

BLAYNEY SHIRE COUNCIL – CIP

NOT FIT

Area (km ²)	1,528	Population 2011	7,200
OLG Group	10	(2031)	7,800
ILGRP Group	E	Merger 2011	46,600
		(2031)	54,050
Operating revenue (2013-14)	\$11.2m	TCorp assessment	Moderate FSR, Positive Outlook

ILGRP options Blayney in Central West JO (all shaded) or merge with Orange (yellow).
(no preference)

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 satisfy to be Fit for the Future (FFTF), therefore the council is not fit.

Scale and capacity – does not satisfy

- The council's population is forecast to be 7,800 by 2031. Our analysis suggests the council has insufficient scale to deliver services cost-effectively for its community and to partner effectively with governments.
- Therefore the council's proposal to stand alone does not satisfy scale and capacity.
- Based on the business case submitted by Cabonne and Orange on a merger between the two councils, our analysis suggests the merger could produce benefits to the local communities of \$25m over 20 years. Morrison Low noted that the inclusion of Blayney in this merger would be expected to generate even higher benefits.
- A merged council is likely to have improved capabilities and a more robust revenue base, greater scope to undertake new functions and projects, improved integrated planning and regional collaboration.

Sustainability – satisfies

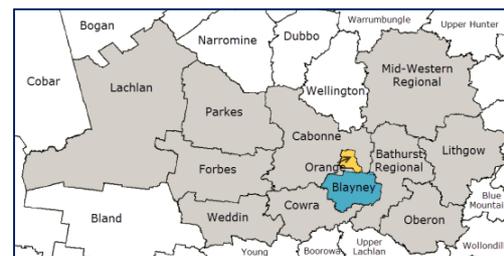
- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance ratio, the own source revenue ratio and the building and infrastructure asset renewal ratio by 2019-20.

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 and the asset maintenance ratio by 2019-20.

Efficiency – satisfies

- The council satisfies the efficiency criterion based on its forecast decline in real opex per capita over the period to 2019-20.



Other relevant factors

Social and community context	Blayney Shire Council is close to two large centres, Bathurst and Orange. Blayney considers the council has connections with both cities and the community is likely to be divided over the most suitable merger partner. Blayney is a small rural shire, while Bathurst and Orange are urbanised city centres.
Community consultation	Blayney undertook a community survey. 86% of respondents to the survey supported the stand-alone option. Blayney states its community wants to retain local democracy, representation and services. Blayney's questionnaire did not provide detailed information on the merger.
Water and/or sewer	Blayney manages sewerage services. Blayney notes the sewerage business meets the NSW Government Best Practice Management guidelines and achieves a break-even performance.
Submissions	There were no submissions received in relation to Blayney's proposal.

