP and the Commission encourages it to identify and report efficiencies and recurrent savings in its annual business plan, including related to its staffing and contracts, to ensure that it performs efficiently and sustainably.

Its projections for lower capital spending on new and upgraded assets will help to reduce the potential risk of higher than projected rate increases for its community, and ensure it continues to have adequate funding to support its ongoing asset and service sustainability. The Council's LTFP shows its continued commitment to spending adequately on the renewal of its existing asset base. However, the extent of the projected decline in the value of its asset base in real terms might also warrant further review in the context of its low borrowings and surplus cash forecast.

Furthermore, the Council has only adopted two of its asset management plans (**AMPs**), at the time of preparing this advice. This suggests that the Council should review its asset management planning, with a view to identifying opportunities for improvement.

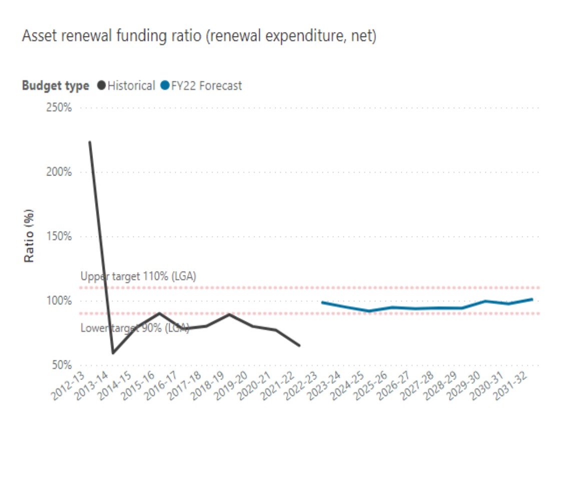
The charts below of the Regional Council of Goyder's past and projected operating surplus ratio, net financial liabilities ratio, asset renewal funding ratio and average rate revenue per property, together support these findings. The 'heat map' diagram over the page summarises the Commission's findings with reference to whether the Council has met the suggested Local Government Association (**LGA**) target ranges for the three main financial sustainability indicators[12] and the level of cost control and affordability risk identified for the Council over time.

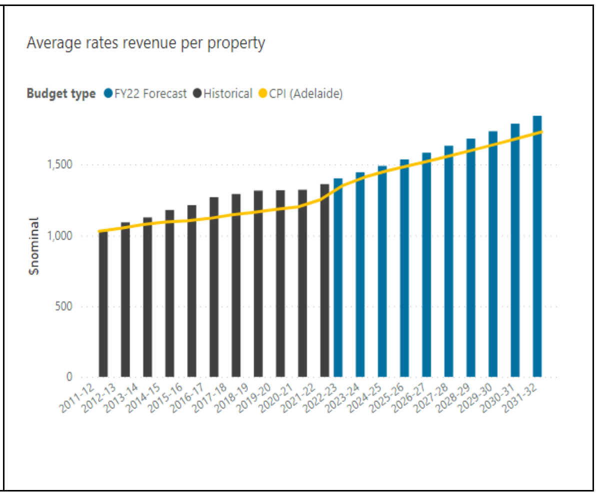




11 For which it also receives revenue (eg, Passport Product, Burra Caravan Park and Paxton Square Cottages). The Commission notes that the increase in the solid waste levy has also increased councils' waste management costs.

12 The suggested LGA target range for the ratios are discussed in more detail in the attachment.





Summary of the Regional Council of Goyder's financial sustainability performance and the Commission's risk assessment.

Financial sustainability indicators:	Last 10 years from 2011-12 (Actual performance)	2021-22 estimate	Next 10 years from 2022-23 (Council forecasts)
Operating surplus ratio (target 0-10%)	Operating surpluses within target range		Surpluses forecast from 2026-27 ---->
Net financial liabilities ratio (target 0-100%)	Ratio between zero and negative 35%	Ratio below negative 35%	Ratio between zero and negative 35% ----> Ratio as low as negative 37%
Asset renewal funding ratio (target 90-110%)	Spending on renewal works requirements met with ratio within the suggested target range ---->		Suggested ratio target range met in projections ---->
Identified Risks:			
Cost control risk	Operating expenses per property average growth 4.1% p.a. to 2020-21 (CPI 1.7%) ---->	Lower expense growth	Operating expenses per property forecast average growth 1.8% p.a., lower than projected CPI (2.8%) ---->
Affordability risk	Rate revenue per property average growth 4.1% p.a. to 2016-17 ----> Lower rate revenue growth per property p.a.		Projected rate revenue per property average growth 3.1% p.a., marginally above forecast average CPI (2.8%.) ---->

