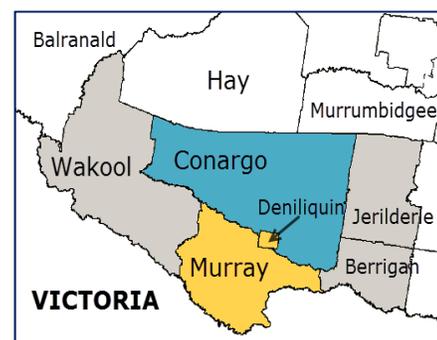


CONARGO SHIRE COUNCIL – RURAL COUNCIL PROPOSAL

NOT FIT

Area (km ²)	8,500	Population: 2011	1,600
OLG Group	8	(2031)	1,700
ILGRP Group	B	Merger 2011	16,100
		(2031)	16,150
Operating revenue (2013-14)	\$6.6m	TCorp assessment	Sound FSR Neutral Outlook

ILGRP options (preference in bold) **Merge with Deniliquin and Murray** (yellow) or Rural 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.
- The proposed Rural Council Proposal is not as good as the ILGRP's preferred option to merge with Deniliquin and Murray. When compared to the merger, the council's small and static population of 1,700 in 2031 means it is unlikely to provide services cost-effectively to the local communities and advocate credibly.
- 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 meeting the benchmark for the operating performance ratio by 2024-25 and the building and infrastructure asset renewal ratios by 2019-20.
- The council's own source revenue ratio excluding FAGs increases from 41% in 2014-15 to 51% by 2019-20, which is below the benchmark. The inclusion of FAGs will increase the ratio to 77% by 2019-20.

Infrastructure and service management - satisfies

- The council satisfies the infrastructure and service management criterion. It is forecast to meet the benchmark for the infrastructure backlog, asset maintenance debt service ratios over the outlook period to 2019-20.

Efficiency - satisfies

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

Other relevant factors

Social and community context	The council produces around 14% of Australia's rice and is primarily focused on agriculture. Its population is dispersed between six main villages – Conargo, Blighty, Pretty Pine, Wanganella, Mayrung and Booroorban.
Community consultation	The council conducted a survey, with 96% of responses (469) indicating they support Conargo to remain separate from other councils. The council has also cited high levels of community satisfaction with current levels of service.
Water and/or sewer	The council does not have a water/sewer business.

Other relevant factors

Submissions We received two submissions relating to Conargo which raised concerns over any potential merger for Conargo. They indicated that the council currently meets ratepayers expectations and that evidence should be provided to indicate where (if at all) the council has not met its obligations. Both submissions questioned whether there are advantages to merging with Deniliquin.
