



MEDIA RELEASE

10 June 2010

Financial Sustainability of Tasmanian Councils

President of the Local Government Association of Tasmania, Mayor Barry Easter, said that the report tabled by the Auditor General in the Parliament today should not be cause for alarm for ratepayers and communities across the state.

“The Local Government Association first identified the need to understand the issues relating to the financial sustainability of councils a number of years ago and has been working closely with councils to address some of the key areas requiring attention,” Mayor Easter said.

“The Auditor General’s report focuses on a range of indicators that reflect the average performance of councils over a four year period. It is the same four year period in which councils have been working diligently at addressing some of the matters requiring attention.”

“The funding of depreciation and closing the asset renewal gap are high on council agendas. The Association is due to commence a major financial management project with Tasmanian councils which will focus on the implementation of a robust asset management and long-term financial planning regime that will provide councils with an improved ability to assess their medium and longer-term financial requirements. Many councils are already a long way down this path and the Auditor General’s report reflects this quite clearly,” he said.

Mayor Easter said the significance of the Association project is to achieve consistency in reporting, application and interpretation of asset and financial data that is also in line with national frameworks.

“The Auditor General’s report does throw up some interesting results but councils are well aware of the reasons for the results and either have in place plans and strategies to deal with any shortcomings, or are implementing strategies to address the shortfalls in performance,” he said.

“The indicators developed by the Auditor General are lag indicators and paint a picture of what has happened, but do not provide a true picture of where councils may be heading.”

“The Association is confident that the attention that this type of reporting brings to strategic and operational financial management and the work presently being undertaken will work to ensure a more robust and sustainable sector in the future.”

“The important point made by the Auditor General in his report is that no single Tasmanian council is financially unsustainable. He highlights that the material identified in his report should be used to assess their financial position and performance.”

“The Association strongly supports this proposition and will continue to work councils to improve overall financial performance,” Mayor Easter added.

Ends...

**For further information or interviews, please contact LGAT President,
Mayor Barry Easter on 0408 334 936.**