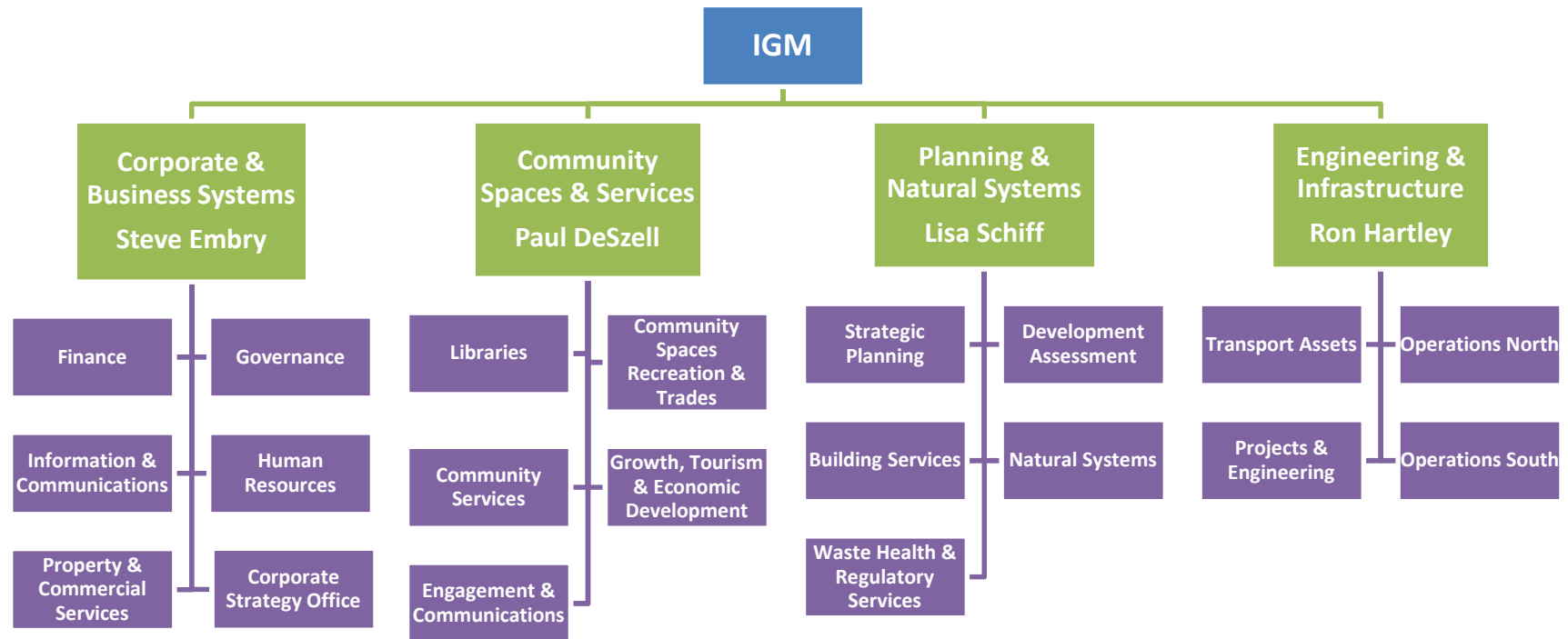


Community update

March 2017

MidCoast
Council







1. Asset & financial position
2. Efficiencies & savings
3. Dept Premier & Cabinet milestones
4. MidCoast identity
5. Operational plan 2017/18
6. 1 year report card
7. Elections
8. MidCoast Water
9. Q & A

- 1 Assets & finances
- 2 Efficiencies & savings
- 3 Dept Premier & Cabinet

1. Asset and financial position indicates challenges in short and long term
2. \$5M to \$6M gap in capacity to fund renewals
3. Significant backlog that is a generational issue (\$180M estimate) - currently unfunded

(**Backlog** = total amount of renewal works that need to be undertaken to bring assets to an acceptable standard)

4. Operating financial position more positive than initially anticipated
5. With efficiencies, savings and government Stronger Communities Funding for major projects, we are providing a **\$30M** road program

MCC	\$16 M
State Govt	\$14 M
TOTAL	\$30 M

Allocation of \$16M – year 1

Capital works	Proposed budgets
Allocation for bridge testing & geotechnical investigations	\$ 250,000
Structural repairs on timber bridges	700,000
Bitumen resurfacing (various urban roads)	1,150,000
Diamond Beach Road (additional funding to extend scope of current project)	500,000
Harrington Road (additional funding to complete current project)	300,000
Combine/Dennes Road (additional funding to extend scope of current project)	800,000
The Bucketts Way Stage 5a (additional funding to current bridge replacement project to extend scope of road works)	200,000
TOTAL	\$4,000,000

Merger money – resealing roads



Stronger Communities Fund – major projects

- \$14M for major projects from State government for merged Councils
- Allocated to roads and bridges through approved government process
- Distribution of funding based on need across MidCoast local government area
- Funds are **additional** to ongoing adopted works programs and expenditure
- Currently developing program of priority works

Region	Preliminary estimate
Manning	\$9 million
Gloucester	\$4 million
Great Lakes	\$1 million
TOTAL	\$14 million

Program/project	Proposed expenditure
Giro – Thunderbolts Way	\$1.5 million
Road resealing	\$3 million
Road renewals	\$6.5 million
Bridges	\$3 million

- *This funding does not address the backlog*

Stronger Communities Fund – community groups

- \$1M for community groups from State government for merged Councils
- Applications for second round of community group funding (\$500K) open on 1 May and close 9 June
- Information sessions will help you address State government requirements

Attend an information session to find out more about how to apply!

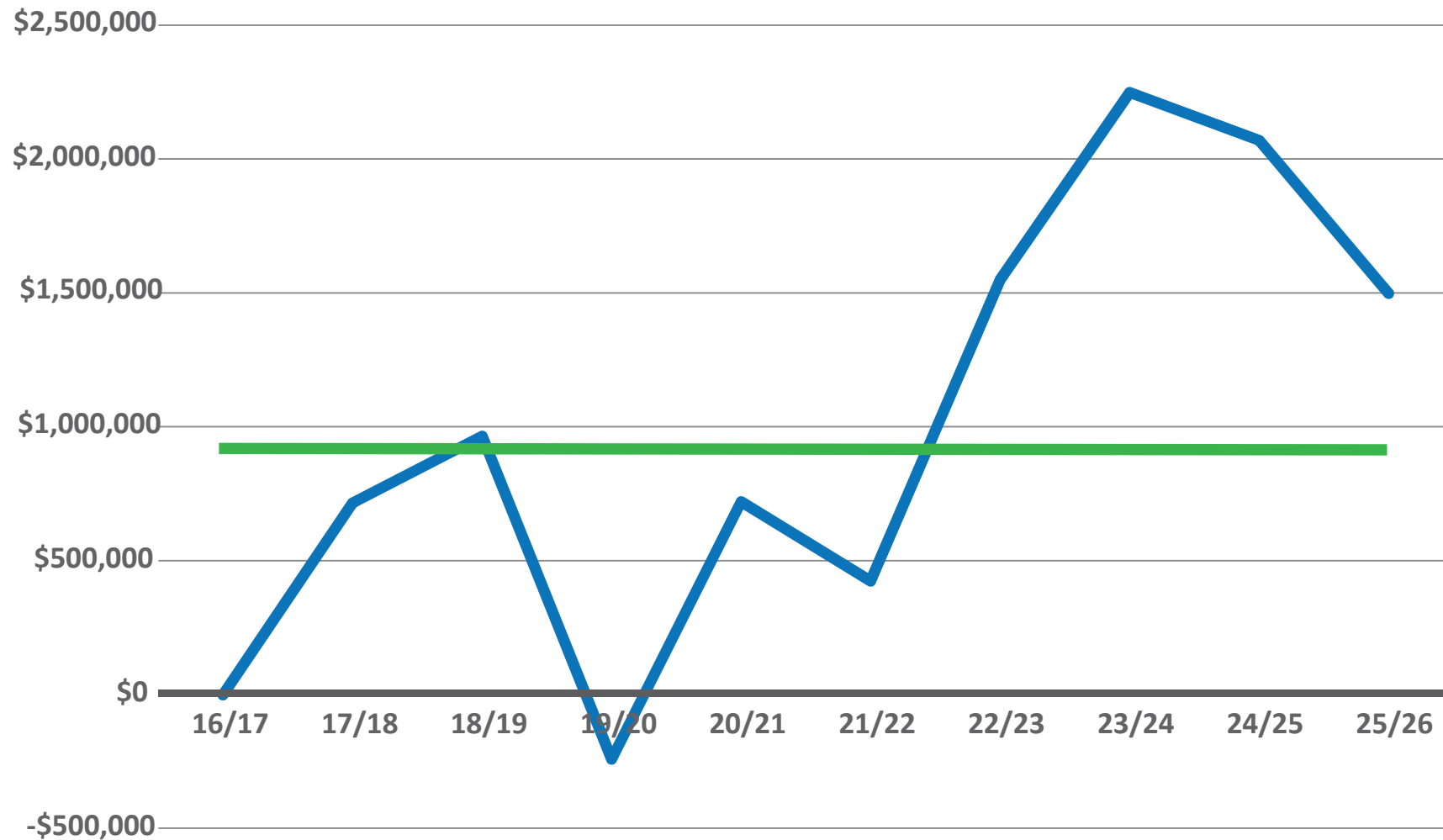
Where	Date	Time
Taree	Wednesday, 19 April	10am
Tea Gardens	Friday, 21 April	11am
Forster	Monday, 24 April	10am
Gloucester	Wednesday, 26 April	11am

Want more information?

Contact Lyndie Hepple, MidCoast Council Forster office

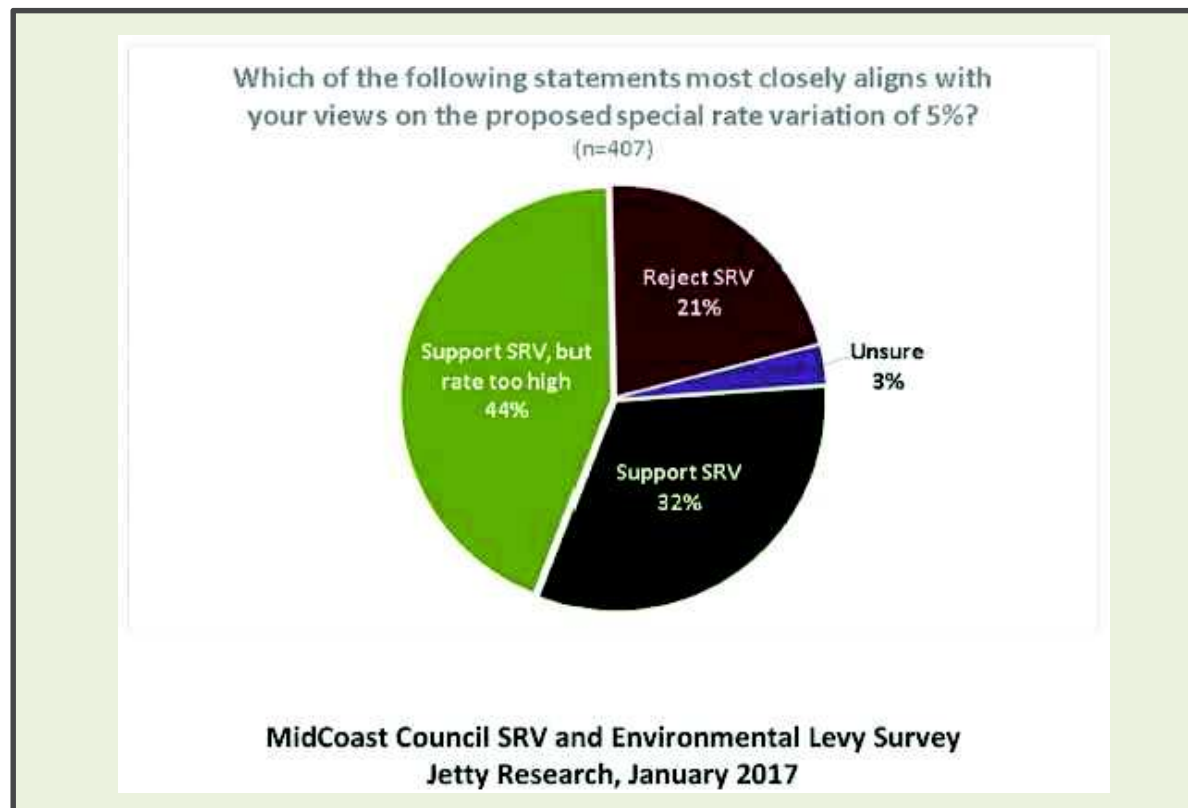
Ten-year budget summary

Long term financial position showing average surplus \$994,318 pa (as at Oct 2016)



- MCC's 'household budget' is in a good position but we are not funding our depreciation
- Until we can fund depreciation we are going backwards and our backlog is increasing
- What we can do to fix this:
 - Increase income – rates or other
 - Decrease expenditure
 - Efficiencies

- Guidelines released by the Office of Local Government in late December 2016 advised new councils not eligible for a special variation for 2017-18
- Council will continue to monitor Government's position for 2018-19
- Community survey undertaken in November 2016 indicated high level of support for SRV for roads at proposed level or slightly less



\$4.829M savings realised as at 31 Dec 2016 from merger

Staff redundancies -
\$1.1M + \$1M from
30/6

Savings in combined audit
fees & expenses - \$45K

Reduction in
combined insurance
premiums & costs -
\$258K

Savings in plant hire fees
through utilisation across
LGA - \$75K

Savings from general expenses i.e.
legislative compliance, subscriptions,
reporting tools etc - \$38K

Estimated savings in
Councillor allowances
(incl training, IT) - \$380K

Savings in Council
meeting expenses - \$8K

Consolidation of mobile
phone bills - \$50K

One off – savings in plant
budget/reserves - \$1.8M

Discontinue MIDROC
membership - \$75K

Looking forward – 30 June 2017

- ✓ **Organisational structure** in place & populated
- ✓ **System integration** decisions made; implementation progressed
- ✓ **Service levels** identified; reviews planned to identify efficiencies; scenarios developed
- ✓ **Single website**, customer interface channels decided & implemented
- ✓ **Consistent engagement** with community continuing
- ✓ **Organisational values** developed; identified desired **organisational culture** and working towards that
- ✓ **Stronger Councils Framework** measures delivery
- ✓ **Visual identity** adopted

**What is
MidCoast?**

TELL us what you value

This is OUR MIDCOAST

OUR ATTRIBUTES

WE ARE CONNECTED

We embrace nature's incredible beauty. Together, we protect and treasure the diversity, energy and harmony of our natural landscapes. It's our nature.

WE ARE STRONG

We are welcoming, inviting and well connected. We savour and cherish our unique communities, big and small. We roll up our sleeves and get things done.

WE HAVE CHARACTER

We are down to earth, willing and able. We love being outdoors - relaxing or adventure. We protect what we have, value who we are, and enjoy good times together.



OUR VALUES

WE HAVE IT ALL

From the mountains to our beaches we have an exceptional, expansive, tranquil and beautiful environment. Experience our rich natural treasures, stunning landscapes and pristine waterscapes.

PEOPLE ARE OUR STRENGTH

We are vibrant, community-minded people who unite to support each other. We nurture strong, resilient people who encourage participation and wellbeing.

WE CHOOSE THIS LIFESTYLE

From small towns to big, we live, work and play here for the amazing lifestyle and create our own life balance. We are active and creative - from diverse backgrounds we celebrate our history, cultural heritage, artistic endeavours, sporting enthusiasm and local offerings.



OUR ESSENCE

Where the leaves touch the water

A NATURAL CONNECTION

We are defined by our connection to nature and our connection to each other.

This is our MidCoast, naturally.

