

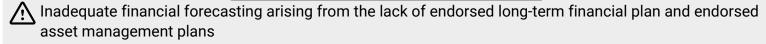
# **District Council of Robe**

### **AT A GLANCE**

#### **OVERVIEW**

The Essential Services Commission finds the District Council of Robe's current and short-term projected financial performance **potentially unsustainable** but notes that it is taking steps to move towards a more sustainable position in the medium to long-term, however not without risks associated with its low forecast expenses growth, corporate governance, and asset management practices

## **RISKS IMPACTING SUSTAINABILITY**



• Understatement of depreciation due to unendorsed and incomplete asset management plans, particularly for Infrastructure (transport) assets which represents 58 percent of total assets

\Lambda Out of date asset management plans and lack of certainty of asset stock conditions and useful lives

Low growth in forecast expenses (compared with historic levels) are not realised and the current expense trajectory continues

1 If instability in corporate governance continues

1 Underspending on future asset renewal expenditure

#### **COMMISSION'S RECOMMENDATIONS**

- Review and update the most recent long-term financial plan immediately for Council endorsement and publication as per the LG Act
- Align the long-term financial plan projections with the annual business plan and budget for 2024-25
- Consider options to increase its income to move towards a more financially sustainable position
- Review the annual budget and long-term financial plan immediately following the update of strategic direction, and endorsement of draft asset management plans
- Urgently review and adopt draft asset management plans to align with strategic directions to facilitate accuracy in asset related expenditure
- Provide more funding for the renewal of assets, rather than prioritising initiatives which involve new or upgraded infrastructure
- Urgently update the Infrastructure asset management plan (transport assets) to align with strategic directions and facilitate accuracy in asset related expenditure forecasts
- Review rate increases relative to proposed service levels to align with revised and endorsed asset management plans to
  ensure adequate revenue to maintain funding of council services at a sustainable level

# KEY FACTS

- Population in 2021 was 1,542
- Council covers 1,091 square kilometres
- **2,537** rateable properties in 2022-23
- \$6.2 million of rate income in 2022-23
- Value of assets held in 2022-23 equals \$106.4 million

