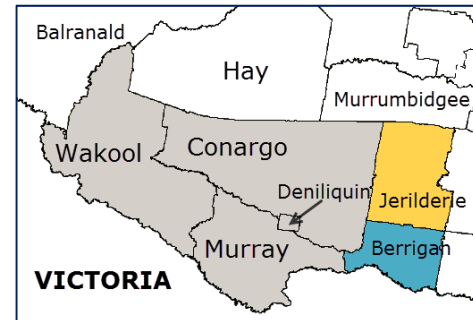


BERRIGAN SHIRE COUNCIL – CIP

NOT FIT			
Area (km ²)	2,045	Population 2011	8,300
OLG Group	10	(2031)	7,800
ILGRP Group	D	Merger 2011	9,850
		(2031)	9,050
Operating revenue (2013-14)	\$12.2m	TCorp assessment	Moderate FSR, Neutral Outlook
ILGRP options (preference in bold)	Merge with Jerilderie (yellow) or Council in Mid-Murray JO (all shaded).		



Assessment summary	Scale and capacity	Does not satisfy
	Financial criteria:	Satisfies overall
	• Sustainability	Satisfies
	• Infrastructure and service management	Satisfies
	• Efficiency	Satisfies

Fit for the Future – NOT FIT

- The council does not satisfy the scale and capacity criterion.
- The council satisfies the financial criteria overall. It satisfies the sustainability, infrastructure and service management and efficiency criteria.
- Scale and capacity is a threshold criterion which councils must meet to be Fit for the Future (FFTF), therefore the council is not fit.

Scale and capacity – does not satisfy

- The council was required to consider the ILGRP preferred option and demonstrate its proposal is at least as good to achieve the scale and capacity objectives for the region.
- When compared to the merger, the council's forecast population of 7,800 in 2031 means it is unlikely to provide services cost-effectively to the local communities, advocate credibly and partner with government.
- A merged council is likely to have improved capabilities, a more robust revenue base, greater scope to undertake new functions and projects, better regional collaboration and integrated planning.
- The council submitted a business case undertaken by SGS for a merger with Jerilderie. The business case showed the merger of Jerilderie and Berrigan could deliver benefits to the local community of between \$1.4m and \$12.5m over 10 years (using a discount rate of 5.5%, not including the \$5m Government funding).

Sustainability – satisfies

- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance ratio, the own source revenue ratio and the building and infrastructure asset renewal ratio by 2019-20.

Infrastructure and service management - satisfies

- The council satisfies the criterion for infrastructure and service management based on its forecast to meet the benchmarks for the infrastructure backlog, the debt service and the asset maintenance ratios by 2019-20.

Efficiency - satisfies

- The council meets the criterion for efficiency based on its forecast for real opex per capita to reduce over the period.

Other relevant factors

Social and community context The council notes that due to its location on the Murray, its social and economic orientation is south to Victoria and that ties with neighbouring NSW LGAs are limited. It states this is confirmed by ABS Travel to Work Data and SGS modelling. The main towns in Berrigan are Finley, Tocumwal and Berrigan.

Community consultation The council conducted a telephone survey of 350 residential and 101 business residents in Berrigan Shire in January 2015. 53% of residents opposed the merger with Jerilderie (20% strongly), 15% neither supported nor opposed it and 26% supported the merger (4% strongly).

Other relevant factors

Water and/or sewer	The council notes that it does not currently achieve the requirements of the NSW Government Best Practice Management of Water Supply and Sewerage Framework. The council postponed the implementation of its IWCMP to 2015-16 and receives 35% of its water revenue from consumption charges. In 2014-15 it met the 50% benchmark. It reported a water and sewer backlog of \$2.6m in 2013-14 but notes that there are no water and sewer infrastructure assets that are currently not fit for purpose or unfunded.
Submissions	There were no submissions received in relation to Berrigan's proposal.
