

FIT FOR THE FUTURE ASSESSMENTS RELEASED

Tuesday, 20 October 2015

The NSW Government has today released IPART's assessments of local government Fit for the Future proposals.

IPART Chairman Dr Peter Boxall said 52 of the 139 proposals (received from 144 councils)¹ were found to be 'fit' under the Fit for the Future criteria established by the Government last year. These included four merger proposals (covering nine councils) and 48 proposals from councils proposing to stand alone.

"All proposals to either stand-alone or merge were assessed according to whether they delivered the scale and capacity, financial sustainability, the ability to effectively manage infrastructure and services, and efficiency for the community as required under the criteria," Dr Boxall said.

"Of the 87 proposals found to be unfit, 60 (around 43% of all proposals received) did not have sufficient scale and capacity, 18 did not meet the financial criteria and nine did not meet either of these criteria," Dr Boxall said.

"As we have said from the outset, our assessment of scale and capacity is about more than population and, in making these assessments, we have considered the Independent Local Government Review Panel's preferred option and whether the proposal demonstrates the council can achieve the key elements of scale and capacity."

"Despite smaller populations, more regional councils were assessed as satisfying the scale and capacity criteria than metropolitan councils because the ILGRP's preferred option for regional councils recognised the local circumstances and in many cases did not propose a merger."

Dr Boxall said that IPART made the assessments based on information provided by councils, long-term financial reports and other available data. Additional information was requested from most councils, with IPART holding meetings with some councils to clarify key issues and also at a council's request.

"We have not made any merger recommendations, but have assessed each council's proposal as either 'fit' or 'not fit'," Dr Boxall said.

IPART found that in the metropolitan area alone, savings of up to \$1.95 billion would be made over the next 20 years if the ILGRP merger recommendations were to be adopted.

¹ The eight Far West councils were not required to submit proposals.

Where proposals included a potential future Special Variation to increase rates above the rate peg, IPART considered whether such a future increase would be reasonable by reviewing past increases, the affordability of these proposals within the community, and what alternative options have been explored. The inclusion of these additional funds in the assessment of a council's proposal does not necessarily mean that such a future special rate variation would be granted, as it would be assessed at the time the application is made.

The final assessments, council proposals, assessment methodology and submissions received for each council are available on IPART's website <http://www.ipart.nsw.gov.au>. Those submissions where the author requested confidentiality have not been posted.

A full list of the assessments of all NSW councils follows.

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ASSESSMENT OF LOCAL GOVERNMENT FIT FOR THE FUTURE PROPOSALS

The NSW Government established 4 criteria that NSW councils must meet to be considered Fit for the Future (FFTF).



IPART's role, as the appointed Expert Advisory Panel, was to:



IPART's role was **NOT** to determine the criteria or make the final decision about what happens to councils following the Fit for the Future assessment.

THE STAGES SET OUT BY GOVERNMENT

1	Release of Independent Panel final report	8 January 2014
2	Release of the FFTF criteria by Government	10 September 2014
3	Councils prepare submissions and consult with their communities	September 2014 – June 2015
4	IPART consults on and finalises assessment methodology	April – May 2015
5	Councils finalise and lodge submissions	30 June 2015
6	Close of public submissions	31 July 2015
7	IPART's advice to the Minister	16 October 2015

The Minister then considers and announces outcomes and next steps.

Assessment of councils: Metropolitan Sydney councils

Table 1 Metropolitan Sydney Merger Proposals

Councils	ILGRP preferred option	Assessment
Randwick City and Waverley	Merge to form a Global Sydney council	Fit
Auburn City Burwood City of Canada Bay	Auburn to merge with Holroyd, Parramatta, Ryde (part) and The Hills (part); Burwood and Canada Bay to merge with Ashfield, Leichhardt, Marrickville and Strathfield	Fit

Note: Bold indicates an ILGRP preferred option.