Red: Ratio outside suggested LGA target range or higher risk

Yellow: Ratio close to suggested LGA target range or medium risk

Green: Ratio within suggested LGA target range or lower risk

2.2 Detailed advice findings

The next sections summarise the Commission's more detailed observations and advice findings regarding the Regional Council of Goyder's material changes to its 2022-23 plans (compared with the previous year's plans), its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure) and its current and projected rate levels.

In providing this advice, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (**F&A**). The attachment explores these matters further.[13]

2.2.1 Advice on material plan amendments in 2022-23

The Commission has compared the Regional Council of Goyder's projections in its 2022-23 LTFP with those from its 2021-22 LTFP and focused on the aggregate of the nine overlapping years' statistics: 2022-23 to 2030-31 to ensure a comparable analysis of material amendments.

The Council's 2022-23 budget includes increases to both its projected income and expenditure items to 2030-31, compared with the 2021-22 forecasts,[14] as follows:

- An additional $4.8 million or 4.4 percent in total operating income. Most of this increase is due to 'commercial' activities which have increased by $2.0 million or 21.7 percent. These comprise income from Burra Caravan Park, Paxton Square Cottages, Paxton Convention Centre and Burra and Goyder Visitor Information Centre. User charges have also increased by $1.6 million, or 5.1 percent and rates have increased by $0.8 million or 1.4 percent.
- An additional $6.3 million or 5.8 percent in total operating expenses and $1.3 million or 4.3 percent in total capital expenditure. Also, more than half of the Council's higher operating expenses are due to an increase of $5.6 million or 14.1 percent in materials, contracts and other expenses.

In the current inflationary environment, most of the revisions to the forward estimates are reasonable for additional inflation impacts. The Regional Council of Goyder applies its own 'cost index' model which considers a mix of projected Local Government Price Index (**LGPI**), Adelaide Consumer Price Index (**CPI**) and other adjustments in the one index. Noting recent relatively high CPI and LGPI growth and wage agreement terms, the Council indicated that it had used a cost index of 3.5 percent for its 2022-23 estimates and 3.5 percent for its annual projections over the remaining life of the LTFP (to 2031-32).[15]

The Commission considers that the application of this index to different cost and revenue series could be clearer in the Council's LTFP, to better distinguish anticipated inflationary from real (efficiency or service-related) changes. For this reason, it would be appropriate for it to:

1. **Provide** greater transparency in its long-term financial plan (and as necessary, its annual business plan and budget) concerning the inflation assumptions feeding into its projected revenue (including rates) and expense series as distinct from 'real' impacts.

[13] The attachment will be available on the Commission's website with the advice.
[14] The overlapping forecast period in both LTFPs (2021-22 to 2030-31 and 2022-23 to 2031-32).
[15] Regional Council of Goyder, *Annual Business Plan and Budget Summary 2022/23 and Long Term Financial Plan 2022-32*, June 2022, p. 4, available at https://www.goyder.sa.gov.au/__data/assets/pdf_file/0018/1177002/ABP-and-Budget-2022-23-adopted-final-June-2022.pdf.

In the current inflationary environment, the assumptions concerning price rises over the next 10 years will require annual review, particularly given the potential for higher short-term inflation before a return to long term averages (potentially 2.5 percent as the mid-point of the Reserve Bank of Australia (**RBA**) target range of 2 and 3 percent).[16] Notwithstanding the need for the Council to endeavour to find savings in real terms, where possible, to reduce any inflationary impact on its community, the Commission has found that it would be appropriate for it to:

2. **Review** its inflation assumptions (cost index) in its forward projections from 2023-24, given the potential for higher short-term inflation outcomes, followed by a return to long-term averages.