- 450 surveys received from community
- 15 workshops throughout the region & with staff
- *No matter where we live, live here because of the environment and the people*
- Steering committee to meet 16 March
- Feedback from staff, community, business for 2 weeks 20-31 March
- Proposed logos will be online for input (not voting) – do they represent our identity
- Council management to make decision on logo early April
- Values & attributes will be used to inform engagement on first MidCoast community strategic plan (CSP)
- A range of opportunities for input into CSP are being planned for March - May



- Currently developing a 1 year integrated Operational Plan for MidCoast area with 2017/18 budget
- Framework for plan uses 4 key directions, and objectives & strategies that reflect 3 former Council's community strategic plans
- Plan will be on exhibition in late April – then to Council for adoption in June with rates, fees & charges
- For the 2018/19 plan the new Council will look at priorities for their 3-year term based on community strategic plan

- From July 1 2017 NSW Government will abolish the ESL on insurance policies and replace it with an Emergency Services Property Levy (ESPL) paid alongside council rates
- Previously only insured property owners paid the levy
- Councils are now the 'collection agency' for the ESPL and it will appear on your rates notice and be paid by all property owners
- **This is NOT a local government charge**
- The funds collected go straight to the Government for the ESPL
- You should see your home insurance bill reduce
- Questions/comments – contact NSW Government at:
1 300 78 78 72

Progress report
Elections

CHARACTERISTICS OF A STRONG COUNCIL

MID-COAST
COUNCIL



A strong council delivers results for its community, builds successful partnerships and has the leadership, culture, people and capabilities to make this happen

- Developing a 1 year report card
- Will indicate progress against DPC framework - strategic capacity, outstanding service provision, robust community relationships, strong performance, strong organisational health
- Target audience – community, staff, DPC, incoming council
- A ‘checkpoint’ to make sure we are headed in the right direction for the community and other stakeholders

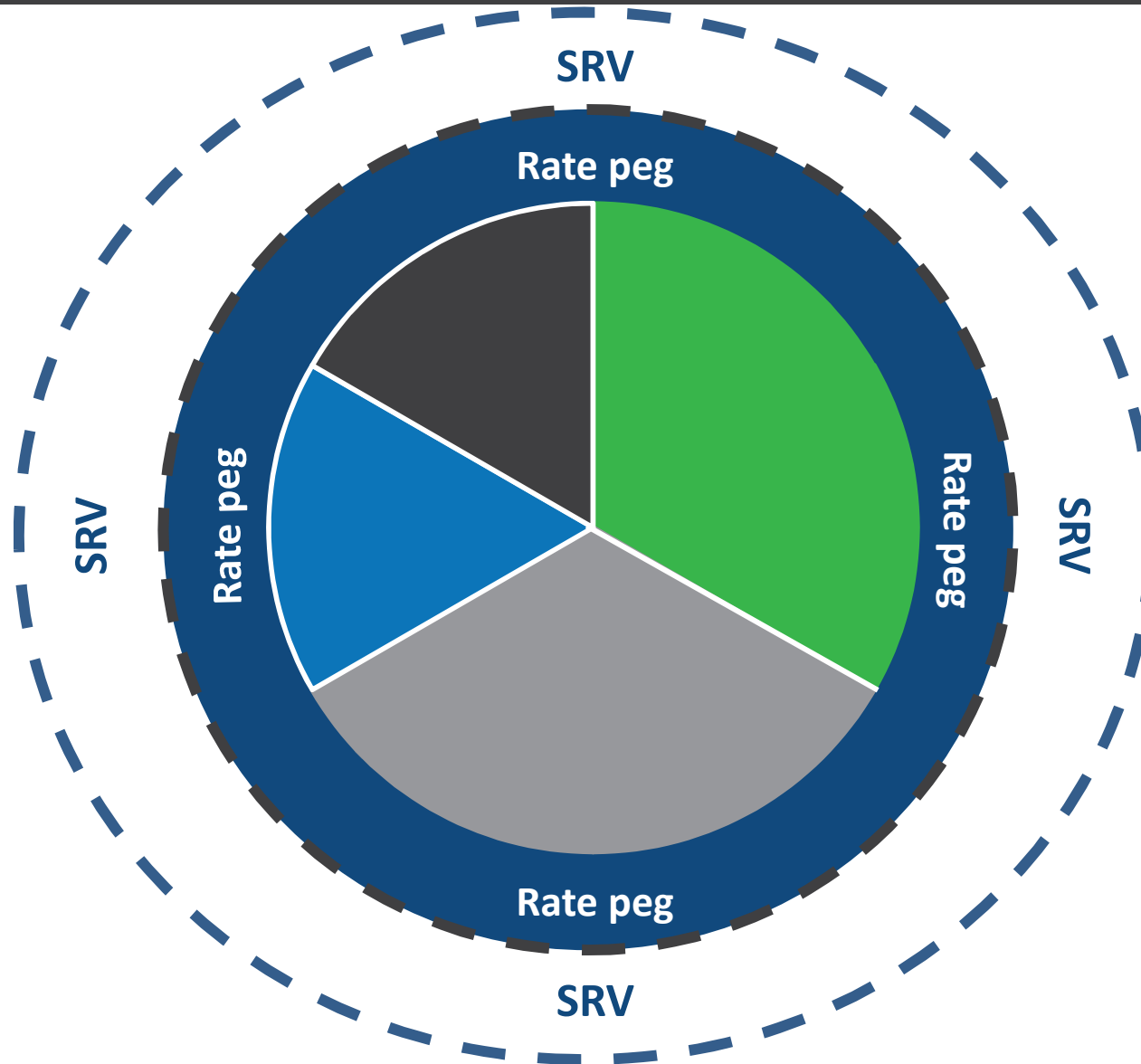


9 September 2017

- Nominations open from 31 July – 9 August
- Proactive communications approach/strategy
- Candidate information sessions
 - mid-May throughout the MidCoast area, to be advertised in media
- Sessions to provide information on role of councillors
 - scale and scope of new organisation
 - i.e. 700 staff, \$3.5B in assets, \$250M annual operating & capital budget (\$1B over 4 years)
 - strategic v operational
 - how to nominate
 - information on group voting, etc

- Bill before Parliament
 - Rate structure remains in place until 2019/20
 - No special rate variations through 2019/20
 - Merged Councils to remain on rate path as pre-merger
-

The rates 'pie'



***Note:** land re-valuations do not increase total rate income, the pie does not get bigger; it gets re-

Office of Local Government will notify the proposal for the dissolution of MidCoast County Council (trading as MidCoast Water)

Proposal on public exhibition for 28 days

15 March 2017 - Wednesday 12 April

Question & answer session

Community update

October/November 2016

MidCoast
Council





1. MCC priorities
2. Integration activities
3. Assets & finances
4. Special rate variation options



1. Organisation structure
2. Consolidated long term financial plan
3. Consolidated asset position and strategy (roads & bridges)
4. Community engagement
 - Getting to know our communities
 - Building relationships
 - Addressing community priorities

1. Consolidated asset and financial position indicates challenges in short and long term
 2. Identified \$5M gap in capacity to fund renewals
 3. Significant backlog that is a generational issue
 4. Operating financial position more positive than initially anticipated
 5. With efficiencies, savings, government support and a modest SRV we can provide a **\$50M** road program
-

Our roadmap for integration

Key activities

- ✓ Organisation structure well advanced
- ✓ Undertaking community engagement activities
- ✓ Planning for new website
- ✓ Working with community on identity for MCC
- ✓ Working with community on statement of vision & priorities
- ✓ Planning for development of community strategic plan
- ✓ Committed to improvements & efficiencies in operations & service delivery

VUCAP

- volatility
- uncertainty
- complexity
- ambiguity
- political

- Implementation costs - **\$5 million**
- Stronger Communities - **\$1 million**
 - Up to \$50k to incorporated not for profit groups
 - Projects to build vibrant, sustainable & inclusive communities
- Infrastructure, major projects - **\$14 million**

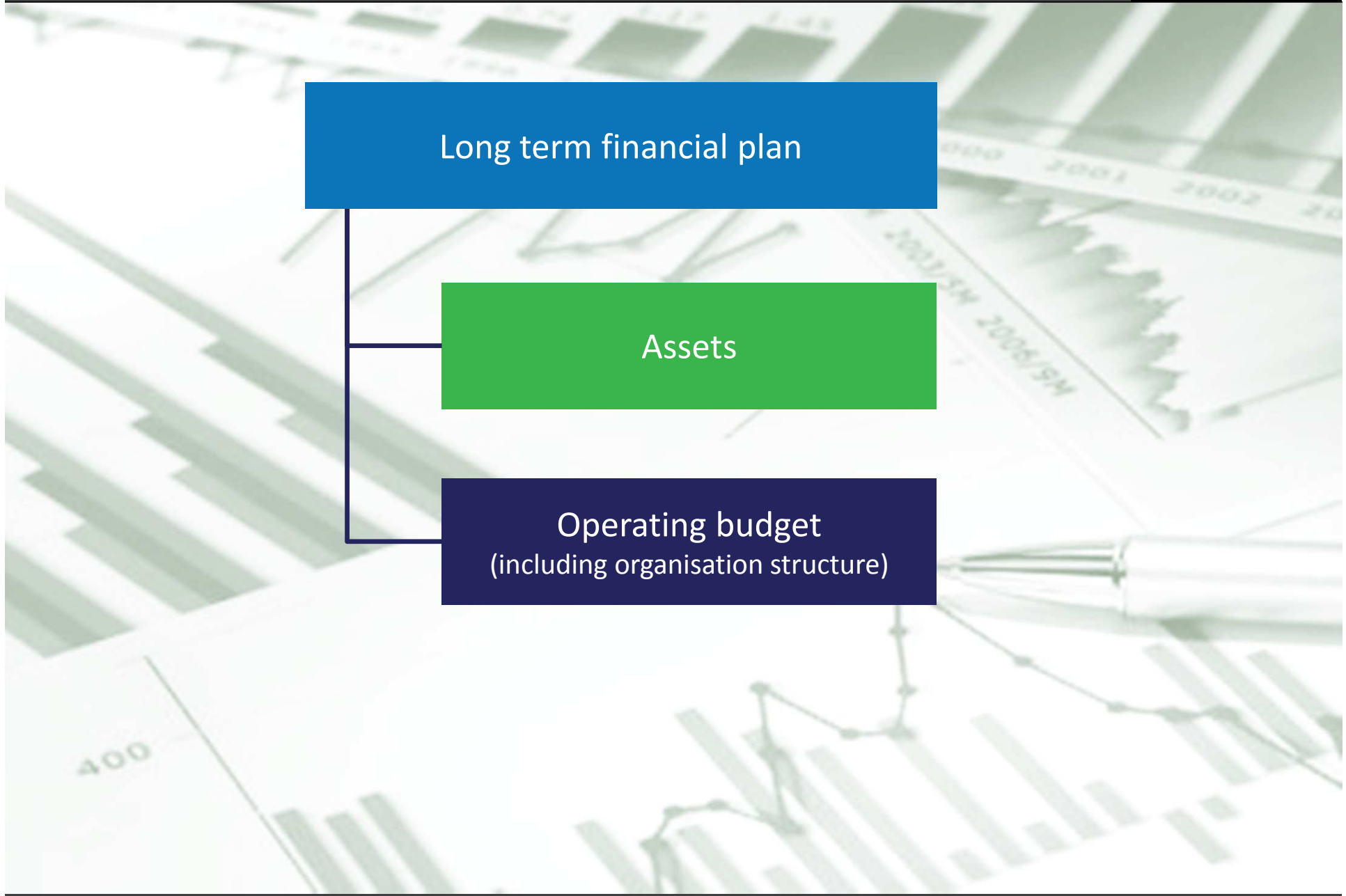
Assets and finances



Long term financial plan

Assets

Operating budget
(including organisation structure)



Our operating budget

Business as usual

Efficiencies

Cash in

Operating budget

Cash out

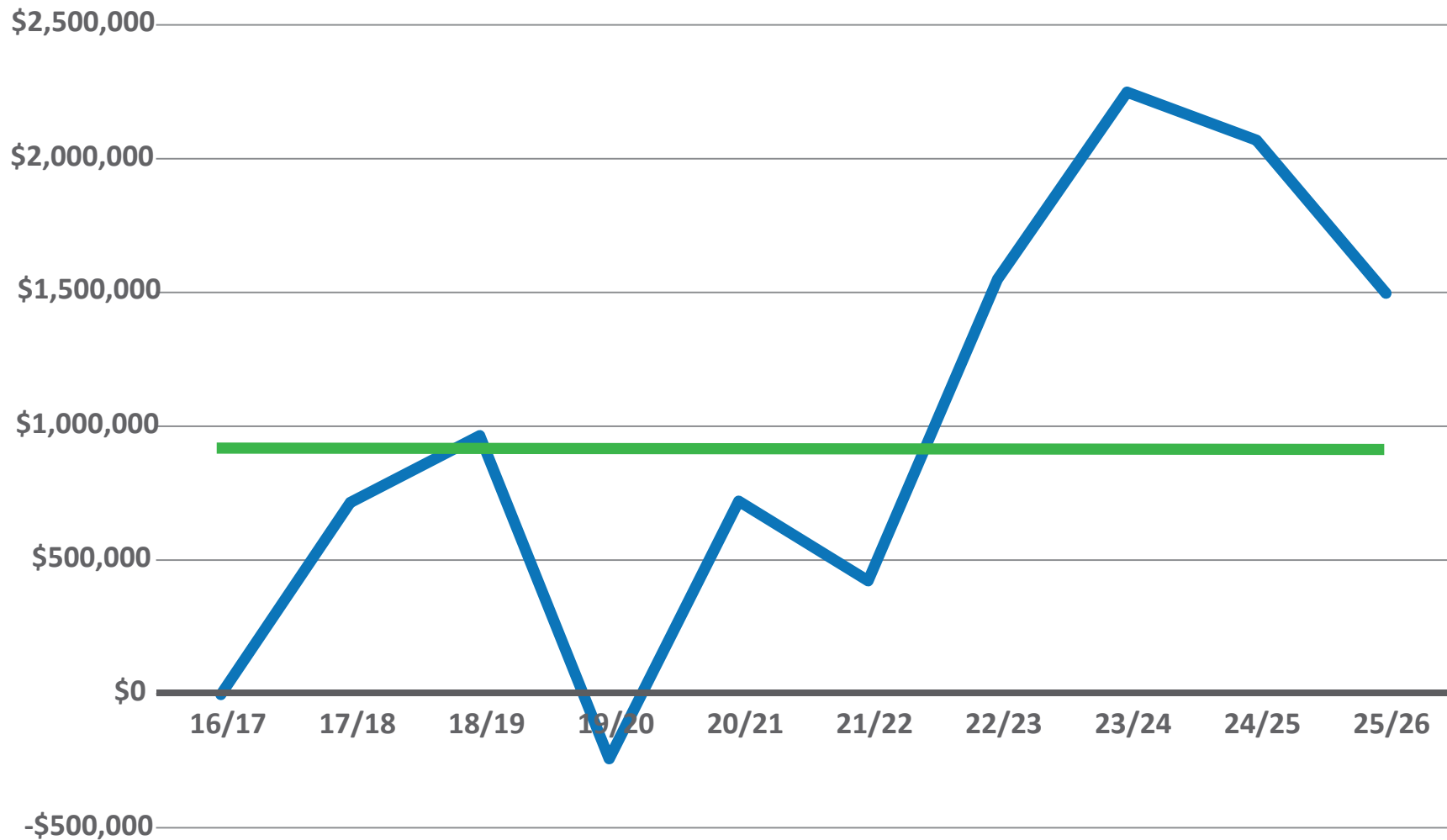
Structure

Savings achieved (\$4M to date)

- Executive level
- Voluntary redundancies
- 'Right sizing' structure
- Reserves
- Accumulated surplus
- Loan borrowings
- Waste levy
- Other efficiencies

Ten-year budget summary

Long term financial position showing average surplus \$994,318 pa



- Morrison Low (ML) engaged to provide advice on consolidation and management of MCC assets
- Reviewed and integrated asset data
- Provided consistent definitions and assumptions to calculate Fit for the Future ratios (for assets)
- Provided a high level management strategy to bring portfolio under control

Renewals

- Replacing something with the same thing (ie. not upgrading); taking a very poor/failed road back to new condition
- Placing a new surface over an existing worn surface to preserve the underlying pavement and provide a safe driving surface

