

WOLLONDILLY SHIRE COUNCIL – CIP



FIT			
Area (km ²)	2,560	Population 2011	44,600
OLG Group	6	(2031)	57,700
ILGRP Group	Sydney Metro		
Operating revenue (2013-14)	\$44.2m	TCorp assessment	Weak FSR Neutral Outlook
ILGRP options (preference in bold)	No change or combine as a strong JO with Liverpool, Fairfield, Bankstown, Camden, Campbelltown (shaded area) and possible long term merger/s with Camden/ Campbelltown/ Wingecarribee.		

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 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.
- The council has a robust revenue base.
- Our analysis has not identified evidence for a better alternative to the council's proposal to stand alone.

Sustainability – satisfies

- The council satisfies the criterion for sustainability based on its forecast to meet the benchmarks for the operating performance, own source revenue and building and infrastructure asset renewal ratios by 2019-20.
- The council has an approved special rate variation from 2015-16 of 50.7% cumulative for 4 years (38.8% above the rate peg). This is the primary reason for the improvement in the council's financial performance over time, allowing it to just meet the benchmark for the operating performance ratio by 2019-20.

Infrastructure and service management - satisfies

- The council satisfies the criterion for infrastructure and service management based on its forecast to meet the asset maintenance and debt service benchmarks by 2019-20.
- The council has forecast an infrastructure backlog ratio of 11.7% by 2019-20 which does not meet the benchmark.

Efficiency - satisfies

- The council satisfies the criterion for efficiency based on declining real operating expenditure per capita.

Other relevant factors

Social and community context	Wollondilly notes it has a number of challenges including: a large area relative to its small population which results in high infrastructure costs, a large funding deficit of \$80m which is expected to be partially addressed through the approved SRV, and significant growth in its population over the next 30 years.
Community consultation	No details of community consultation for the Fit for the Future process were included in the proposal.
Water and/or sewer	The council does not have a water/sewer business.
Submissions	We received one submission in relation to Wollondilly Council's proposal. This submission was supportive of a merger with Camden or Campbelltown Councils as considerate states Wollondilly Council is performing poorly in relation to financial management and in progressing planning and development.