2.2.2 Advice on financial sustainability

Operating performance

The Regional Council of Goyder has achieved operating surpluses[17] in six of the years between 2011-12 to 2020-21 with an average operating surplus ratio[18] performance of 6.9 percent over these years. This is within the higher portion of the suggested LGA target range for the ratio.

In the same period, the Council's operating income declined by an average annual rate of 0.8 percent.[19] The decline in income was due to 'grants, subsidies and contributions' income decreasing from $7.9 million in 2011-12 to $4.4 million in 2020-21 (the three-year rolling average also showed a decline of around $1.2 million in grants income over this period). The fall in grants income was offset by an average increase in rate income of 3.1 percent per annum. User charges revenue also increased over this period, linked to the Council's commercial activities.

The Council's average annual increase in total operating expenses was lower than the rates revenue growth of 4.1 percent from 2011-12 to 2020-21. Materials, contracts, and other expenses increased by an average of 4.5 percent per annum, while employee expenses increased by 4.7 percent per annum. This compares with average annual CPI growth of 1.7 percent over this period.[20] The Commission acknowledges that part of these cost increases is likely associated with additional inputs for its commercial activities.

The Council has forecast improving operating deficits for the first three years of the forecast period from 2022-23. The estimated reduction in the rate of growth in operating expenses (to an average of 1.8 percent per annum to 2031-32, which is below the rate of RBA-based forecast inflation growth),[21]

[16] RBA, Forecast Table - February 2023, available at https://www.rba.gov.au/publications/smp/2023/feb/forecasts.html The CPI (Australia-wide) is forecast to increase by 6.7 percent in the year to the June 2023 quarter, by 3.6 in the year to the June 2024 quarter and by 3.0 percent in the year to the June 2025 quarter. Beyond June 2025, the RBA has not published inflation forecasts, but a return to the long-term average (of 2.5 percent based on the midpoint of the RBA's target range of 2 and 3 percent) is a reasonable assumption.

[17] This means the Council's operating income (including rates and other revenue sources but excluding capital grants, subsidies, and contributions) have exceeded its operating expenses (including depreciation).

[18] The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income, where the balance includes depreciation expenses. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019* (**LGA SA Financial Indicators Paper**), p. 6).

[19] Based on the compound average annual growth rate formula throughout the Commission's Advice.

[20] CPI (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 1.9 percent), available at https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index.

[21] The forecast average annual growth in the CPI from 2022-23 to 2031-32 is estimated to be 2.8 percent based on RBA forecasts for the CPI (Australia wide) to June 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

combined with higher projected operating income growth (4.8 percent per annum) is expected to generate growing operating surpluses from 2026-27.

Despite the lower forecast cost growth, the Commission has observed that the Council has not identified any projected savings or efficiencies in its annual business plan or LTFP. Given its past performance regarding cost growth, it would be appropriate for the Council to:

3. Monitor cost growth in its budgeting, where possible, particularly related to 'employee' and 'materials, contracts, and other' expenses.
4. Report its actual and projected cost savings in its annual budget, to provide evidence of minimising cost growth and achieving efficiency across its operations and service delivery.

Net financial liabilities

The Regional Council of Goyder's net financial liabilities ratio[22] result was negative each year from 2011-12 to 2020-21 which is outside the suggested LGA target range for this ratio. The Council has forecast that its net financial liabilities ratio will continue to remain negative throughout the forecast period to 2031-32.[23]

The Council's extent of negative net financial liabilities is forecast to increase from negative $1.5 million in 2022-23 to negative $5.5 million in 2031-32 while the net financial liabilities ratio is forecast to worsen from negative 16 percent in 2022-23 to negative 37 percent in 2031-32. This performance appears to be consistent with an expected period of further service consolidation by the Council with limited spending forecast on new or upgraded infrastructure and only low borrowing levels.

