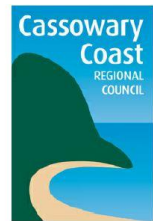


# MEDIA STATEMENT

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7 JULY 2020

## ASSET RATIONALISATION TO LEAD TO LOWER RATES FOR THE CASSOWARY COAST

Cassowary Coast Regional Council (CCRC) will undertake an ambitious asset rationalisation program, which will see costly assets reduced across the region.

The asset rationalisation process is aimed at improving the value of the services delivered by Council by rationalising or disposing of assets that are underutilised or in disrepair.

Mayor Mark Nolan said in comparison to neighbouring local government areas, Cassowary Coast Regional Council's asset to population ratio is high and contributes to higher rates for the community.

'In previous Councils we always talked about why rates were so high – but we didn't look closely at our assets and their effect on the budget,'

'Our asset base per ratable property is twice that of neighboring areas,' said Councillor Nolan.

In 2015 the Queensland Treasury Corporation (QTC) identified that Council's growing asset base had placed a significant financial burden on the regional community.

QTC recommended that Council identify options to rationalise or dispose of assets that had been earmarked as surplus to requirements.

The value of Cassowary Coast's asset base per rateable property in 2018/19 was \$74,024 compared to \$44,177 for the Tablelands and \$48,371 for the Hinchinbrook Shire.

Nolan said without change this will continue into the future with the potential to worsen as Council seeks to provide new and upgraded assets to meet changes in regulation, standards and community need.

'To ensure long term financial sustainability while keeping downward pressure on rates, Council can reduce its large asset base,' he said.

'We must continuously plan, review and make decisions about the provision of assets and ensure that assets are well utilised and represent value to the community.'

It is proposed that through the rationalisation of assets Council can reduce asset costs such as annual depreciation, insurance premiums and operational and maintenance expenditure by \$400,000.

The process will involve liaising with the Cassowary Coast Community Reference Group to ensure that the community is consulted in regard to achieving savings through asset rationalisation.

Nolan said feedback from the Community Reference Group will inform Council's formal decisions in regard to which assets should be rationalised.

'Community consultation will form a crucial part of this process. While there is significant opportunity to make savings, some difficult decisions will need to be made to realise this,' he said.

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# MEDIA STATEMENT



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'The Community Reference Group will provide a valuable tool for Council in understanding community points of view when making these decisions.'

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