Maintenance

- Filling potholes
- Light patching

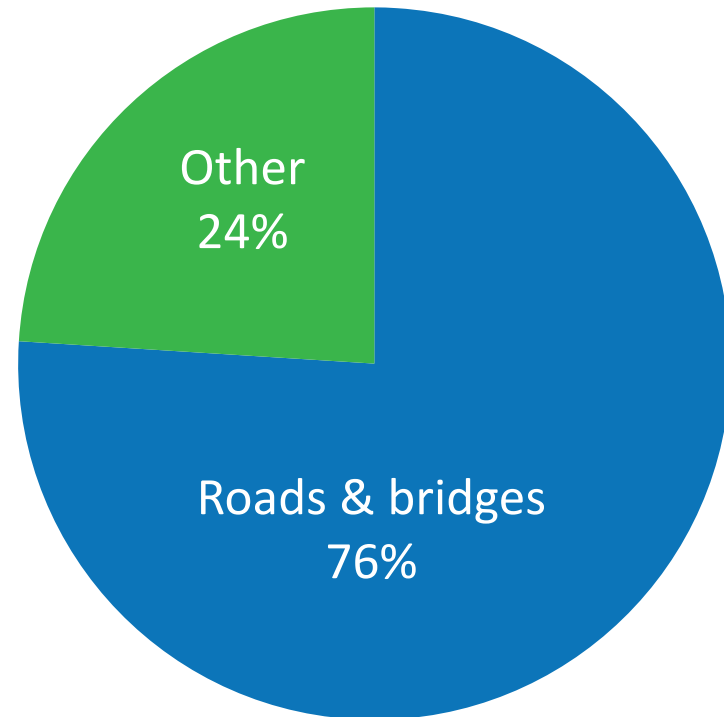
Backlog

- Total amount of renewal works to bring assets to an acceptable standard

Enhancements

- Replacing something with an upgrade (ie. replacing a single lane bridge with a dual lane bridge)

- Assets include roads, bridges, footpaths, buildings, parks
- Total value of all assets - **\$3.30B**
- Total value of roads & bridges - **\$2.46B**
- With roads & bridges representing 76% of the entire asset base, they are our greatest challenge



- Sealed roads – 1,781km
- Bridges – 542 (195 timber)

Morrison Low's report has shown:

- Annual depreciation \$37.34M
- Consumption ratio * 65.4%
- Renewals last year \$32.3M
- Annual shortfall \$5M
- Renewals ratio (target 100%) 86.5%
- Maintenance ratio 99.5%

* *Consumption ratio* – proportion of the asset life remaining

“MidCoast Council’s greatest challenge is in the road pavement or road structure, which can be addressed through renewals”

Road condition ratings

1 – very good



2 – good



3 – fair

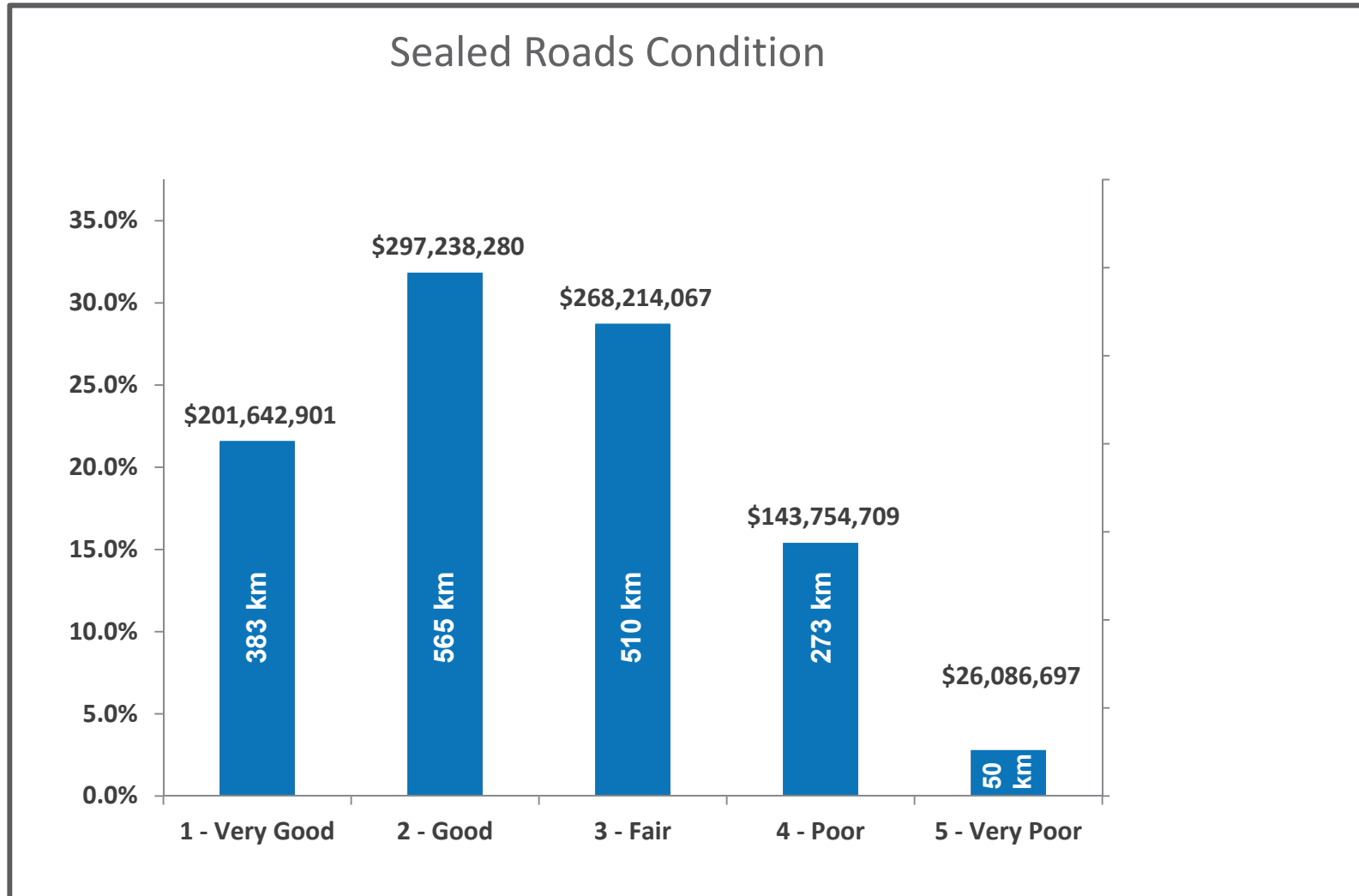


4 – poor



5 – very poor

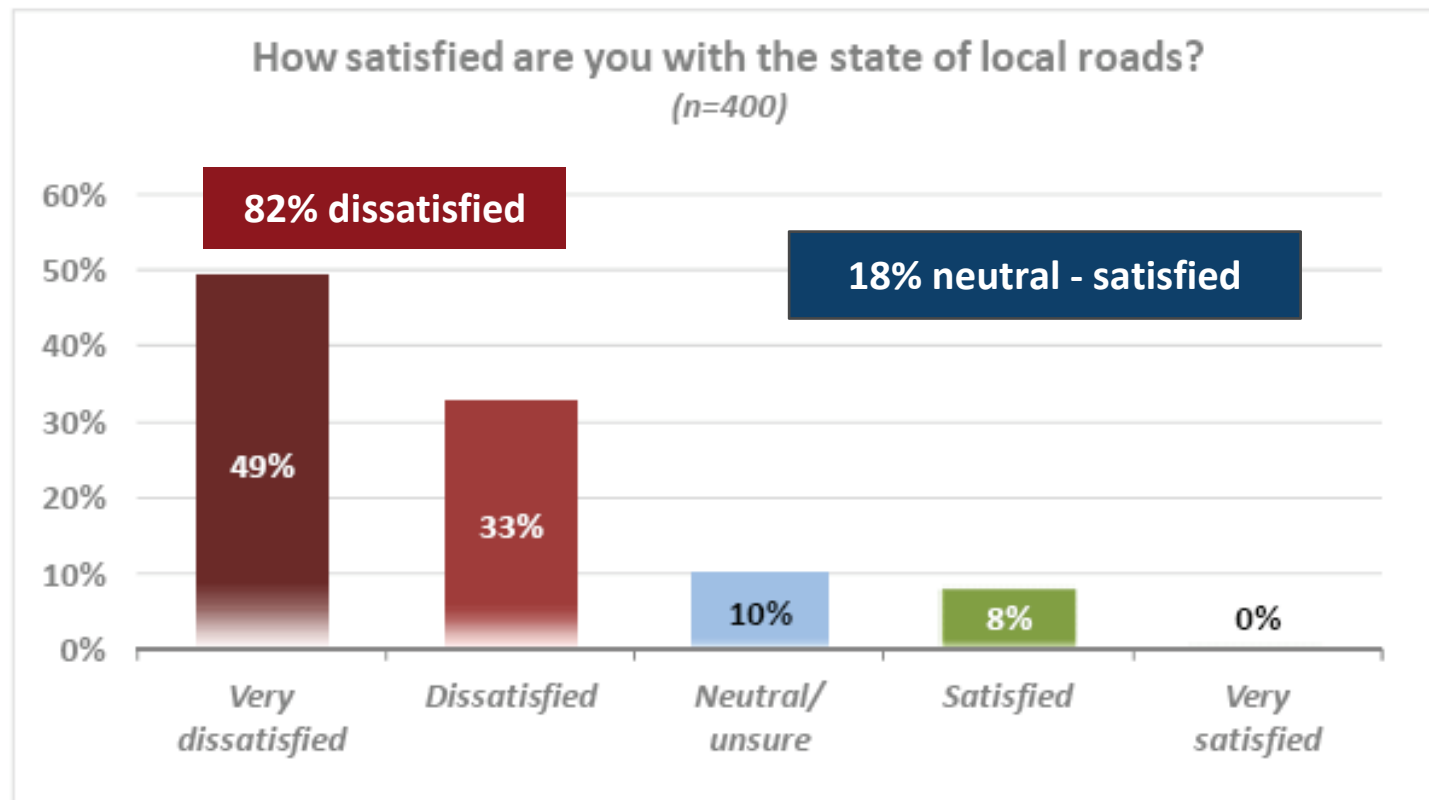




* Current value and quantity of roads in current condition

Sealed road satisfaction (Manning region)

Graph 1.2: Satisfaction with local roads

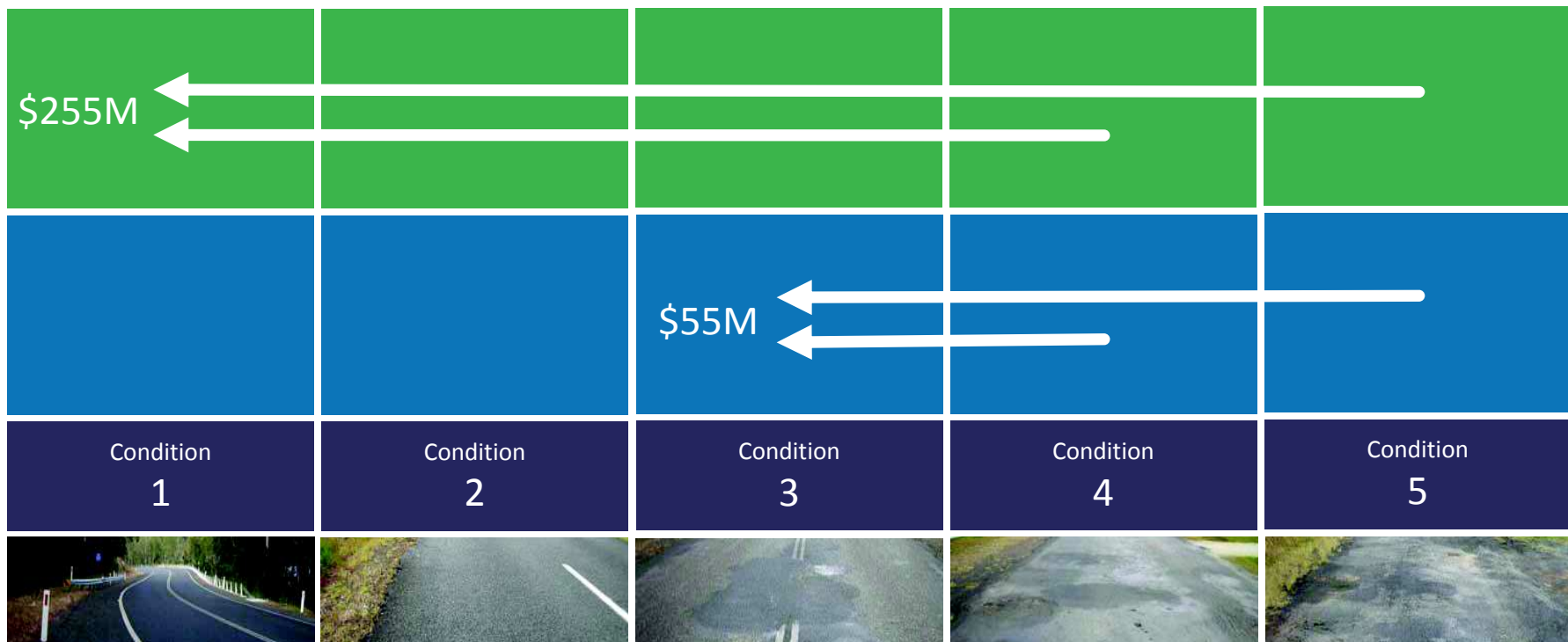


* Extract from former GTCC Special Rate Variation Application – random telephone survey, 1-5 scale. Conducted by Jetty Research, November 2015

- Visual investigations have been undertaken on all 95 timber bridges in the Manning region
 - Some structural issues have been identified and some repair works have been undertaken
 - About 15 of the bridges require a detailed structural investigation; expected to commence in near future
 - Some short term load limits may be applied while works are scheduled and undertaken – this will impact heavy vehicle movements
 - Affected parties will be notified where load limits are applied
-

Our asset backlog

Research indicates a spend of around \$150M is more aligned with community service level expectations



- Current renewal gap per year approximately **\$5M**
- Total replacement value of assets in condition 4 & 5 is \$255M
- More likely value is \$150-\$180M (considering service levels, asset condition data and community aspirations)
- This is a generational issue
- No additional maintenance expenditure required at this stage

- Maintain assets across MCC in current condition
- Don't let condition 3 roads slip into condition 4 & 5
- Risk and economic benefit of which condition 4 & 5 roads to prioritise for renewal
- **Prioritise renewal over maintenance** where appropriate
- Seek additional grant funding for regional roads and major transport routes
- Seek SRV to fund renewal program



Long term financial position

- MCC's 'household budget' is in a good position but we are not funding our depreciation
 - Until we can do this we are going backwards and our backlog is increasing

(**Backlog** refers to the total amount of renewal works that need to be undertaken to bring Council's assets to an acceptable standard)
 - What we can do to fix this:
 - Increase income
 - Decrease expenditure
 - Fund depreciation
-

Special rate variation

Previous special rate variation applications

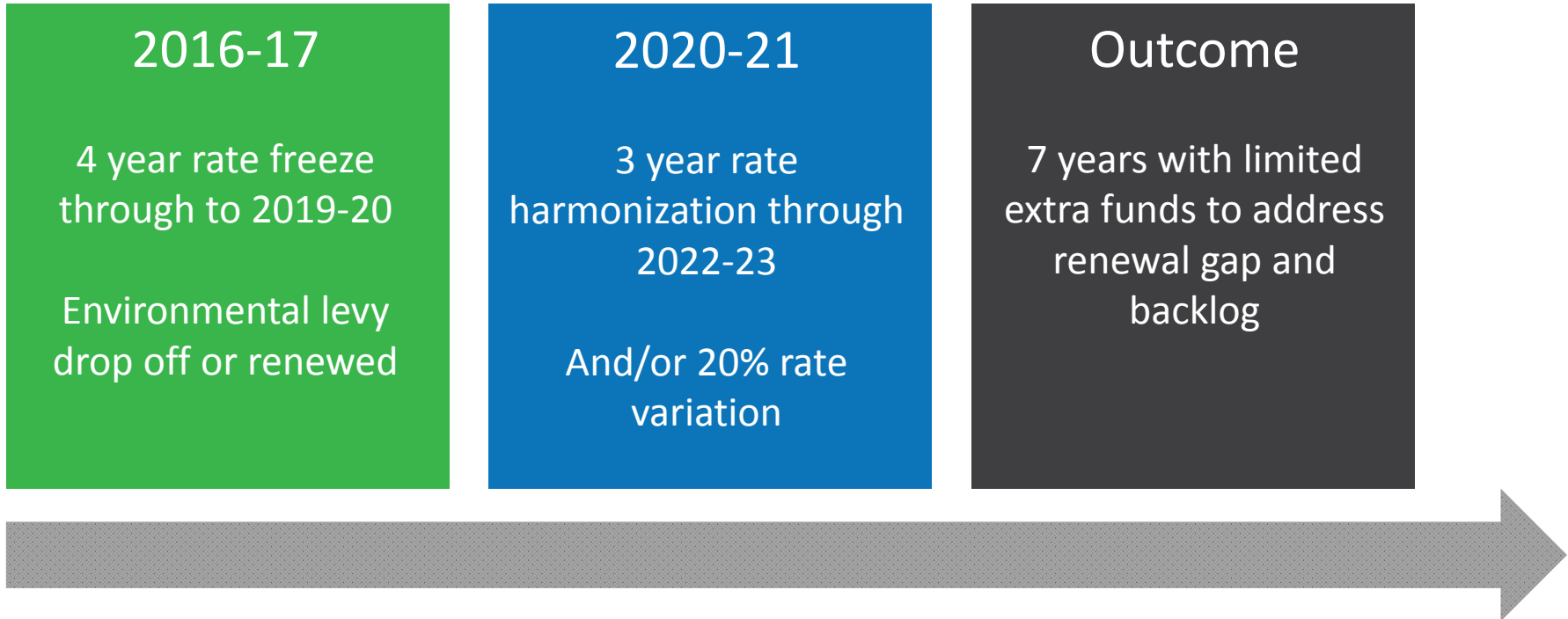
Former Council	SRV & environmental levy
Greater Taree	<ul style="list-style-type: none">• 49.2% cumulative over 6 years (proposed)• SRV included in Fit for the Future submission• Environmental levy 5% (through 2018-19)
Great Lakes	<ul style="list-style-type: none">• 20.7% cumulative over 4 years (proposed)• SRV included in Fit for the Future submission• Environmental levy 6% (through 2019-20)
Gloucester	<ul style="list-style-type: none">• Last year of current 3x 13%• Additional 39% over 3 years (proposed from 2017-18)• Additional SRV included in Fit for the Future submission

