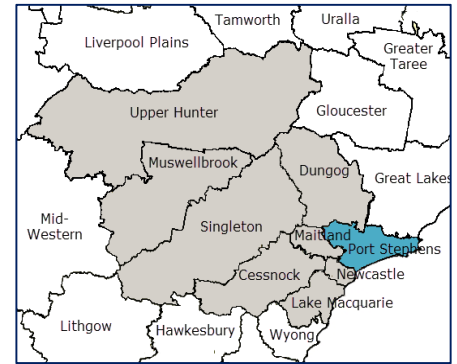


# PORT STEPHENS COUNCIL – CIP

FIT			
Area (km <sup>2</sup> )	979	Population 2011	67,200
OLG Group	4	(2031)	88,900
ILGRP Group	Hunter		
Operating revenue (2013-14)	\$98.9m	TCorp assessment	Moderate FSR Neutral Outlook
ILGRP options	Council in JO (shaded area); further consideration of a possible transfer of some land to a merged Dungog Maitland LGA in the shorter term.		



Assessment summary	Scale and capacity	<b>Satisfies</b>
	Financial criteria:	<b>Satisfies overall</b>
	• Sustainability	Satisfies
	• Infrastructure and service management	Satisfies
	• Efficiency	Satisfies

## Fit for the Future – FIT

- The council satisfies 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 - satisfies

- The council's proposal is consistent with the ILGRP's option.
- Our analysis has not identified evidence for a better alternative to the council's proposal to stand alone.
- As the ILGRP did not identify another option for this council, it was not required to demonstrate how it met each of the elements of scale and capacity.
- The council has a robust revenue base and has demonstrated effective 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, asset maintenance and debt service ratios by 2019-20.
- The council states it has revised the methodology for calculating the backlog ratio from the 2014-15 year onwards, which we consider to be reasonable.

## Efficiency - satisfies

- The council meets the criterion for efficiency based on its forecast for real operating expenditure per capita reducing over the period to 2019-20.

## Other relevant factors

Social and community context	The council's proposal does not address social or community concerns.
Community consultation	The council has not indicated it conducted community consultation for the FFTF proposal.
Water and/or sewer	The council does not have a water/sewer business.
Submissions	There were no submissions received in relation to Port Stephen's proposal.