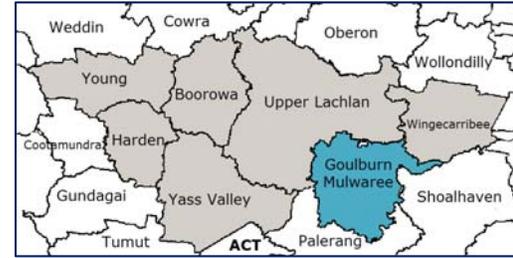


GOULBURN MULWAREE COUNCIL – CIP

NOT FIT

Area (km ²)	3,221	Population 2011	28,350
OLG Group	4	(2031)	33,550
ILGRP Group	G	Merger 2011	35,750
		(2031)	39,050
Operating revenue (2013-14)	\$30.8m	TCorp assessment	Moderate FSR Negative Outlook



ILGRP option Council in Tablelands JO (note that the option was identified for Upper Lachlan Shire to consider a merger with Goulburn-Mulwaree).

Assessment summary	Scale and capacity	Satisfies
	Financial criteria:	Does not satisfy overall
	• Sustainability	Does not satisfy
	• Infrastructure and service management	Satisfies
	• Efficiency	Satisfies

Fit for the Future – NOT FIT

- The council satisfies the scale and capacity criterion.
- The council does not satisfy the financial criteria overall. The council does not meet the criterion for sustainability, in particular the benchmark for the operating performance ratio.
- The council satisfies the criteria for infrastructure and service management and efficiency.
- We consider a council's operating performance ratio is a key measure of financial sustainability that all Fit for the Future (FTFF) councils should meet, therefore the council is not fit.

Scale and capacity - satisfies

- The council's proposal is consistent with the ILGRP's option to stand alone.
- As the ILGRP did not propose another option for Goulburn Mulwaree, it was not required to demonstrate how it met each of the elements of scale and capacity.
- Hence we have assessed the council as meeting the scale and capacity criterion.
- Our analysis has not identified evidence for a better alternative to the council's proposal to stand alone.

Sustainability – does not satisfy

- The council does not satisfy the criterion for sustainability based on its forecast operating performance ratio not meeting the benchmark.
- The council has forecast its operating performance ratio to be -4.3% in 2019-20 which is below the benchmark. It meets the own source revenue benchmark.
- The council's building and infrastructure asset renewal ratio was 41.4% in 2014-15 and is forecast to improve to 70.4% by 2019-20, which remains below the benchmark.
- In its proposal, the council considers an application for a special variation of 46.6% cumulative over 4 years (36.0% above the rate peg) which would assist in meeting the ratios. The council has indicated it is not sure when the proposed special variation would commence although this will be included as part of the 2016-17 budget preparations. It has indicated a preference to see the benefits of its other reforms before proceeding with an application.

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.
- Improvements in these ratios reflect the council's updated approach to asset maintenance and renewal, in which the council plans to increase its expenditure on asset maintenance in line with risks, revenue and community expectations of service levels.

Efficiency - satisfies

- The council meets the efficiency criterion based on a decrease in real operating expenditure per capita from \$1,220 in 2014-15 to \$1,040 in 2019-20.

Other relevant factors

Social and community context	The council is located along the Sydney to Melbourne transport corridor and is also within the Sydney Drinking Water Catchment. It is a major regional centre with the city of Goulburn comprising 70% of the LGA's population. It has an ageing population, with 12% of the community over 70 years old. The council has highlighted high welfare dependency, limited local education opportunities and lower socio-economic demographic as challenges for the LGA.
Community consultation	The council notes it recently surveyed residents. According to the council, 91% of respondents said that they were aware of the Local Government reform process. Of these respondents, 67.7% believed that an amalgamation with Upper Lachlan Council would not provide a positive outcome for Goulburn Mulwaree, while 71.5% were opposed to the idea of an amalgamation with any other neighbouring councils.
Water and/or sewer	The council achieved 100% compliance for sewer and water with the NSW Government Best Practice Management of Water Supply and Sewerage Framework Guidelines. The council's reported backlog was \$4.4m in 2013-14, which is forecast to be eliminated following a \$40m upgrade to the council's wastewater treatment plant and major works at the Goulburn Water Filtration Plant.
Submissions	There were no submissions received in relation to Goulburn Mulwaree's proposal.