- 4 year rate freeze for newly merged councils
- Restrictions on rate harmonisation
- IPART review of rate paths for newly merged councils – recommendations to State government

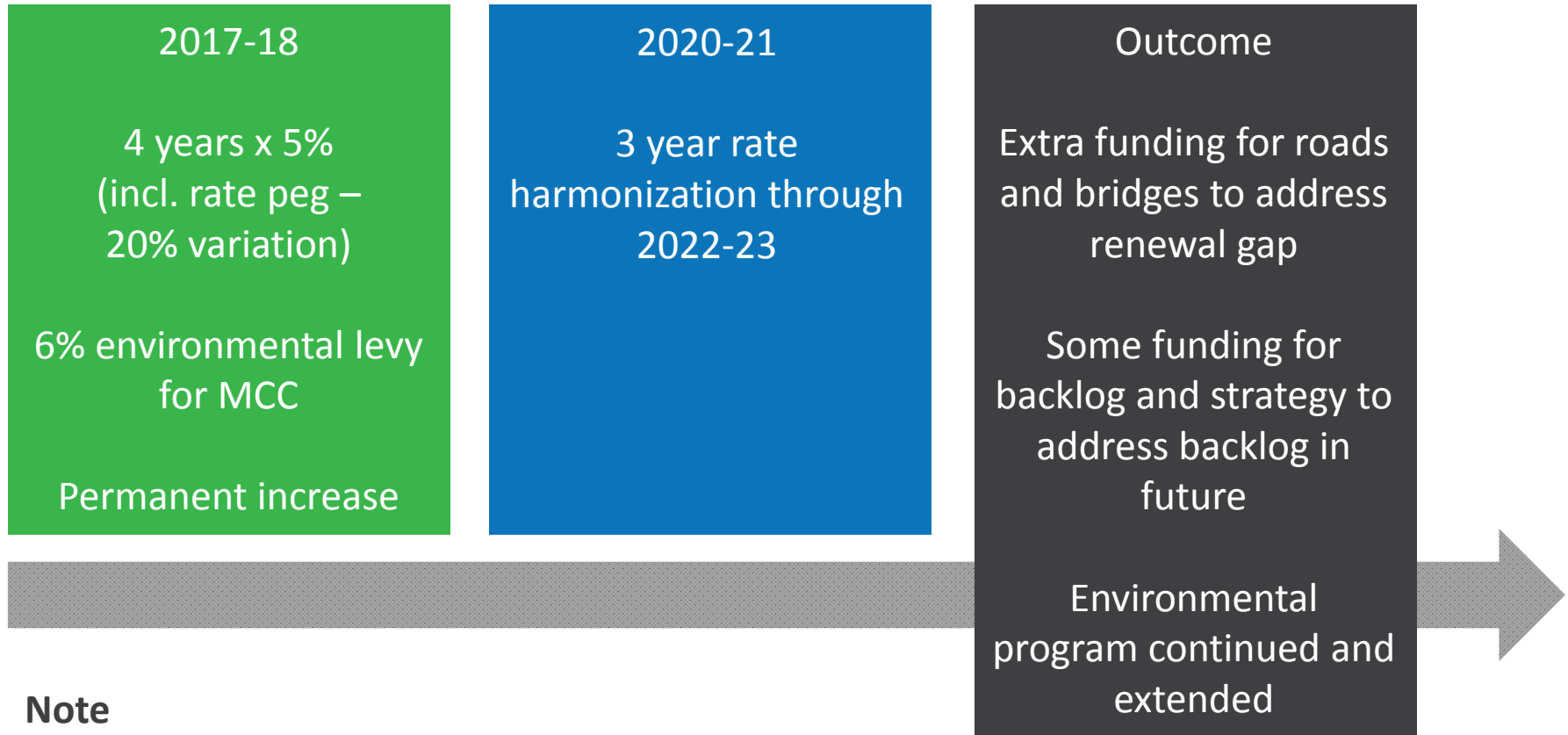
Environmental levy				
2016/17	2017/18	2018/19	2019/20	2020/21
		Community engagement for Manning region	Manning region expiry (5%)	
			Community engagement for Great Lakes region	Great Lakes region expiry (6%)

- Gloucester region – no environmental program without introduction of a levy

Option 1: Current rate path



Option 2: Do something – 1 x 11% and 3 x 5%



Note

- From 8 years on and beyond – may require modest rate increase to ensure funding for renewals and backlog

SRV impact on rates – Manning region

Option 1: Current rate path

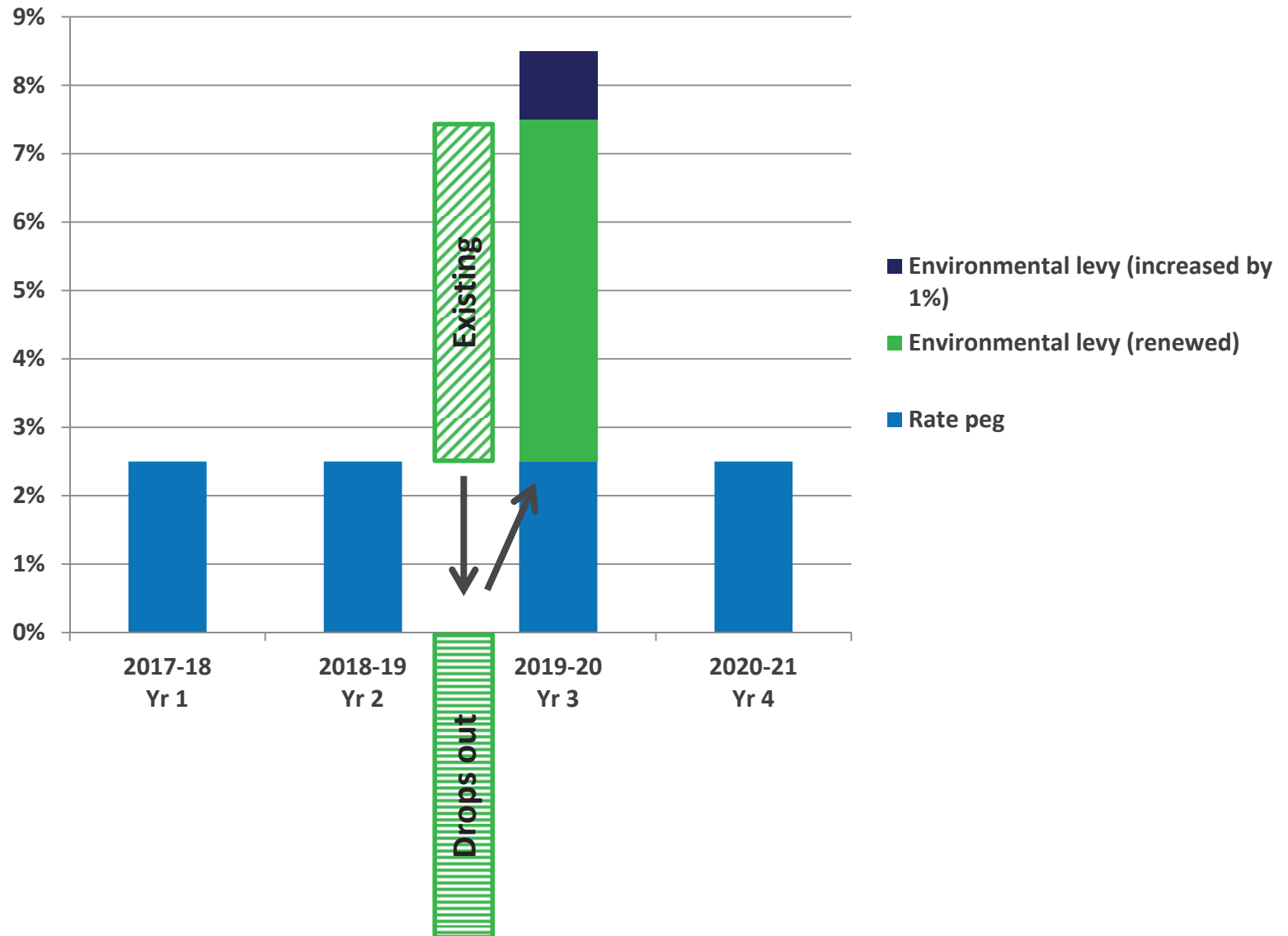
	2016-17	2017-18 (Yr 1)	2018-19 (Yr 2)	2019-20 (Yr 3)	2020-21 (Yr 4)
Rate peg	1.8%	2.5%	2.5%	2.5%	2.5%
SRV	Nil	Nil	Nil	Nil	Nil
Environmental levy – 5%			Last year of 5% Environmental Levy	Environmental program drops out	
Waste levy	\$20	Nil	Nil	Nil	\$20
TOTAL extra	1.8%	2.5%	2.5%	2.5%	2.5%

Option 2: 1 x 11% and 3 x 5%

	2016-17	2017-18 (Yr 1)	2018-19 (Yr 2)	2019-20 (Yr 3)	2020-21 (Yr 4)
Rate peg	1.8%	2.5%	2.5%	2.5%	2.5%
SRV	Nil	2.5%	2.5%	2.5%	2.5%
Environmental levy – 5%		6% Renew 5% + 1%, ongoing			
Waste levy	\$20	Nil	Nil	Nil	\$20
TOTAL extra	1.8%	11%	5%	5%	5%