Table 2 Inner Metropolitan Sydney Councils

Region	ILGRP preferred option	Councils	Assessment
Global City	Amalgamate with Randwick City and Waverley Council	City of Botany Bay	Not fit
		City of Sydney	Not fit as a Global City Council
		Woollahra Municipal	Not fit
Inner West	Amalgamate with City of Canada Bay and Burwood	Ashfield	Not fit
		Leichhardt Municipal	Not fit
		Marrickville	Not fit
		Strathfield	Not fit
West Central	Amalgamate with Auburn, City of Ryde (part) and The Hills (part)	Holroyd City	Not fit
		Parramatta City	Not fit
Lower North Shore	Amalgamate	Hunter's Hill	Not fit
		Lane Cove	Not fit
		Mosman Municipal	Not fit
		North Sydney	Not fit
		City of Ryde	Not fit
		Willoughby City	Not fit
Northern Suburbs	Amalgamate	Hornsby Shire	Not fit
		Ku-ring-gai	Not fit
Northern Beaches	Amalgamate	Manly	Not fit
		Pittwater	Not fit
		Warringah	Not fit
South West	Amalgamate	Fairfield City	Not fit
		Liverpool City	Not fit
Southern	Amalgamate	City of Canterbury	Not fit
		Hurstville City	Not fit
		Kogarah City	Not fit
		Rockdale City	Not fit
Bankstown	No change	Bankstown City	Fit

Note: Bold indicates an ILGRP preferred option.

Table 3 Outer Metropolitan Sydney Councils

Council	ILGRP preferred option	Assessment
Blacktown City	No change	Not fit
Blue Mountains City	No change	Fit
Camden	No change	Fit
Campbelltown City	No change	Not fit
Hawkesbury	No change	Not fit
Penrith City	No change	Fit
Sutherland Shire	No change	Fit
The Hills Shire	No change	Fit
Wollondilly Shire	No change	Fit

Note: Bold indicates an ILGRP preferred option.

Assessment of councils: Non- metropolitan councils

Table 4 Non- metropolitan Merger Proposals

Councils	ILGRP preferred option	Assessment
Young Shire and Boorowa	Merge with Boorowa, Harden and Young	Fit
Cootamundra Shire and Harden Shire*	Merge with Boorowa and Young	Fit

Notes: Bold indicates an ILGRP preferred option. *The ILGRP did not have a preferred option for Cootamundra.

Table 5 Hunter, Central Coast and Illawarra Councils

Region	Council	ILGRP options	Assessment
Hunter	Cessnock City	Council in JO	Fit
	Dungog Shire	Merge with Maitland or Council in JO ^a	Not fit
	Lake Macquarie City	Amalgamate with Newcastle or Council in JO ^a	Not fit
	Maitland City	Merge with Dungog or Council in JO ^a	Not fit
	Muswellbrook Shire	Council in JO	Fit
	Newcastle City	Amalgamate with Lake Macquarie or Council in JO ^a	Not fit
	Port Stephens	Council in JO	Fit
	Singleton	Council in JO	Fit
	Upper Hunter Shire	Council in JO	Fit
Central Coast	Gosford City	Amalgamate with Wyong or a multi-purpose JO (no separate water corporation until other options properly evaluated)	Not fit
	Wyong City	Amalgamate with Gosford or a multi-purpose JO (no separate water corporation until other options properly evaluated)	Not fit
Illawarra	Kiama Municipal	Council in a JO (if future amalgamation – with Shoalhaven, noting its inclusion in South East-Tablelands region)	Not fit
	Shellharbour City	Council in a JO (amalgamate if future options need to be revisited)	Not fit
	Wollongong City	Council in a JO (amalgamate if future options need to be revisited)	Fit

^a Possible boundary change included.

Notes: Bold indicates an ILGRP preferred option. JO stands for Joint Organisation.

The ILGRP did not include a table of options for the Hunter, Central Coast and Illawarra regions. Instead, the ILGRP included a discussion of these councils in its report.

