

OVERVIEW

The Essential Services Commission finds the Clare and Gilbert Valley Council's current and projected financial performance **potentially unsustainable** taking into account the council's forecast moderate expense growth increase over the next 10 years and the planned average rate increases of 3.3% p.a. per property over this period

RISKS IMPACTING SUSTAINABILITY

- ⚠️ Out of date asset management plans, asset valuations and condition grading
- ⚠️ Over-estimation of asset useful lives and conditions
- ⚠️ Uncertainty around depreciation expenses
- ⚠️ Under-estimation of asset future repair, renewal and replacement costs

CONTINUE

- ✅ Reviewing the capital expenditure program annually in the asset management plans
- ✅ Reviewing and considering options to limit future increases in rates to no more than expected inflation

COMMISSION'S RECOMMENDATIONS

- Review and provide greater transparency in the long-term financial plan
- Consider reporting the operating efficiency aims or cost reduction challenges
- Provide more information about the proposed capital works program
- Focus on constraining cost growth
- Report the actual and projected cost savings
- Review the estimates of asset lives (and valuations)
- Complete a review of the asset management plans

KEY FACTS

- Population in 2021 was **9,187**
- Council covers **1,840 square kilometres**
- **7,039** rateable properties in 2022-23
- **\$15.2 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **\$163.1 million**

