

TEMORA SHIRE COUNCIL – CIP

NOT FIT

Area (km ²)	2,799 km ²	Population 2011	5,950
OLG Group	10	(2031)	5,100
ILGRP Group	D		
Operating revenue (2013-14)	\$14.5m	TCorp assessment	Sound FSR Neutral Outlook
ILGRP options (no preference)	Council in Riverina JO (shaded area) or merge with Coolamon and/or Bland.		

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.
- Scale and capacity is a threshold criterion which councils must satisfy in order to be Fit for the Future (FFTF), therefore the council is not fit.
- The council satisfies the financial criteria overall. It satisfies the sustainability, infrastructure and service management and efficiency criteria.

Scale and capacity – does not satisfy

- The council only meets one element of scale and capacity (Effective Regional Collaboration). The council either fails to meet or partially meets all other elements.
- The council does not have a robust revenue base or sufficient scale to undertake new functions or major projects. Its financial position means it would not have the resources to cope with complex and unexpected change.
- The council's population is declining and is forecast to be 5,100 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 scale and capacity.
- The council opposed a merger with either Coolamon or Bland. We do not have sufficient evidence to evaluate the costs and benefits of the merger option compared to the stand alone proposal. However, the merger may enable the provision of more cost-effective services to the local communities, more credible advocacy, and better management of strategic issues in the region.

Sustainability –satisfies

- The council satisfies the criterion for sustainability based on meeting the benchmarks for the operating performance ratio, the building and infrastructure asset renewal and the own source revenue ratios in the benchmark year.
- The council assumes depreciation will remain constant in nominal terms over the outlook period. However, even if depreciation increases at the same rate as income, the council would still produce a modest operating surplus in 2024-25.

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.
- While the council's forecasts for the infrastructure backlog ratio are optimistic, they are consistent with historical data from 2009 to 2014.

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	While Temora's community of interest centres on Temora, residents may have a reasonably high level of affinity with towns such as Cootamundra (40 minutes from Temora).
Community consultation	Temora sought the community's views on whether it should stand alone. Over 96% of respondents believe the best option is for their council to stand alone. It has also obtained community views on FFTF issues in forums and meetings.
Water and/or sewer	Temora plans to undertake a \$500,000 sewer relining project in 2015-16. Another \$1m may be spent on the project, subject to the outcome of a review.
Submissions	There were no submissions were received in relation to Temora's proposal.