

TUMBARUMBA SHIRE COUNCIL – RURAL COUNCIL PROPOSAL

FIT AS A RURAL COUNCIL

Area (km ²)	4,391	Population 2011	3,500
OLG Group	9	(2031)	3,300
ILGRP Group	C	Merger 2011	18,500
		(2031)	17,400
Operating revenue (2013-14)	\$18.0m	TCorp assessment	Strong FSR Negative Outlook
ILGRP options (no preference)	Rural Council in Riverina JO or merge with Tumut/ Gundagai.		

Assessment summary	Scale and capacity	Satisfies as a Rural Council
	Financial criteria	Satisfies overall
	• Sustainability	Satisfies
	• Infrastructure and service management	Satisfies
	• Efficiency	Satisfies



Fit for the Future – FIT AS A RURAL COUNCIL

- The council satisfies the scale and capacity criterion as a Rural Council.
- The council satisfies the financial criteria overall as the council meets the criteria for sustainability, infrastructure and service management and efficiency.
- If Government does not adopt a Rural Council model, it is unlikely the council would be Fit for the Future.

Scale and capacity as a Rural Council - satisfies

- The council satisfies the majority of the characteristics of a Rural Council including having a small and static population.
- The council's proposal to stand alone as a Rural Council in a JO is consistent with the ILGRP's options for this council.
- The council's strategies for improvement include resource sharing within the Riverina Eastern Regional Organisation of Councils. REROC demonstrates its success in increasing the scale and capacity of its member organisations on a range of measures and plans to become the pilot JO for the region.
- The council has submitted a number of improvement strategies including a shared administration agreement with Wagga Wagga City Council which will result in expenditure savings, a contract with Division of Crown Land to provide walking track maintenance services, rationalisation of some assets and plans to reduce the number of councillors from eight to seven.
- The council states it issued three formal invitations to Tumut for a meeting regarding merger issues, after Tumut had indicated support for a merger with Tumbarumba and Gundagai in submissions to the ILGRP. However, Tumut refused to meet with Tumbarumba Council and no merger discussions were pursued. We do not have sufficient evidence to evaluate the costs and benefits of the merger option compared to the Rural Council proposal.
- The assessment of Rural Councils as meeting the scale and capacity criterion is contingent on Government adopting a Rural Council model. This model is based on reducing the regulatory and compliance burden on Rural Councils, by the JO performing most of the higher level functions of the Rural Council. If a Rural Council model is not adopted, it is likely the council would be assessed as not meeting the scale and capacity criterion, and as a result, not fit.

Sustainability - satisfies

- The council satisfies the criterion for sustainability based on meeting the benchmark for the operating performance ratio by 2024-25 and own source revenue ratio by 2019-20.
- The building and infrastructure asset renewal was 90.4% in 2014-15 and is forecast to reach 99.4% by 2019-20.

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 period to 2019-20.

Other relevant factors

Social and community context	<p>Tumbarumba Shire has the Snowy Mountains range to the east and the Murray River to the south. Towns in the Tumbarumba Shire Council area include Tumbarumba (population of 1,455 according to Census data for 2011), Khancoban (population of 224 according to Census data for 2011), Rosewood and Tooma.</p> <p>Australian Bureau of Statistics data shows 26.2% of employment is in the agriculture, forestry and fishing industry. The manufacturing sector accounts for 12.0% of employment, partly reflecting timber processing, while retail trade accounts for around 8.7% of employment.</p> <p>Residents of Tumbarumba Shire contribute to the workforce for a number of significant industries including the Hyne Timber mill, the Mannus Correctional Centre and the Snowy Hydro electricity generator.</p> <p>Tumbarumba notes local services are delivered from the towns of Tumbarumba and Corryong (Victoria), with residents accessing regional services from Wagga Wagga and Albury rather than Tumut.</p>
Community consultation	<p>Community consultation included the creation of a web page, public meetings held in May 2015 and the distribution of an information bulletin and survey via a letter box drop. There were 434 survey forms completed. The survey found over 90% of respondents were opposed to an amalgamation with Tumut and Gundagai Shire Councils.</p>
Water and/or sewer	<p>Tumbarumba Shire Council has achieved full compliance with the Best Practice Management of Water Supply and Sewerage Guidelines. Tumbarumba had a water and sewerage backlog of \$1.9m in 2013-14 but Tumbarumba Council reports this backlog has now been addressed. Tumbarumba's Annual Report for 2013-14 indicated no dividend had been paid from the water and sewerage business.</p>
Submissions	<p>We received two submissions for Tumbarumba. These included a letter and a petition including 264 signatures both requesting Batlow be removed from Tumut Shire and included in Tumbarumba.</p>