The Council's cash reserves are forecast to be maintained at a sufficient level to meet its LTFP requirements and fund various reserves, including its restricted and General Fund (unrestricted) reserves.[24] With operating surpluses forecast from 2026-27 and limited spending on new and upgraded assets, the Council's cash and cash equivalent balance is forecast to increase from $2.7 million in 2022-23 to $6.5 million in 2031-32, an annual average increase of 10.4 percent over this period. Included in the cash and cash equivalent forecast balance of $6.5 million in 2031-32 is $1.1 million for 'general funds' while the remaining amount is for reserve balances which include Paxton Square Cottages, Burra Caravan Park, the Burra passport product and the community wastewater management system (CWMS).[25] Although the nature of 'restricted' reserves is that the funds are hypothecated for specific uses only, the Commission observes that the Council has forecast continued growth across all of its various reserves to 2031-32. Therefore, the Commission considers that it would be appropriate for the Regional Council of Goyder to:

5. Review the extent of cash reserves forecast in the context of its net financial liabilities ratio performance to determine whether reserves can be prudently lowered and additional spending initiatives undertaken or future rate rises reduced.

22 The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between 0 and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

23 Regional Council of Goyder, *Annual Business Plan and Budget Summary 2022/23 and Long Term Financial Plan 2022-32*, June 2022, p. 11.

24 Regional Council of Goyder, *Annual Business Plan and Budget Summary 2022/23 and Long Term Financial Plan 2022-32*, June 2022, p. 3.

25 Regional Council of Goyder, *Annual Business Plan and Budget Summary 2022/23 and Long Term Financial Plan 2022-32*, June 2022, Appendix A, p. 8.

Asset renewals expenditure

The Regional Council of Goyder's asset renewal funding ratio (under the 'IAMP-based' approach)[26] has performed within the suggested LGA target range[27] in the nine years to 2020-21, with an average of 95 percent. This suggests that the Council has been renewing or rehabilitating its asset base, on average, in line with the requirements for such works specified in its SMP (including its existing AMPs).

The Regional Council of Goyder has spent more on renewal and rehabilitation of its existing stock than on new and upgraded assets. Between 2011-12 and 2020-21, its spending on the renewal of its asset base averaged $4.0 million per annum, compared with $1.7 million on new and upgraded assets.

The Council has forecast to continue performing within the suggested LGA target range for the asset renewal funding ratio (with an average of 96 percent) from 2022-23, with the Council's spending on renewal assets projected to average $4.3 million to 2031-32 (in nominal terms). This coincides with continued lower forecast spending by the Council on new or upgraded assets (estimated to average $0.6 million per annum between 2022-23 and 2031-32) (in nominal terms).

Accordingly, the value of asset stock per rateable property is forecast to decline in real terms to 2031-32.

From 2022-23, the depreciation-based asset renewal funding ratio,[28] will average 102 percent per annum to 2031-32. This is similar to the historical trend when the ratio averaged 95 percent (from 2011-12 to 2020-21) and indicates that the depreciation expense, which should reflect the rate of asset consumption for the Council, is generally aligned to the required expenditure on capital renewals under the Council's SMP (including its AMPs).

The Council has stated that the asset management plans for CWMS, buildings and transport infrastructure are under development and preliminary projects and costing has been incorporated into the Annual Business Plan and Budget and LTFP.[29] Since then, the asset management plans for transport and buildings have been adopted. The Commission otherwise observes that these plans include relevant consideration of community service levels and demand forecasts for its assets.

Consistent with its current plans, the Commission considers that it would be appropriate for the Regional Council of Goyder to:

6. Finalise and adopt its asset management plans across different asset categories and make them accessible from its website.

2.2.3 Advice on current and projected rate levels

The Regional Council of Goyder has a history of relying on rate contributions to sustain its operating capacity when other income has been declining (such as 'grants, subsidies and contributions' income). The Council increased its rates revenue per property by an average of 2.8 percent, or $33 per annum for

[26] The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p. 9).

[27] Between 90 and 110 percent.

[28] The Council's asset renewal funding ratio by the depreciation-based method (where asset renewal/replacement expenditure is divided by depreciation expenses). This ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the estimated rate at which these assets are used or consumed.

[29] Regional Council of Goyder, *Annual Business Plan and Budget Summary 2022/23 and Long Term Financial Plan 2022-32*, June 2022, p. 6.

each property over the last 10 years, which is not excessive.[30] As stated, the RBA's annual CPI growth averaged 1.7 percent over this period, but its resulting average rate levels are still relatively low. [31] The Council has implemented a 3.0 percent increase to its rate revenue in 2022-23, [32] which aligns to its previous forecast for 2022-23 (3.0 percent), despite rising inflation.

