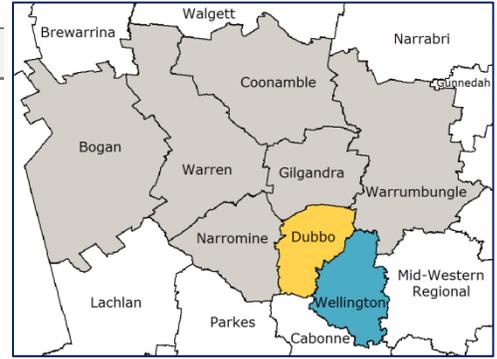


WELLINGTON COUNCIL – CIP

NOT FIT

Area (km ²)	4,047	Population	2011	8,850
OLG Group	10		(2031)	8,100
ILGRP Group	E	Merger	2011	49,100
			(2031)	54,600
Operating revenue (2013-14)	\$15.9m	TCorp assessment	Weak FSR, Neutral Outlook	
ILGRP option (no preference)	Council in Orana JO (all shaded) or merge with Dubbo (yellow).			



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 satisfy to be Fit for the Future (FFTF), therefore the council is not fit.

Scale and capacity – does not satisfy

- The council's population is declining and is forecast to be 8,100 by 2031. Our analysis suggests the council has insufficient scale to deliver services cost-effectively for its community and to partner effectively with governments.
- Therefore the council's proposal to stand alone does not satisfy the scale and capacity criterion.
- 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 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.
- The council identified opportunities for significant service level reductions, cost-savings, restructuring and divestment of functions. The council also reduced its depreciation expense and required maintenance expenditure, based on external advice by Morrison Low. Overall, these savings would help the council achieve operating surpluses from 2016-17 onwards.

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, the asset maintenance ratio and the debt service ratio by 2019-20.
- The council has changed the threshold for "satisfactory condition" for its assets. This has reduced the backlog, renewal and maintenance requirements for the council to address. As a result, the backlog is forecast to be eliminated by 2015-16.

Efficiency - satisfies

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

Other relevant factors

Social and community context	The LGA is primarily based on agricultural industries for cropping, wool, beef and lamb. The council also has key tourist attractions based on its natural geographical features such as the Wellington Caves Reserve and mining attractions.
Community consultation	The council has used a wide range of methods to inform its community between 17 March and 24 April 2014 (after the release of the ILGRP report). The council received 31 written submissions and 628 completed surveys. Survey feedback indicated that 65% expressed concerns that a merger with Dubbo and Narromine councils would impact on local identity and services.
Water and/or sewer	The council is 100% and 89% compliant with the NSW Government's Best Practice Management requirements for water and sewer, respectively. The council is expecting operating surpluses from 2017-18 onwards for its water and sewer functions. These surpluses are expected to increase steadily to around \$0.2m by 2019-20, and will be used to fund renewals and improvements for water and sewer infrastructure, which includes \$4.2m worth of capital works for the period 2015 to 2020.
Submissions	There were no submissions received in relation to Wellington Council's proposal.
