

CAMDEN COUNCIL – CIP

FIT

Area (km ²)	206	Population 2011	58,450
OLG Group	6	(2031)	162,350
ILGRP Group	Sydney Metro		
Operating revenue (2013-14)	\$64.9m	TCorp assessment	Moderate FSR Neutral Outlook
ILGRP options (preference in bold)	No change or combine as a strong JO with Liverpool, Fairfield, Bankstown, Campbelltown, and Wollondilly (shaded area).		



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.
- The council satisfies the criterion for sustainability based on its operating performance ratio being close to the benchmark and our assessment that its performance is adversely affected by its high growth.

Scale and capacity – satisfies

- The council proposal is consistent with the ILGRP's preferred option to stand alone.
- Given the ILGRP's preferred option, the council was not required to demonstrate how it met each of the elements of scale and capacity.
- However, the council meets some of the elements. In particular, it has a robust revenue base and scope to undertake new functions and major projects.
- Our analysis has not identified evidence for a better alternative to the council's proposal to stand alone.

Sustainability – satisfies

- The council's forecast performance against the financial ratio benchmarks by 2019-20 is not strong, however we consider they are within an acceptable range given its prospective high growth.
- Camden is the fastest growing council in NSW based on the DP&E forecasts, with population growth of 178% from 2011 to 2031, compared to a Sydney average of 36%.
- The council has forecast it will be below the benchmark for the operating performance ratio, own source revenue ratio and the building and infrastructure asset renewal ratio by 2019-20. However, our analysis suggests the failure to meet these benchmarks is not a result of any underlying weakness in Camden's financial performance. Rather, Camden's particularly high forecast growth requires the council to deliver significant amounts of infrastructure and services to new areas before additional rate income and other revenues can be realised for that growth. The council has forecast its operating performance ratio will improve over the period to 2019-20 to be close to the benchmark. Over the long term, as Camden's growth rates moderate to more normal levels, it would be likely to meet the operating performance benchmark based on current data.

Infrastructure and service management - satisfies

- The council satisfies the criterion for infrastructure and service management based on a low infrastructure backlog ratio and a debt service ratio that meets the benchmark by 2019-20.

Efficiency - satisfies

- The council satisfies the criterion for efficiency based on a forecast decline in real opex per capita to 2019-20.
- Camden's operating expenditure per capita is significantly lower than other councils and is forecast to fall to \$84 by 2019-20. The council states this is because most of its expenditure is on capital.

Other relevant factors

Social and community context	Camden notes its population is one of the fastest growing areas in NSW and it faces challenges in managing new developments and providing the associated infrastructure to meet its forecast growth.
Community consultation	No details of community consultation were included in the proposal.
Water and/or sewer	The council does not have a water/sewer business.
Submissions	There were no submissions received in relation to Camden's proposal.