Table 6 Non- metropolitan councils¹⁵

Region	Council	ILGRP options	Assessment
Northern Rivers	Ballina Shire	Council in Northern Rivers JO	Fit
	Byron Shire	Council in Northern Rivers JO	Fit
	Lismore City	Council in Northern Rivers JO or merge with Kyogle	Fit
	Richmond Valley	Council in Northern Rivers JO or merge with Kyogle	Fit
	Tweed Shire	Council in Northern Rivers JO	Not fit
North Coast	Bellingen Shire	Council in North Coast JO	Not fit
	Clarence Valley	Council in North Coast JO	Not fit
	Coffs Harbour City	Council in North Coast JO	Fit
	Nambucca Shire	Council in North Coast JO	Fit
Mid-North Coast	Gloucester Shire	Council in Mid-North Coast JO or merge with Great Lakes and/or Greater Taree	Not fit
	Great Lakes Shire	Council in Mid-North Coast JO or merge with Gloucester	Fit
	Greater Taree City	Council in Mid-North Coast JO or merge with Gloucester	Not fit
	Kempsey Shire	Council in Mid-North Coast JO	Not fit
	Port Macquarie-Hastings	Council in Mid-North Coast JO	Fit
New England	Armidale Dumaresq	Council in New England JO or merge with Guyra	Not fit
	Glen Innes Severn	Council in New England JO	Fit
	Inverell Shire	Council in Namoi JO	Fit
	Tenterfield Shire	Council in New England JO	Not fit
	Uralla Shire	Council in New England JO or merge with Walcha	Not fit
Namoi	Gunnedah Shire	Council in Namoi JO	Fit
	Gwydir Shire	Council in Namoi JO or merge with Moree Plains	Not fit
	Liverpool Plains Shire	Council in Namoi JO or merge with Gunnedah	Not fit
	Moree Plains Shire	Council in Namoi JO or merge with Gwydir	Fit
	Narrabri Shire	Council in Namoi JO	Fit
	Tamworth Regional	Council in Namoi JO	Fit
Orana	Dubbo City	Council in Orana JO or merge with Wellington and/or Narromine	Fit
	Narromine Shire	Council in Orana CC or merge with Dubbo	Not fit
	Warrumbungle Shire	Council in Orana JO	Not fit
	Wellington	Council in Orana JO or merge with Dubbo	Not fit

¹⁵ This excludes Rural Council Proposals and councils in the Hunter, Central Coast and Illawarra.

Region	Council	ILGRP options	Assessment
Central West	Bathurst Regional	Council in Central West JO or merge with Oberon	Fit
	Blayney Shire	Council in Central West JO or merge with Orange	Not fit
	Cabonne	Council in Central West JO or merge with Orange	Not fit
	Cowra	Council in Central West JO or merge with Weddin	Fit
	Forbes Shire	Council in Central West JO; merge with Weddin	Not fit
	Lachlan Shire	Council in Central West JO or merge with Parkes	Not fit
	Lithgow City	Council in Central West JO	Not fit
	Mid-Western Regional	Council in Central West JO	Not fit
	Oberon	Council in Central West JO or merge with Bathurst	Not fit
	Orange City	Council in Central West JO or merge with Cabonne and/or Blayney	Not fit
Parkes Shire	Council in Central West JO or merge with Lachlan	Fit	
Tablelands	Goulburn Mulwaree	Council in Tablelands JO	Not fit
	Upper Lachlan Shire	Council in Tablelands JO or merge with Goulburn-Mulwaree	Not fit
	Wingecarribee Shire	Council in Tablelands JO	Fit
	Yass Valley	Council in Tablelands JO	Not fit
Riverina	Bland Shire	Council in Riverina JO or merge with Coolamon and/or Temora	Not fit
	Junee Shire	Council in Riverina JO or merge with Cootamundra	Not fit
	Temora Shire	Council in Riverina JO or merge with Coolamon and/or Bland	Not fit
	Tumut Shire	Council in Riverina JO or merge with Gundagai and Tumbarumba	Not fit
	Wagga Wagga City	Council in Riverina JO or merge with Lockhart	Fit
Murrumbidgee	Griffith City	Council in Murrumbidgee JO or merge with Murrumbidgee	Not fit
	Leeton Shire	Council in Murrumbidgee JO or merge with Narrandera	Fit
	Narrandera Shire	Council in Murrumbidgee JO or merge with Leeton	Not fit
Mid-Murray	Berrigan Shire	Council in Mid-Murray JO or merge with Jerilderie	Not fit
	Deniliquin Shire	Council in Mid-Murray JO or merge with Conargo/Murray and Wakool	Not fit
	Murray Shire	Council in Mid-Murray JO or merge with D'quin/Conargo and Wakool	Not fit