Its 2022-23 LTFP forecasts an average increase of $442 to existing rates in total to 2031-32 (to $1,844 average rate per property), which represents an increase of $46 above the RBA-based assumed inflation growth.[33] This equates to a 3.1 percent average annual increase which is only marginally higher than RBA-based forecast inflation.[34]

The Regional Council of Goyder's consultation on its annual business plan, which incorporated the proposed rate increases for 2022-23, received two written representations and no verbal submissions.[35]

Currently, affordability risk among the community appears relatively low based on the Socio-Economic Indexes for Areas (SEIFA) economic resources ranking.[36] The Council is not forecasting any significant new spending initiatives which would place additional risk on its ratepayers; on the contrary it is forecasting a period of service consolidation corresponding with zero property growth and constrained cost growth. The Commission further acknowledges that the Council has implemented the results of its rating structure review and is not increasing its fixed charge component of its rates for the life of the LTFP.[37]

On the other hand, affordability risk among the community could emerge with the extent of rate arrears in the community,[38] continued rate increases forecast and current economic conditions affecting many communities' capacity to pay for higher rate levels, including the Regional Council of Goyder's. For these reasons, it would be appropriate for the Regional Council of Goyder, when considering further rate increases, to:

7. **Review** and **consider** limiting future increases above inflation in its average rates to help reduce any emerging affordability risk in the community.

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30 From 2011-12 to 2020-21.

31 Available at https://councilsinfocus.sa.gov.au/councils/the_regional_council_of_goyder. The Commission is not relying on this rates comparison for its advice; it is just one indicator, among many, which has informed its advice on the appropriateness of the rate levels.

32 Regional Council of Goyder *Annual Business Plan and Budget Summary 2022/23 and Long Term Financial Plan 2022-32*, June 2022, p. 4.

33 See footnote 21.

34 This includes rates growth of 1 percent expected each year.

35 Regional Council of Goyder*, Ordinary meeting of Council - 21 June 2022 Report item 9.2.2.1 Annual Business Plan 2022-2023,* p. 110. Available at: https://www.goyder.sa.gov.au/__data/assets/pdf_file/0027/1161891/Agenda-21.06.2022.pdf.

36 Regional Council of Goyder LGA is ranked 31 among 71 South Australian '*local government areas*' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2016), where a lower ranking (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at https://www.abs.gov.au/ausstats/subscriber.nsf/log?openagent&2033055001%20-%20lga%20indexes.xls&2033.0.55.001&Data%20Cubes&5604C75C214CD3D0CA25825D000F91AE&0&2016&27.03.2018&Latest.

37 Regional Council of Goyder, *Annual Business Plan and Budget Summary 2022/23 and Long Term Financial Plan 2022-32*, June 2022, p. 4.

38 The Council indicated how '*Overdue rates and charges (CWMS, Waste Service and NRM levy) as at 30th June 2021 totalled $593k ($631k as at 30th June 2020) which is 10.2% of the total amount of rates and charges levied in 2020/21.*' (Regional Council of Goyder, *Annual Business Plan and Budget Summary 2022/23 and Long Term Financial Plan 2022-32*, June 2022, p. 4.).

2.3 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Regional Council of Goyder's:

- ongoing performance against its LTFP estimates review and action concerning its inflation assumptions, including its cost index
- demonstration of cost control and similarly, its achievement of cost savings and efficiencies (including operational savings), and its reporting of these achievements
- actions to reduce the extent of its projected cash reserves in forward years (by allocating funds to spending initiatives or projecting lower rate contributions, for example)
- progress in finalising its IAMPs, and
- how it has sought to continue to limit any emerging affordability risks identified for its ratepayers.

The Essential Services Commission
Level 1, 151 Pirie Street Adelaide SA 5000
GPO Box 2605 Adelaide SA 5001
T 08 8463 4444
E escosa@escosa.sa.gov.au | W www.escosa.sa.gov.au