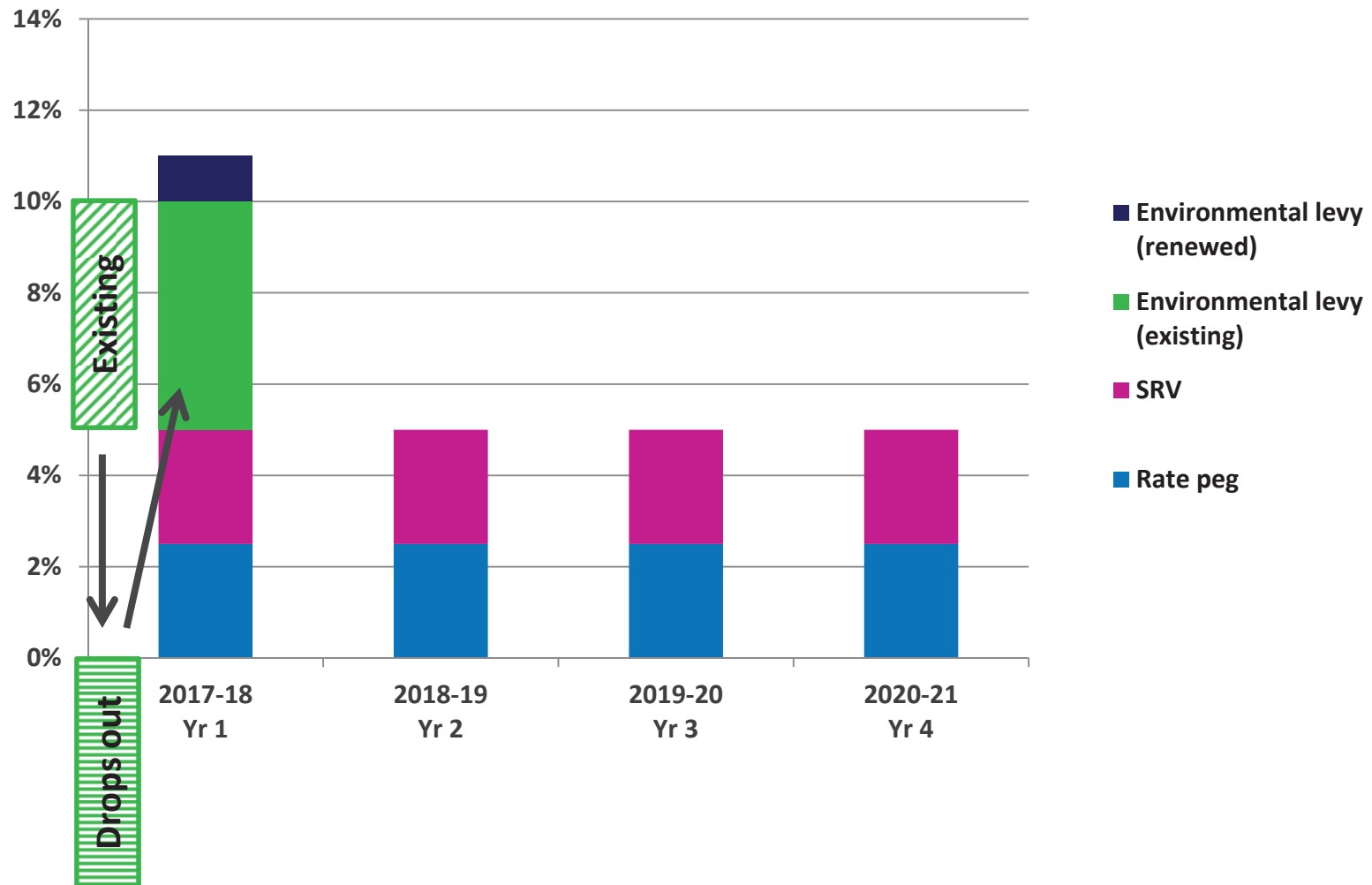
SRV impact on rates – Manning region

Option 1: Current rate path

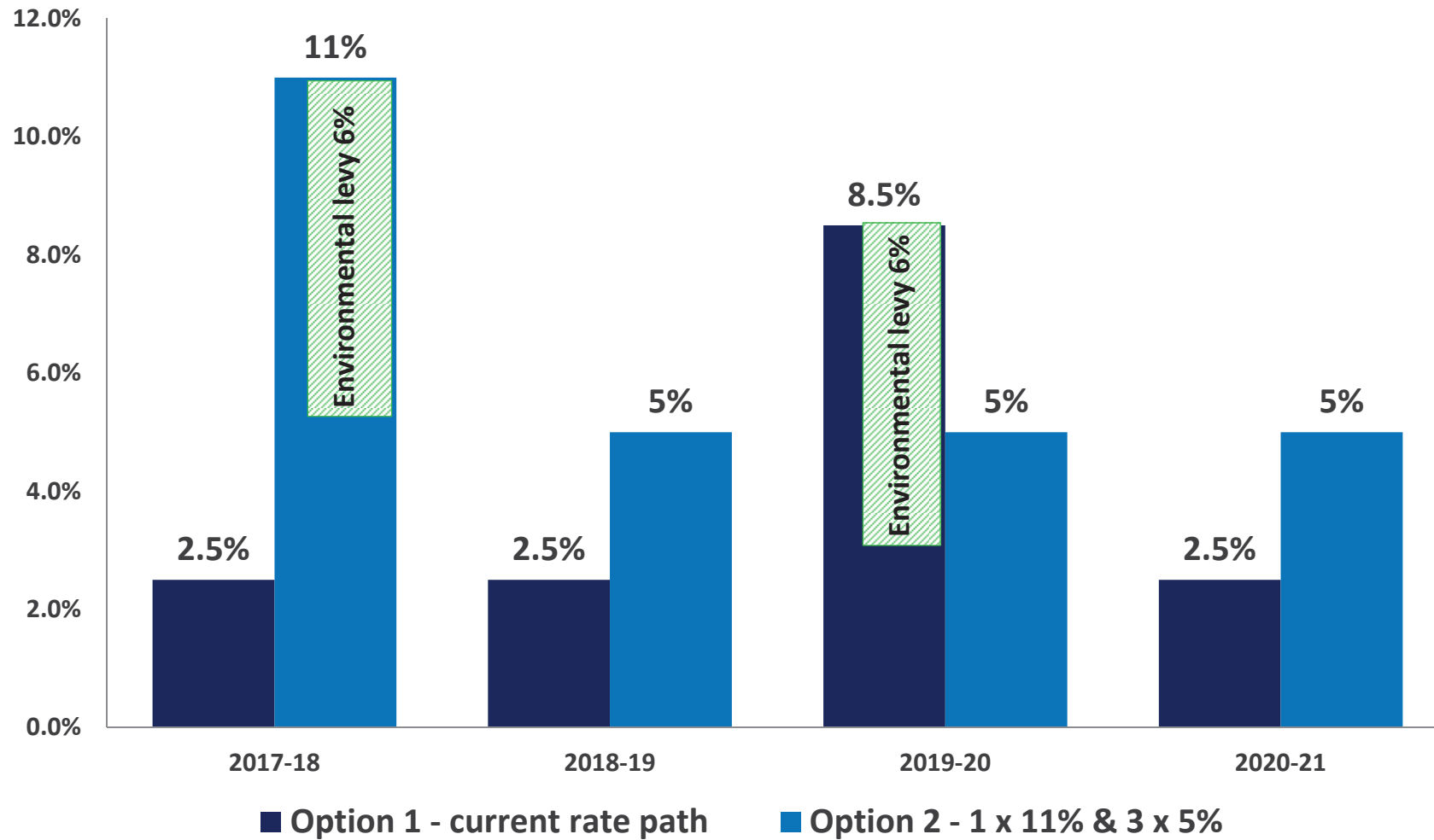


SRV impact on rates – Manning region

Option 2: 1 x 11% and 3 x 5%



SRV summary – Manning region



SRV impact on rates – Great Lakes region

Option 1: Current rate path

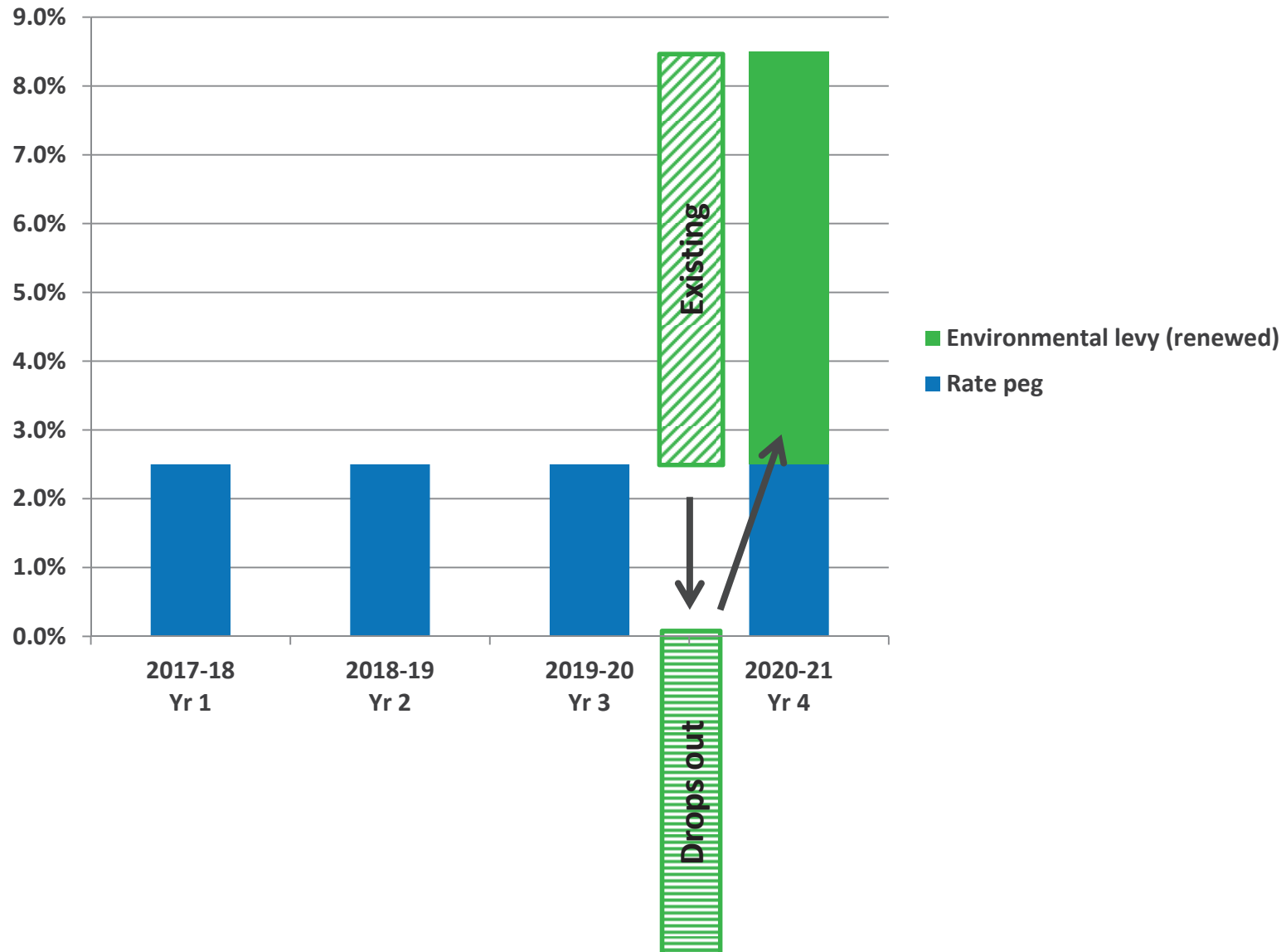
	2016-17	2017-18 (Yr 1)	2018-19 (Yr 2)	2019-20 (Yr 3)	2020-21 (Yr 4)
Rate peg	1.8%	2.5%	2.5%	2.5%	2.5%
SRV	Nil	Nil	Nil	Nil	Nil
Environmental levy – 6%				Last year of 6% Environmental Levy	Environmental program drops out
Waste levy	\$20	Nil	Nil	Nil	\$20
TOTAL extra	1.8%	2.5%	2.5%	2.5%	2.5%

Option 2: 1 x 11% and 3 x 5%

	2016-17	2017-18 (Yr 1)	2018-19 (Yr 2)	2019-20 (Yr 3)	2020-21 (Yr 4)
Rate peg	1.8%	2.5%	2.5%	2.5%	2.5%
SRV	Nil	2.5%	2.5%	2.5%	2.5%
Environmental levy – 6%		6% Renewal			
Waste levy	\$20	Nil	Nil	Nil	\$20
TOTAL extra	1.8%	11%	5%	5%	5%

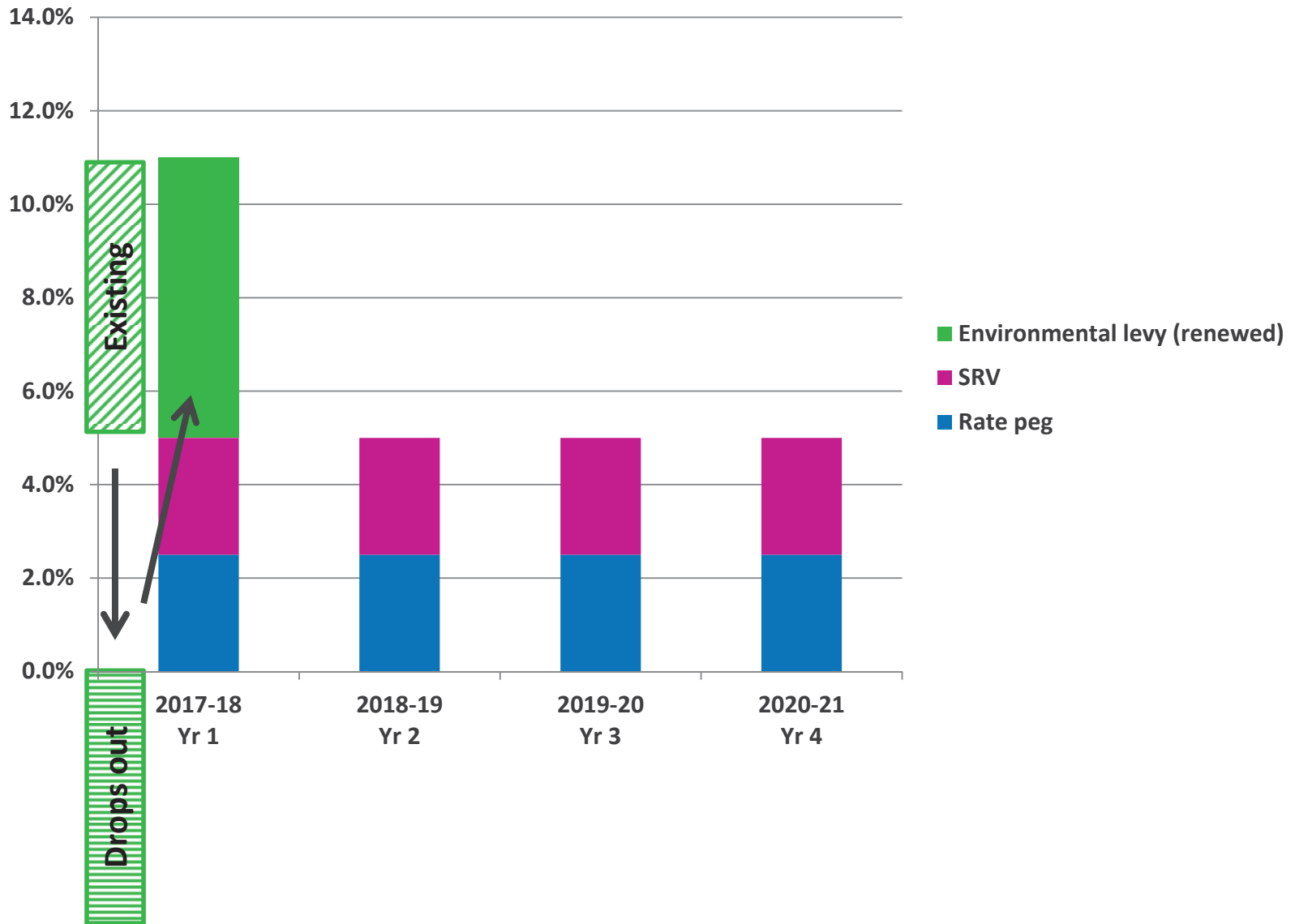
SRV impact on rates – Great Lakes region

