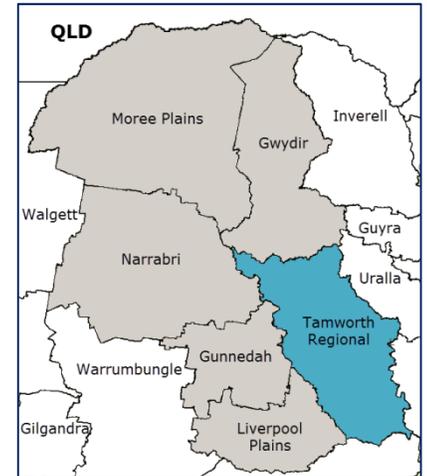


# TAMWORTH REGIONAL COUNCIL – CIP

## FIT

Area (km <sup>2</sup> )	9,650	Population 2011	58,250
OLG Group	4	(2031)	67,750
ILGRP Group	G		
Operating revenue (2013-14)	\$85.1m	TCorp assessment	Moderate FSR Neutral Outlook
ILGRP option	Council in Namoi JO (shaded area).		

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 propose another option for this council, Tamworth Council was not required to demonstrate how it met each of the elements of scale and capacity. It therefore did not provide sufficient information to make an assessment against most of the elements of scale and capacity.
- We note, however, the council is financially sustainable with a robust revenue base and has a relatively high population growth rate. We consider the council's strategic capacity is supported by its relative size in the region.

### Sustainability - satisfies

- The council satisfies the criterion for sustainability based on meeting the benchmarks for the operating performance ratio and the own source revenue ratios by 2019-20.
- The council does not forecast meeting the benchmark for the building and infrastructure asset renewal ratio, and shows a decline in the ratio. The council explains there is a disconnect between required asset renewals and depreciation and says it will renew assets as per its Asset Management Plan.

### Infrastructure and service management - satisfies

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

### Efficiency - satisfies

- The council satisfies the criterion for efficiency based on a decline in real operating expenditure per capita over the outlook period to 2019-20.

## Other relevant factors

Social and community context	Three quarters of the council's population live in Tamworth. The council notes there is a migration of older people from smaller towns to regional centres, which will require further infrastructure to support this change.
Community consultation	The proposal did not provide any details of community consultation.
Water/sewer	Tamworth provides water and sewer services. The council is not currently compliant with the NSW Government's Best Practice Management of Water Supply and Sewerage Framework. The council's current water and sewerage infrastructure backlog is \$25.8m. However, it has \$16.1m of capital works for its water and sewer operations planned out to 2019-20.
Submissions	We received one submission in relation to Tamworth's proposal, which noted that the council's strategies to achieve its financial benchmarks are questionable.

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