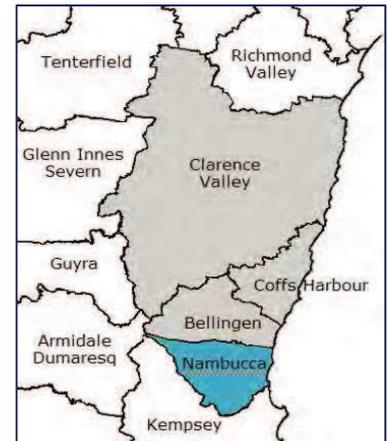


NAMBUCCA SHIRE COUNCIL – CIP

FIT			
Area (km ²)	1,491	Population 2011	19,529
OLG Group	11	(2031)	20,650
ILGRP Group	G		
Operating revenue (2013-14)	\$21.4m	TCorp assessment	Weak FSR Negative Outlook
ILGRP option	Council in North Coast JO (all shaded).		
Assessment summary	Scale and capacity	Satisfies	
	Financial criteria:	Satisfies overall	
	• 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.
- The council currently meets or partially meets most of the elements of scale and capacity.

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's improvement in operating performance includes a \$2.8m pa reduction in expenses due to changes in accounting policy, which we consider to be reasonable.
- The building and infrastructure asset renewal ratio was 70.4% in 2014-15 and improves to be 78.7% in 2019-20, peaking during the period at 106.8%. The 2019-20 result remains below the benchmark.
- In its proposal, the council relies on the successful application for and adoption of a special variation in 2017-18 of 3.5% cumulative (2.5% above the rate peg). This is in addition to an approved special variation from 2014-15 of 15% cumulative over three years (7.3% above the rate peg).

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, asset maintenance and debt service ratios by 2019-20.
- The council states it has revised the methodology for calculating the backlog ratio from the 2014-15 year onwards, which we consider to be reasonable.

Efficiency - satisfies

- The council meets the criterion for efficiency based on the real operating expenditure per capita showing a declining trend.

Other relevant factors

Social and community context	Nambucca is located on the mid north coast of New South Wales. The council's main towns are Nambucca Heads, Macksville and Bowraville, in addition to key coastal settlements. It has an ageing population, with 32% over 65 years old. It is a lower income area with 38% earning less than \$32,000 per year. The economy is driven by agriculture, forestry and fishing, with construction and retail also contributing significantly.
Community consultation	No details of community consultation were included in the proposal.
Water and/or sewer	Nambucca Shire Council operates water and sewerage utilities in the shire. The water supply infrastructure backlog is \$14.0m. The sewerage infrastructure backlog is \$27.7m.
Submissions	We received one confidential submission relating to the council's proposal.