Option 1: Current rate path

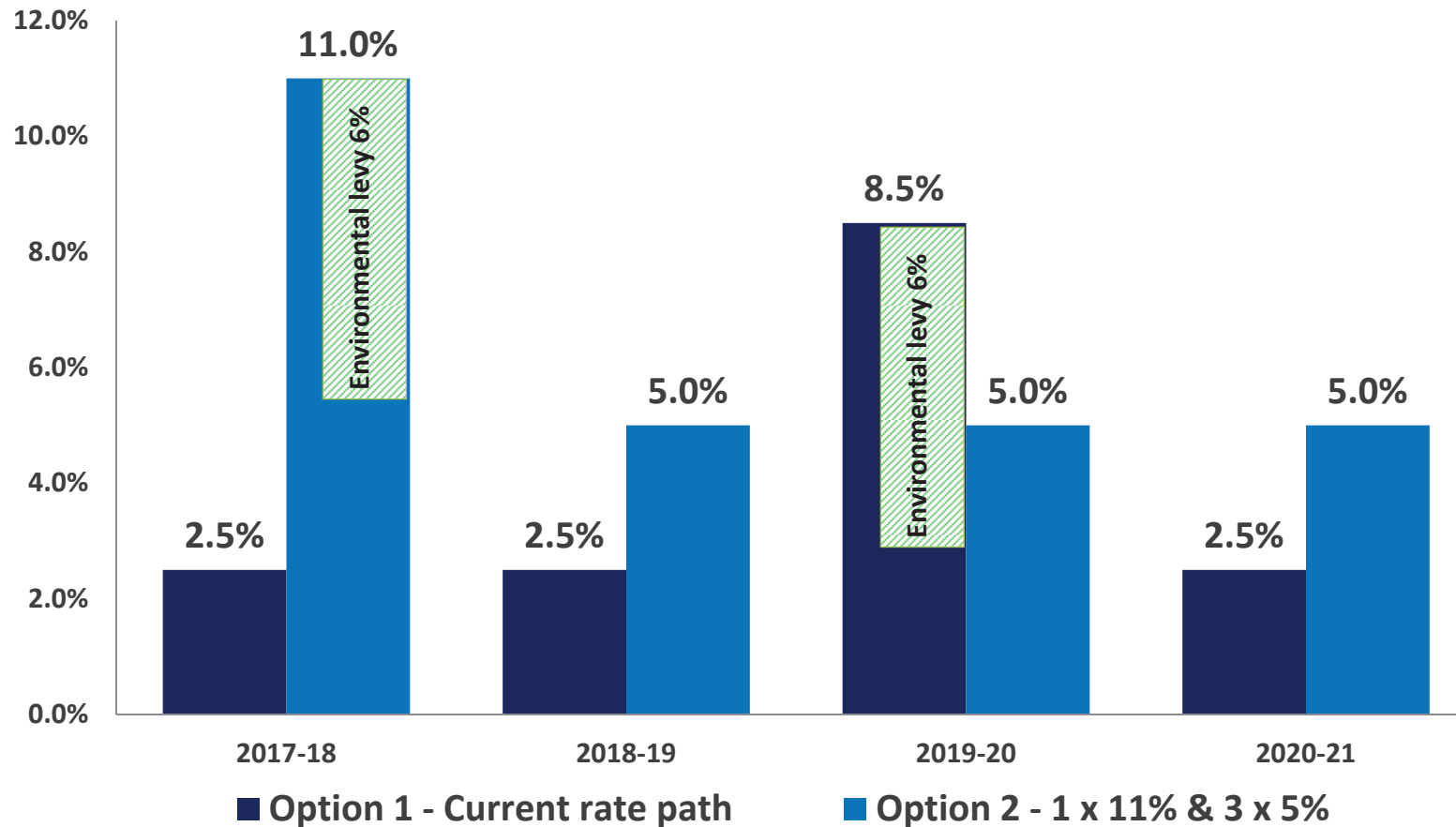


SRV impact on rates – Great Lakes region

Option 2: 1 x 11% and 3 x 5%



SRV summary – Great Lakes region



SRV impact on rates – Gloucester region

Option 1: Current rate path

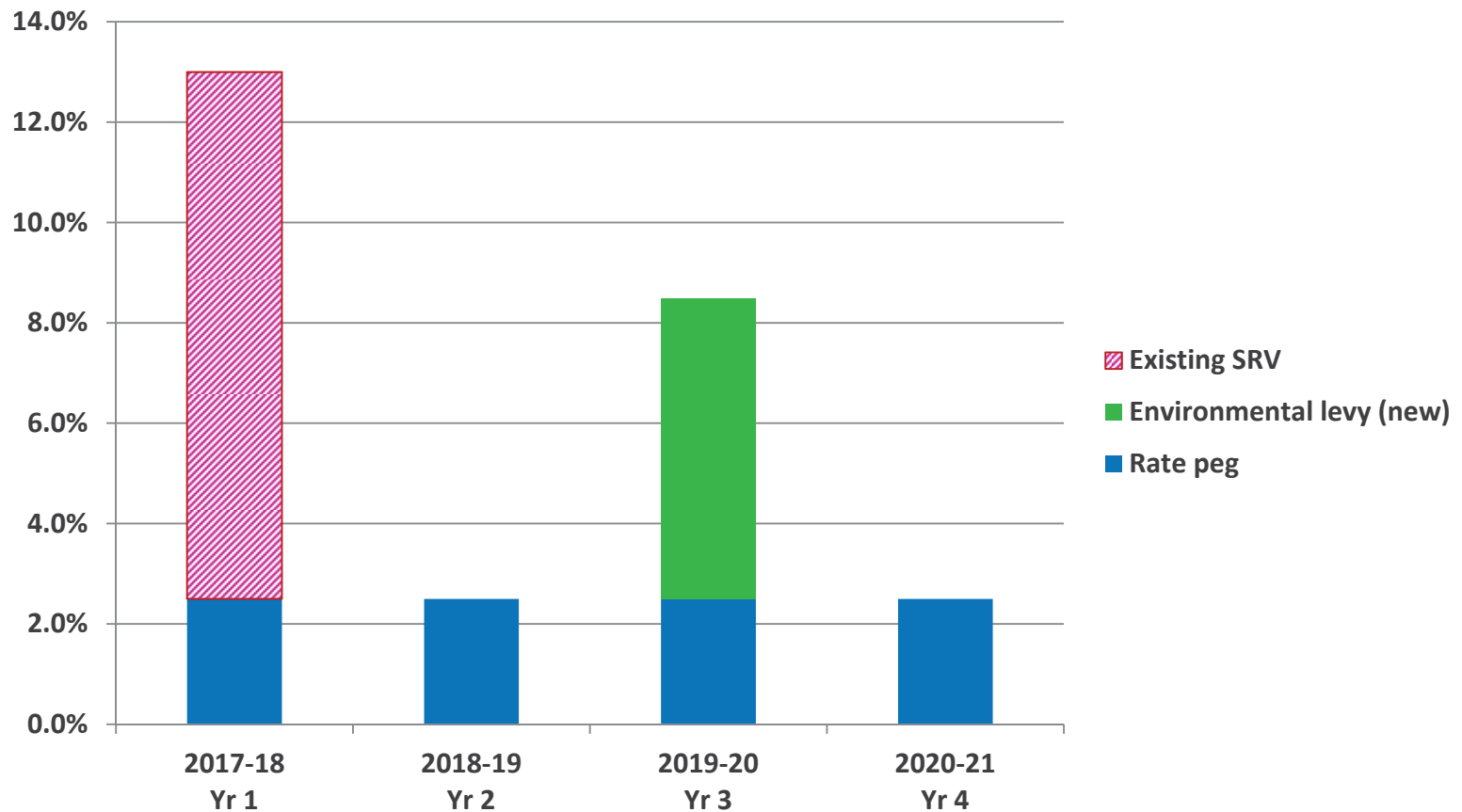
	2016-17	2017-18 (Yr 1)	2018-19 (Yr 2)	2019-20 (Yr 3)	2020-21 (Yr 4)
Rate peg	1.8%	2.5%	2.5%	2.5%	2.5%
SRV	11.2%	10.5%	Nil	Nil	Nil
Environmental levy					
Waste levy	\$20	Nil	Nil	Nil	\$20
TOTAL extra	13%	13%	2.5%	2.5%	2.5%

Option 2: 1 x 11% and 3 x 5%

	2016-17	2017-18 (Yr 1)	2018-19 (Yr 2)	2019-20 (Yr 3)	2020-21 (Yr 4)
Rate peg	1.8%	2.5%	2.5%	2.5%	2.5%
SRV	11.2%	2.5%	2.5%	2.5%	2.5%
Environmental levy		6% New & ongoing			
Waste levy	\$20	Nil	Nil	Nil	\$20
TOTAL extra	13%	11%	5%	5%	5%

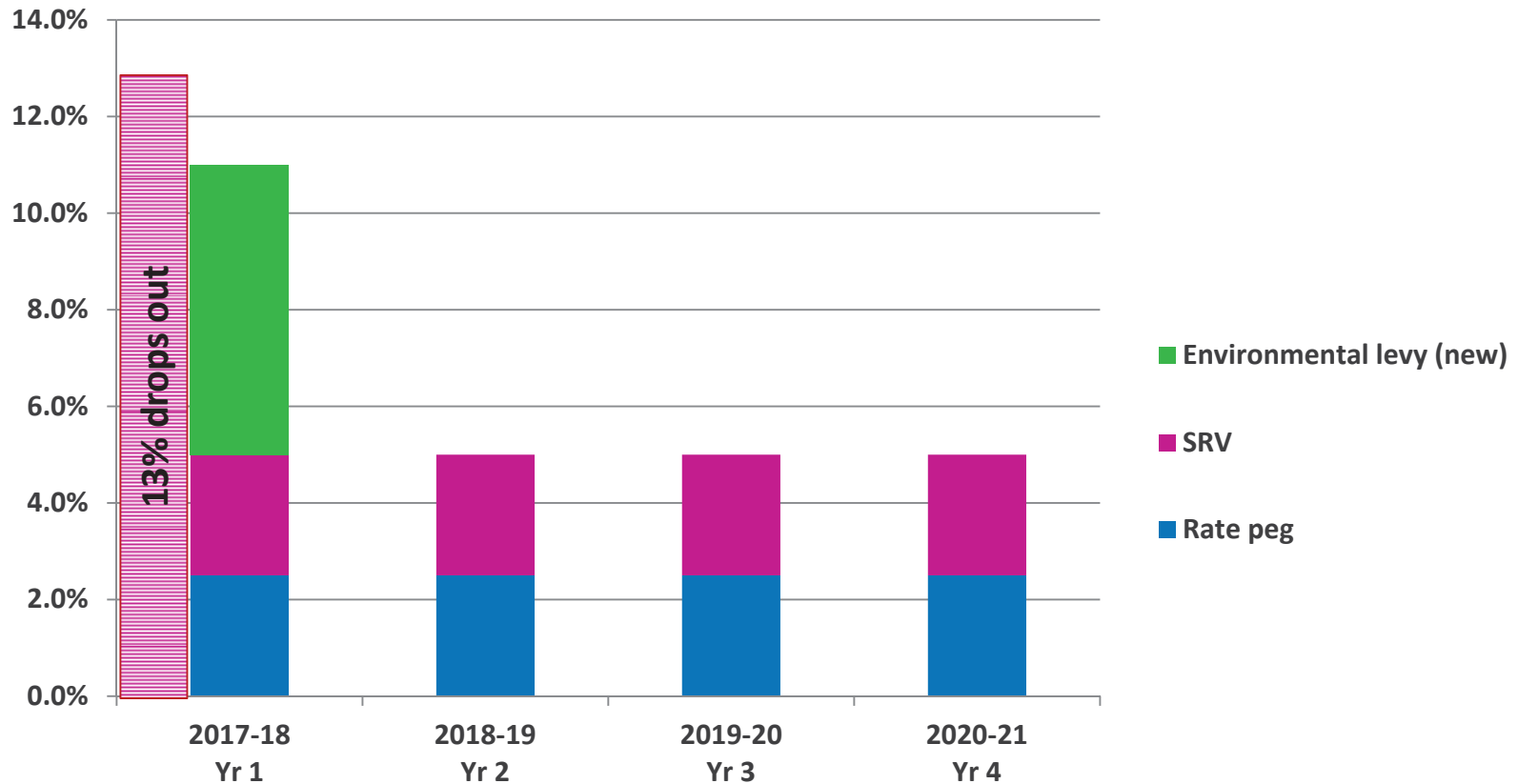
SRV impact on rates – Gloucester region

Option 1: Current rate path

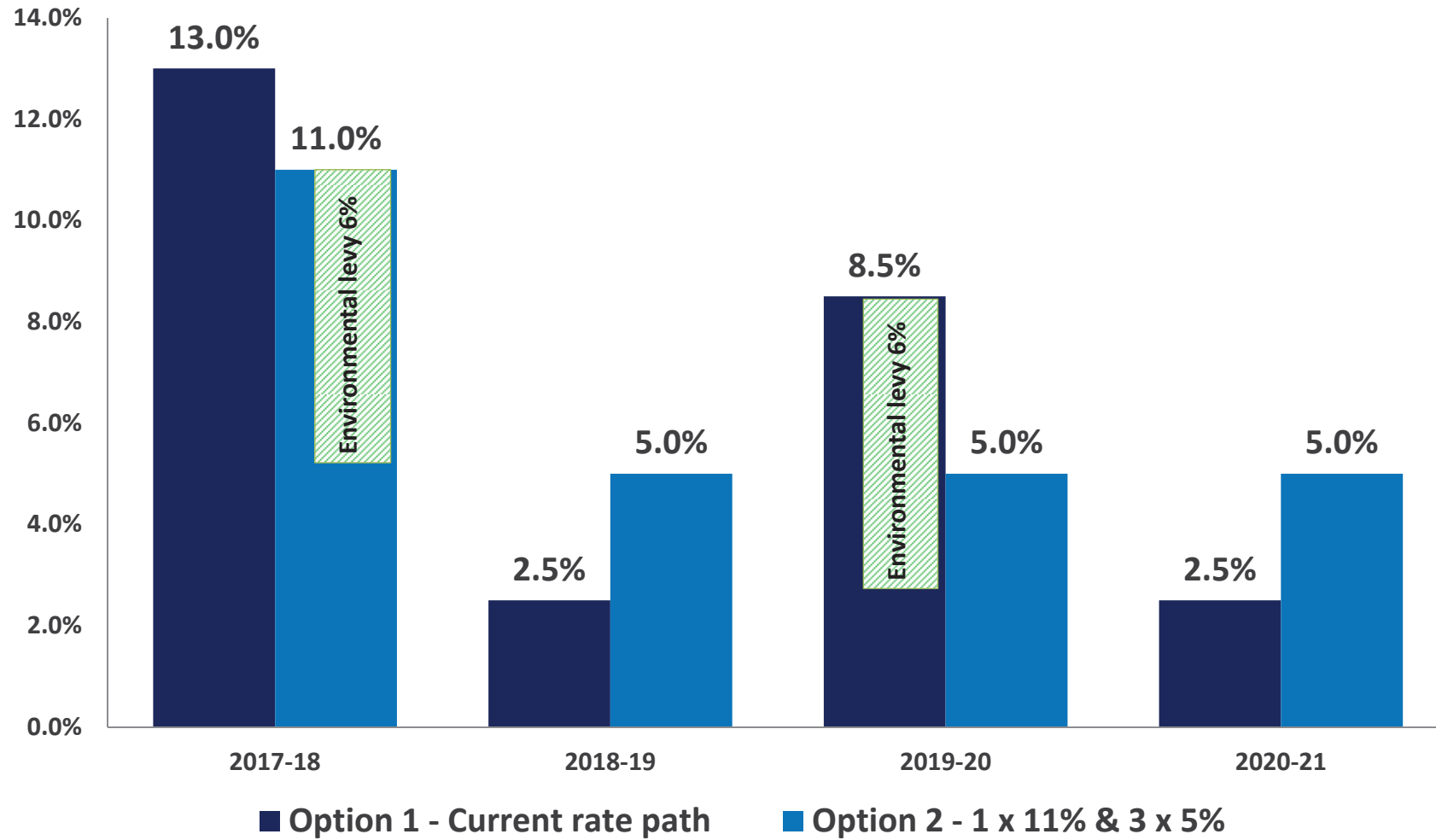


SRV impact on rates – Gloucester region

Option 2: 1 x 11% and 3 x 5%



SRV summary – Gloucester region



Cumulative impact (based on avg residential rate)

Assumed rate peg – 2.5%

Manning Region

*based on average residential rate of \$1068

Option 1	Cumulative	
Current rate path	%	\$
2017-18	No enviro 4.86%	
2018-19	\$52 / 13 pa	
2019-20	With enviro 10.38%	
2020-21	\$112 / 28 pa	

Option 2	Cumulative	
1 x 11%, 3 x 5%	%	\$
2017-18		
2018-19	28.5%	\$ 236
2019-20	Actual 22.07%	Avg. \$59 pa
2020-21		

Great Lakes Region

*based on average residential rate of \$1235

Option 1	Cumulative	
Current rate path	%	\$
2017-18	No enviro 3.76%	
2018-19	\$48 / 12 pa	
2019-20	With enviro 10.38%	
2020-21	\$128 / 32 pa	

Option 2	Cumulative	
1 x 11%, 3 x 5%	%	\$
2017-18		
2018-19	28.5%	\$ 257
2019-20	Actual 20.79%	Avg. \$64 pa
2020-21		

Gloucester Region

*based on average residential rate of \$1081

Option 1	Cumulative	
Current rate path	%	\$
2017-18	No enviro, 13% approved SRV 21.7%	
2018-19	\$235 / 59 pa	
2019-20	With enviro	
2020-21	additional 6% = \$61 pa when introduced	

Option 2	Cumulative	
1 x 11%, 3 x 5%	%	\$
2017-18		
2018-19	\$ 308	
2019-20	28.5%	Avg. \$77 pa
2020-21		

- **No increase in the waste levy** for 3 year period from 2017-18 to minimise impact of SRV proposal on ratepayers
- Cumulative savings of **\$60 - \$120**

	Previous Council proposal – cumulative impact	MCC proposal 1 x 11% and 3 x 5% SRV	Difference
Manning region	49.6% over 6 years	22.1% over 4 years	-27.5%
Great Lakes region	20.7% over 4 years	20.8% over 4 years	Same
Gloucester region	63% over 4 years	28.5% over 4 years	-34.5%
	13% for 2017-18	28.5% over 4 years	+15.5%

- Difference is narrowing over time
- Review of rate structure and harmonisation from 2020
- This will address 'fairness' of rate structure over time
- Impact on each region varies due to environmental levy

	Average residential – now	Average residential – with proposed SRV	\$ increase with proposed SRV (over 4 years)
Manning region	1068	1303	238
Great Lakes region	1235	1491	256
Gloucester region	1080	1389	309

Funding renewals and backlog

- Potential funding available to address renewal gap and start funding backlog, based on adopting Option 2: 4 x 5%

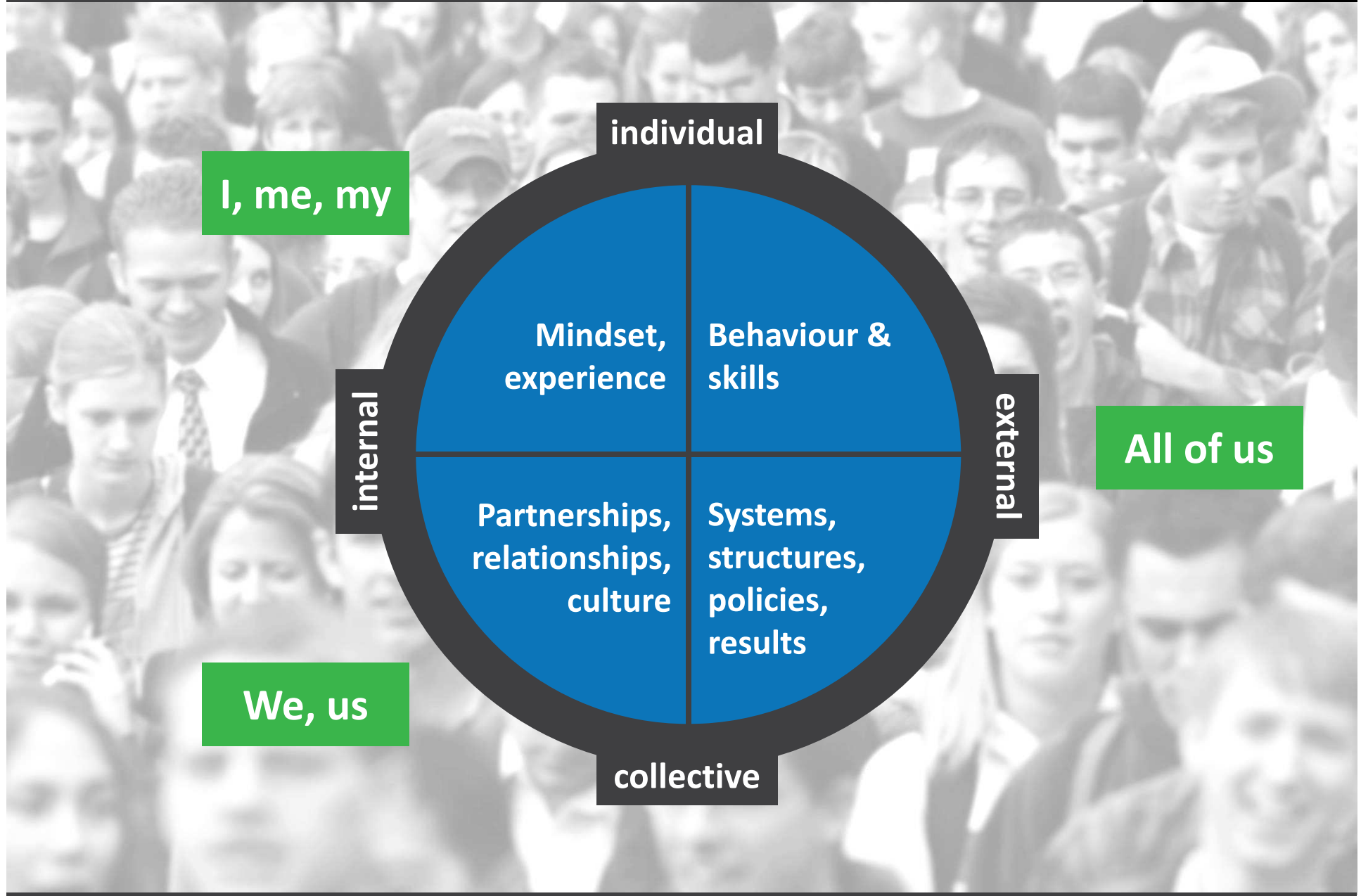
	2016-17	2017-18 Yr 1	2018-19 Yr 2	2019-20 Yr 3	2020-21 Yr 4	TOTAL
MCC	\$3 M	\$5 M	\$5 M	\$5 M	Nil	\$18 M
State Govt	Nil	\$5 M	\$5 M	\$2 M	Nil	\$12 M
SRV based on option 2	Nil	\$2 M	\$4 M	\$6 M	\$8 M	\$20 M
Totals	\$3 M	\$12 M	\$14 M	\$13 M	\$8 M	\$50 M