Region	Council	ILGRP options	Assessment
Upper Murray	Albury City	Council in Upper Murray JO or merge with Greater Hume (part or all)	Fit
	Corowa Shire	Council in Upper Murray JO or merge with Urana	Not fit
	Greater Hume Shire	Council in Upper Murray JO or merge part or all with Albury	Fit
South East	Bega Valley Shire	Council in South East JO	Fit
	Cooma-Monaro Shire	Council in South East JO or merge with Bombala and Snowy River	Not fit
	Eurobodalla Shire	Council in South East JO	Fit
	Palerang	Council in South East JO or merge with Queanbeyan	Not fit
	Queanbeyan City	Council in South East JO or merge with Palerang	Not fit
	Shoalhaven City	Council in South East JO	Fit
	Snowy River Shire	Council in South East JO or merge with Bombala/Cooma-M	Not fit

Note: Bold indicates an ILGRP preferred option. JO stands for Joint Organisation.

Table 7 Rural Council Proposals

Region	Council	ILGRP options	Assessment
Northern Rivers	Kyogle ^a	Council in Northern Rivers JO or merge with Lismore or Richmond Valley	Not fit
New England	Guyra Shire	Council in New England JO or merge with Armidale	Not fit
	Walcha Shire	Merge with Uralla or Rural Council in New England JO	Not fit
Orana	Bogan Shire	Rural Council in Orana JO or merge with Warren	Fit as a Rural Council
	Coonamble Shire	Rural Council in Orana JO or merge with Gilgandra	Fit as a Rural Council
	Gilgandra Shire	Rural Council in Orana JO or merge with Coonamble	Fit as a Rural Council
	Warren Shire	Rural Council in Orana JO or merge with Bogan	Fit as a Rural Council
Central West	Weddin Shire	Rural Council in Central West JO or merge with Forbes or Cowra	Not fit
Riverina	Coolamon Shire	Rural Council in Riverina JO or merge with Bland and/or Temora	Fit as a Rural Council
	Gundagai Shire	Merge with Tumut or Rural Council in Riverina CC	Not fit
	Lockhart Shire	Rural Council in Riverina JO or merge with Wagga Wagga	Fit as a Rural Council
	Tumbarumba Shire	Rural Council in Riverina JO or merge with Tumut/Gundagai	Fit as a Rural Council
Mid-Murray	Conargo Shire	Merge with Deniliquin and Murray or Rural Council in Mid-Murray JO	Not fit
	Jerilderie Shire	Merge with Berrigan or Rural Council in Mid-Murray JO	Not fit
	Wakool Shire	Rural Council in Mid-Murray JO or merge with Murray/Conargo/Deniliquin	Fit as a Rural Council
Murrumbidgee	Carrathool Shire	Rural Council in Murrumbidgee JO or merge with Griffith	Fit as a Rural Council
	Hay Shire	Rural Council in Murrumbidgee JO	Not fit
	Murrumbidgee Shire	Merge with Griffith or Rural Council in Murrumbidgee JO	Not fit
Upper Murray	Urana Shire	Merge with Corowa or Rural Council in Upper Murray JO	Not fit
South East	Bombala	Merge with Cooma-M and Snowy R or Rural Council in South East JO	Not fit

^a Kyogle submitted a Rural Council Proposal. However, the ILGRP did not identify this as one of the options for the council. We assess Kyogle as not fit as a Rural Council nor fit as a stand-alone council.

Note: Bold indicates an ILGRP preferred option. JO stands for Joint Organisation.