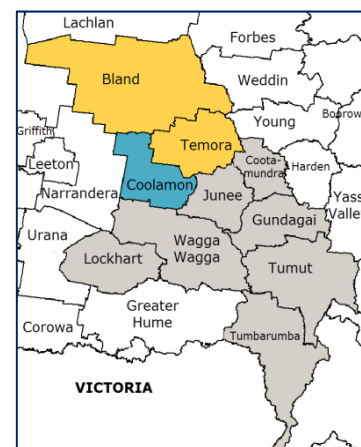


COOLAMON SHIRE COUNCIL – RURAL COUNCIL PROPOSAL

FIT AS A RURAL COUNCIL

Area (km ²)	2,482 km ²	Population: 2011	4,250
OLG Group	9	(2031)	3,950
ILGRP Group	C		
Operating revenue (2013-14)	\$10.7m	TCorp assessment	Sound FSR Negative Outlook
ILGRP options (no preference)	Rural Council in Riverina JO (all shaded) or merge with Bland and/or Temora (yellow).		



Assessments 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 indicated it sought to commence merger negotiations with its neighbouring councils. However, these councils did not wish to participate in a merger. 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 2023-24 and the building and infrastructure asset renewal and own source revenue ratios 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 meets the criterion for efficiency based on a declining real opex ratio over the outlook period to 2019-20.

Other relevant factors

Social and community context	The council states the geographical spread across the northern and southern regions is a key issue. There is a considerable disparity between the north and south with different communities of interest. The northern region of the shire (Ardlethan and Beckom) is more closely affiliated with Temora or Griffith, while in the southern region of the shire the communities are more closely associated with the regional centre in Wagga Wagga. The council notes it is focused on providing services within these communities, rather than requiring them to travel to a regional centre.
Community consultation	The council held community information sessions on the Fit for the Future Process. The council also conducted a community survey of 283 residents, with 97% of respondents supporting the council remaining a stand-alone council. Where survey respondents were asked to choose a merger partner, the most popular merger partners were Bland and Narrandera. The information provided to the community did not appear to outline any potential benefits of a merger.
Water and/or sewer	The council does not supply water, but is responsible for the management of the Coolamon and Ganmain Sewerage Networks. The council does not meet the NSW Best Practice Management Framework, but states it is a willing participant in the JO/REROC working party to address this issue. Coolamon Shire estimates its 2013-14 sewer backlog is \$100,000. It does not currently operate its sewer services on a breakeven basis but expects to address this over 2016-2020 by increasing fees and charges.
Submissions	We received one submission for Coolamon. It opposes mergers for reasons that include: the council's good performance (including collaboration with the private sector); potential risks outweighing potential benefits and the complementary nature of Bland, Narrandera and Coolamon Councils.