- Initial overview of how funding may be allocated

	2016-17	2017-18 Yr 1	2018-19 Yr 2	2019-20 Yr 3	2020-21 Yr 4	TOTAL
Renewals	\$3 M	\$5 M	\$5 M	\$5 M	\$5 M	\$23 M
Backlog	Nil	\$7 M	\$9 M	\$8 M	\$3 M	\$27 M

- Process for allocating \$14M
 - State government funding – they have an interest in how we spend the funds
 - Community consultation
 - Establishment of a panel (DPC, Administrator and others)
 - MCC recommendation – expenditure on roads and bridges
-

Our integrated approach



Get involved

By working together we will find the fair solution to provide our community with the quality of roads, bridges and services expected

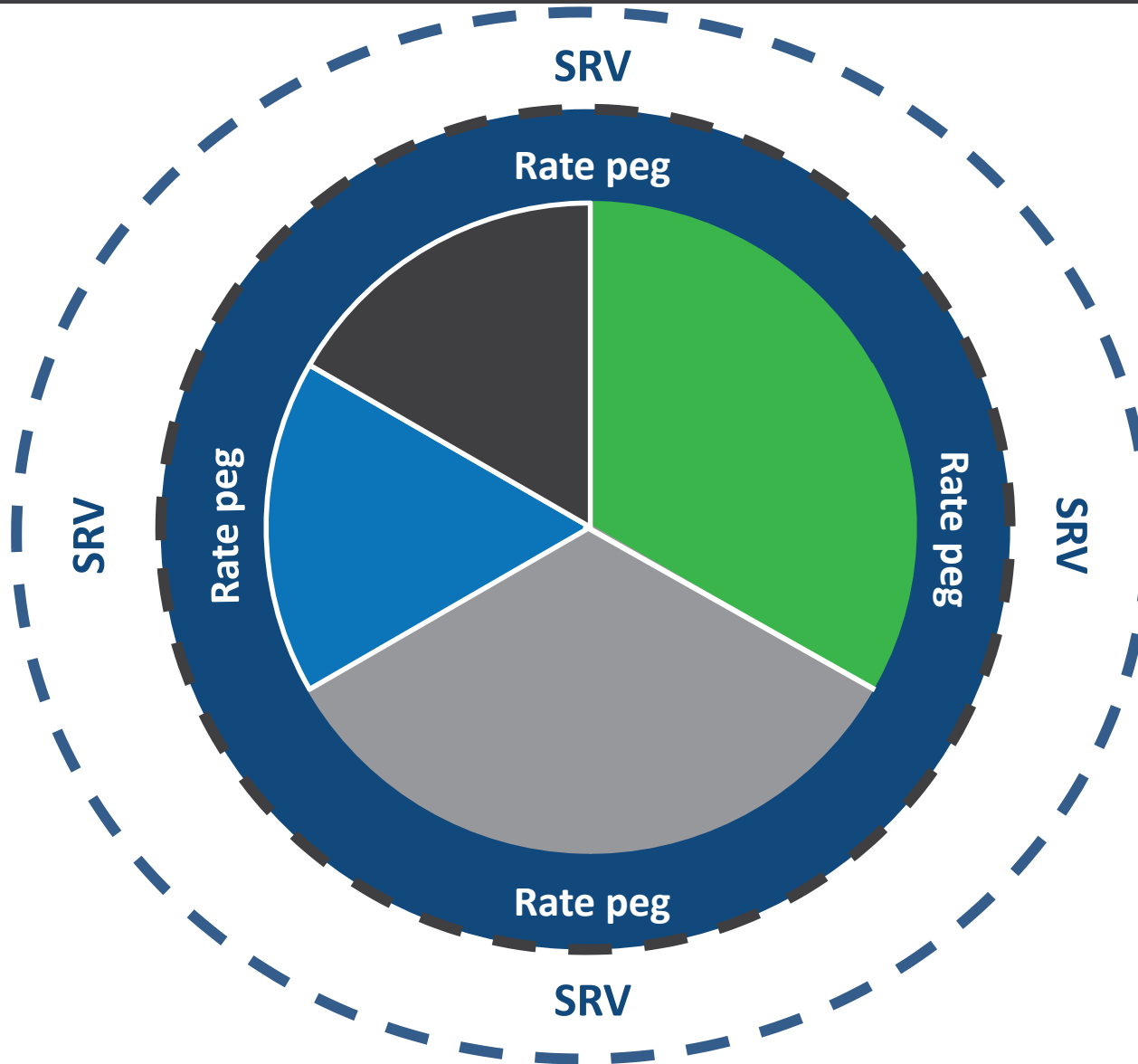
- Contact your local, state and federal representatives and express your opinion
- Take part in a phone survey if called (in November)
- Complete the online survey (in November)

And participate in our activities about MCC identity, our vision and community priorities





The rates 'pie'



MidCoast Council

Community update

Taree

27 June 2016

Program

1. Context of community meetings
2. Where we have been
3. NSW key result areas
4. Roles of MCC officials & representatives
5. Strategic frameworks
6. Roadmap for integration
7. Challenges & opportunities
8. Special rate variation
9. Local projects
10. Questions

Context

- Community meetings
 - Building relationships, trust
 - Capacity building
 - Frequency & location
- VUCA
 - volatility
 - uncertainty
 - complexity
 - ambiguity



Where we have been

Fit for the future

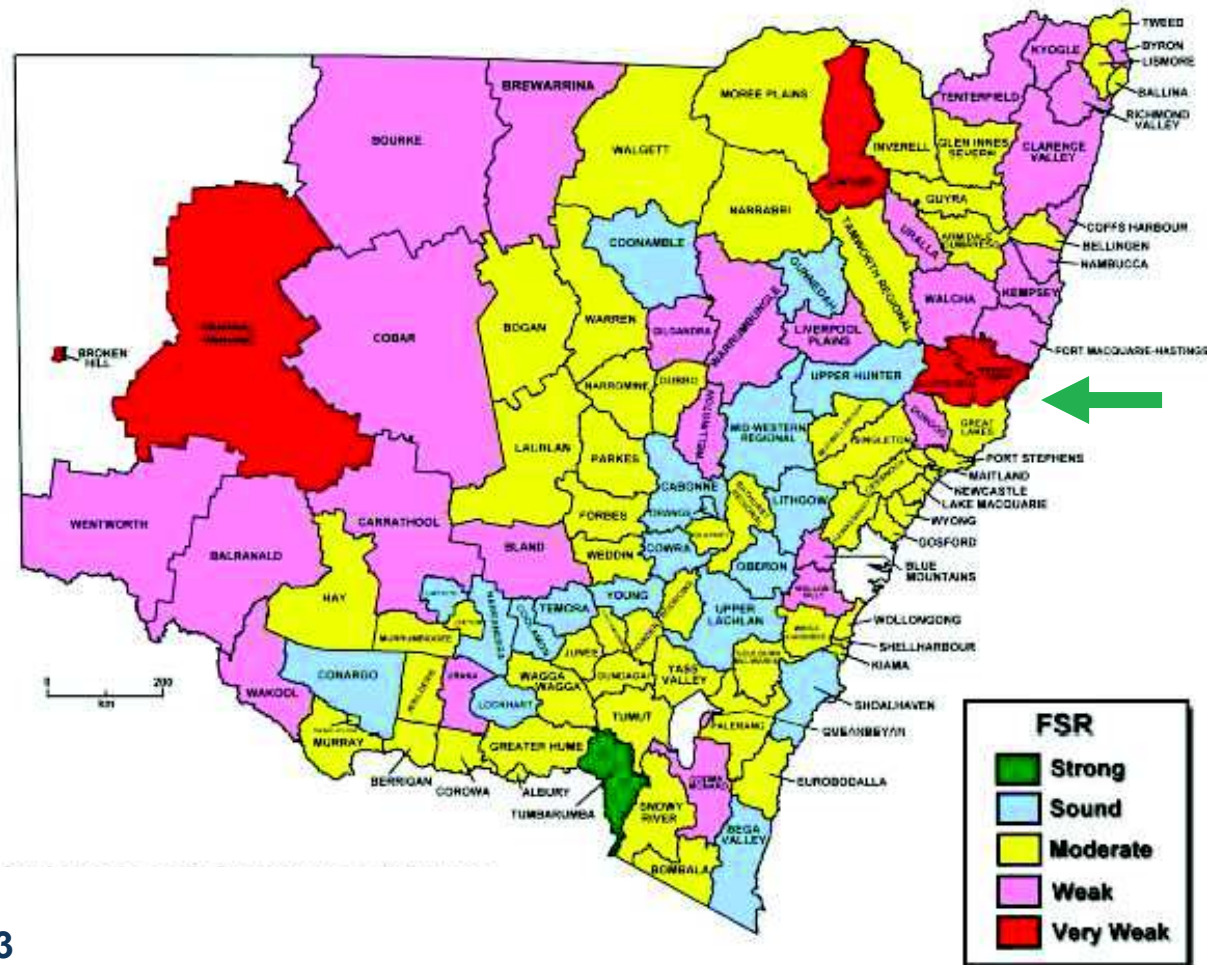
Council	Fit	Options
GLC	✓	- Met scale & capacity & financial criteria
Gloucester	✗	- Did not meet scale & capacity nor financial criteria
Taree	✗	- Did not meet sustainability or infrastructure & service management criteria

Fit for the future

	Taree	Gloucester	Great Lakes	MidCoast
Population Area	48,941 3,729 sq km	5,064 2,950 sq km	36,499 3,373 sq km	90,504 10,053 sq km
Operating revenue	\$68.4m	\$14.5m	\$69.5m	\$155.4m (projected 2019-20)
Asset base	\$640.3m	\$174.5m	\$617.7m	\$1.4b
Infrastructure backlog	28%	43%	6%	20%

Treasury Corp (TCorp)

