

LIVERPOOL PLAINS SHIRE COUNCIL – CIP

NOT FIT			
Area (km ²)	5,002	Population 2011	7,750
OLG Group	10	(2031)	7,950
ILGRP Group	F	Merger 2011	20,250
		(2031)	21,250
Operating revenue (2013-14)	\$15.1m	TCorp assessment	Weak FSR Negative Outlook
ILGRP options (no preference)	Council in Namoi JO (all shaded area) or merge with Gunnedah (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 criteria for sustainability, infrastructure and service management and efficiency.
- 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 population is small and is forecast to grow slowly to be 7,950 in 2031.
- The council does not have a robust revenue base, and its resources to cope with complex and unexpected change appear to be limited.
- 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.
- Liverpool Plains was required to explore the merger option. While Liverpool Plains held merger discussions with Gunnedah, it does not appear to have fully explored the merger option. In its proposal, Gunnedah indicated it was willing to undertake a study into a merger, but Liverpool Plains resolved to remain a stand-alone council.
- Instead of a merger, Gunnedah and Liverpool Plains have established a formal resource sharing strategy to improve the capacity of both councils.
- The council is participating in the Namoi pilot JO.

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 building and infrastructure asset renewal ratio improves from 94.8% in 2014-15 to 99.8% in 2019-20, which is very close to the benchmark.
- The council's forecasts for the operating performance ratio are contingent on assumed efficiency improvements and the successful application for and adoption of a special variation from 2017-18 of 19.1% cumulative over 3 years (11.4% above the rate peg).

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 forecast decline in real operating expenditure per capita to 2019-20.

Other relevant factors

Social and community context	Factors affecting the council's decision to reject a merger include a strong sense of local identity, community opposition, its emerging mining resource sector, its positive population growth, and its competitive advantages of being located close to Tamworth and major road and rail networks.
Community consultation	A survey was undertaken by Liverpool Plains, with 1,102 responses received representing 25% of the eligible participants. 87% of total respondents indicated they would prefer to stand-alone. Liverpool Plains also undertook other consultation activities including meetings with business owners, presentations to local organisations, and a Fit for the Future hotline. The council notes it developed its proposal on the basis of the community's preference to stand alone. This consultation appears to have been relatively extensive.
Water and/or sewer	Liverpool Plains provides water and sewer services. The council does not currently meet the NSW Government's Best Practice Management of Water Supply and Sewerage Framework. It operates its water and sewer services on a break-even basis.
Submissions	There were no submissions received in relation to Liverpool Plains' proposal.