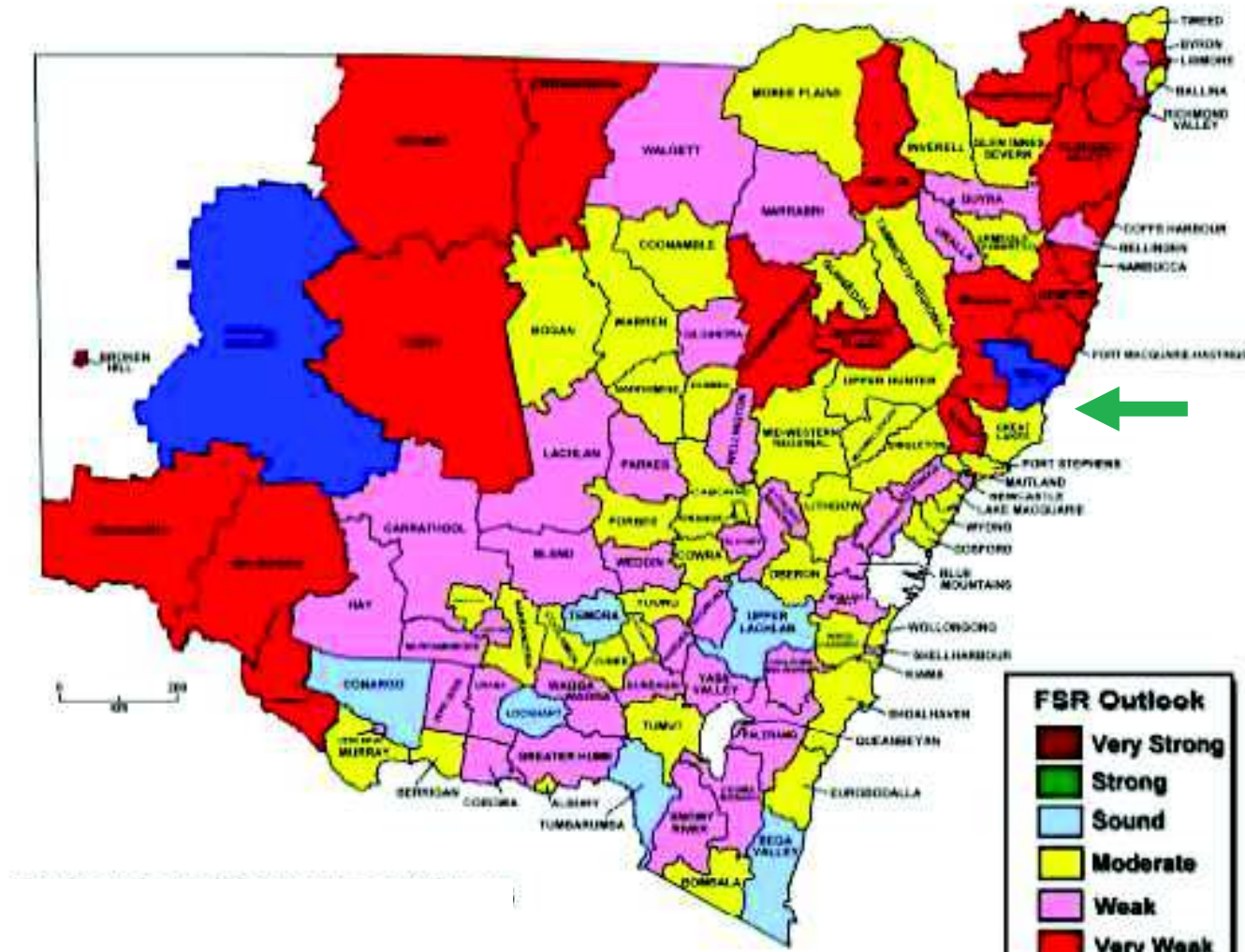
NSW Local Government Areas



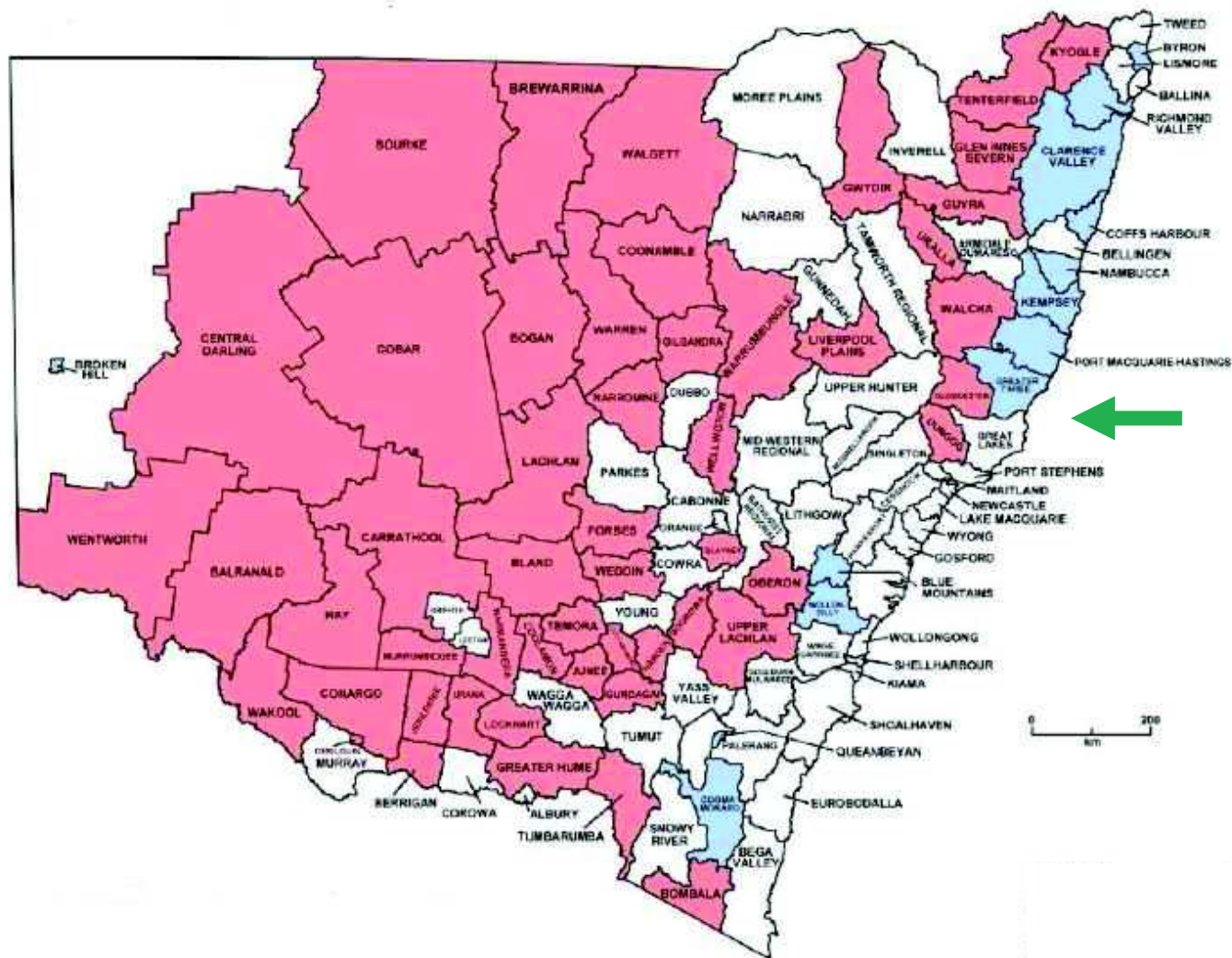
*As at April 2013

Treasury Corp (TCorp) – 3 year outlook

NSW Local Government Areas



Local Government Infrastructure & Morrison Low



- - SMALLER RURAL COUNCILS AT RISK (BASED ON A COMBINATION OF FACTORS)
- - LARGER COUNCILS AT RISK ('WEAK' TCorp SUSTAINABILITY RATING)



Key result areas for success

NSW Government key result areas

1 Service continuity with smart service improvements

2 Robust governance that delivers confidence to communities

3 Easy to do business with, in person and online

4 Engaged staff who understand their roles and how they contribute to the new council

5 Involved communities who have their say

6 Communities can readily identify with their new council

7 A shared vision and direction for the whole community

8 Rates maintained within existing pathways and resources used wisely to serve the entire council area

9 Expected benefits which are clear, measurable and on target

10 A newly elected council working for the whole community



Role of MCC officials & reps



MCC officials

- John Turner, Administrator
- Glenn Handford, Interim General Manager
- MCC combined Executive Team

Community representatives

- Implementation Advisory Group (IAG)

- Chair: Jan McWilliams

- Members

- Former GTCC: Kathryn Bell

- Former GLC: Len Roberts

- Former GSC: Katheryn Smith

Community representatives

- Local Representative Committee (LRC)

- Chair: Jan McWilliams

- Members

- Former GTCC: Trent Jennison, Robyn Jenkins, David West

- Former GLC: Carol McCaskie, Leigh Vaughan, Karen Hutchinson

- Former GSC: Jim Henderson, Frank Hooke

- Terms of reference for each committee to be developed

- Inaugural MCC election scheduled for Sept 2017



Strategic frameworks

Executive team vision & mission

The combined executive team of MidCoast Council have developed a vision and mission for the new organisation

Vision

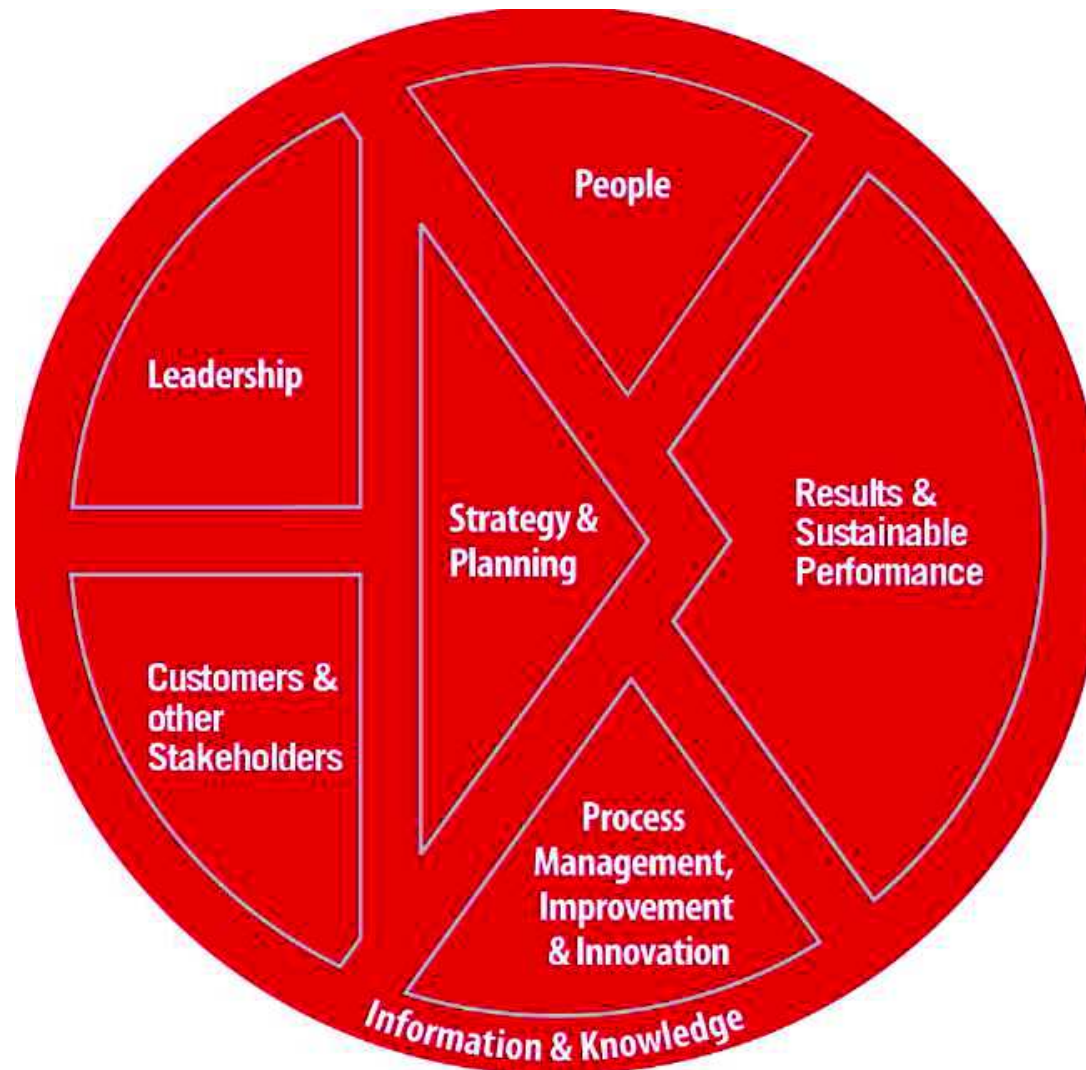
To ensure we maximise value to the community in everything we do

Mission for successful merger

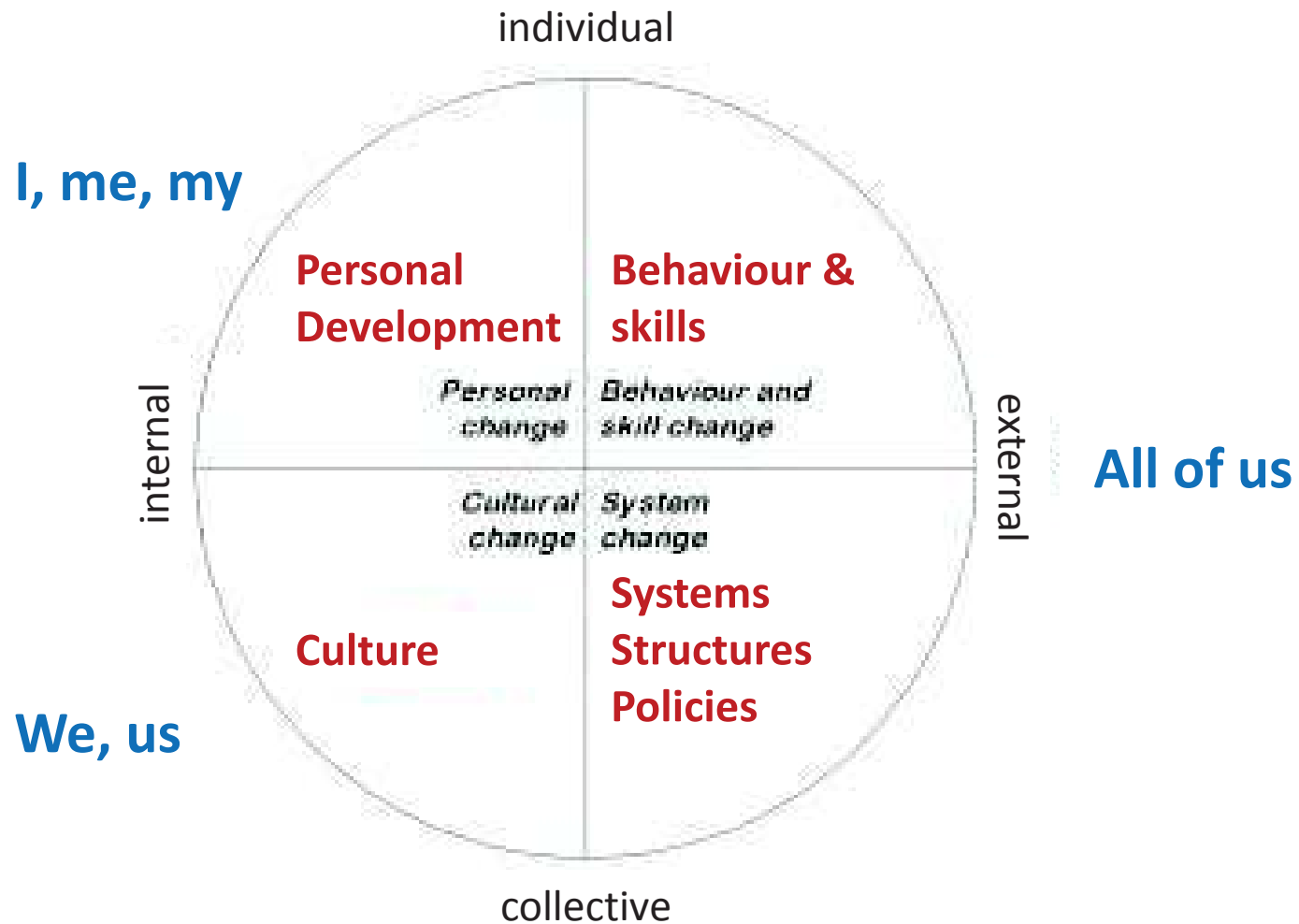
We will work together with a shared purpose of setting up MidCoast Council for success through the integration of people, systems, and services

Australian Business Excellence Framework

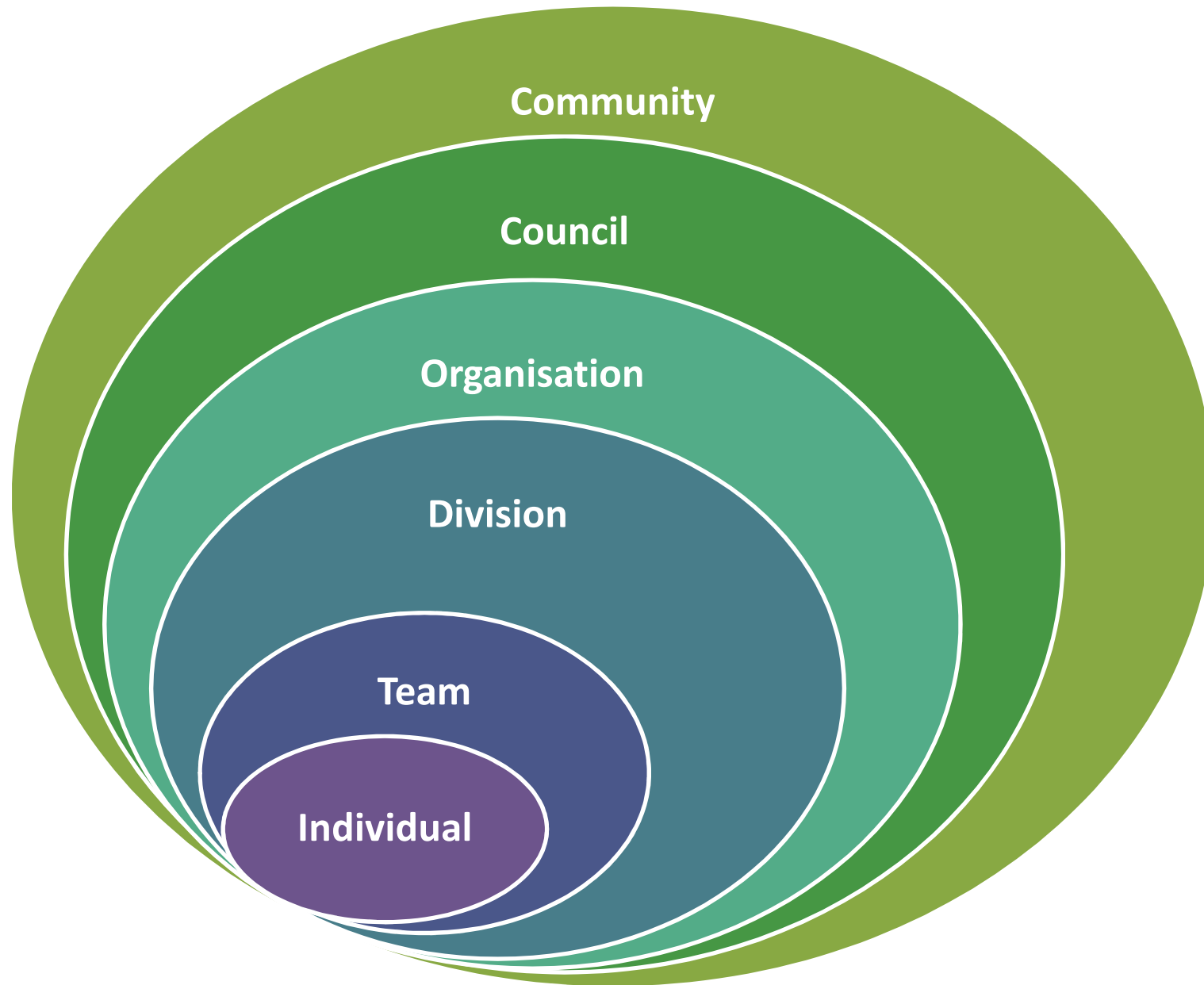
7 categories



Integral model



'I/me/my – we/us - all of us' perspective





Roadmap for integration

NSW Government Roadmap – 2016

Timeframe	Milestone
By 30 June	<ul style="list-style-type: none">- Prepare community engagement plan- Exhibit draft operational plan, budget, fees & charges
By end of Sept	<ul style="list-style-type: none">- Adopt operational plan, budget, fees & charges- Issue rate notices- Deliver initial community engagement activities- Plan service review process
By end of Dec	<ul style="list-style-type: none">- Adopt new logo and branding with community input- Adopt a statement of vision & priorities with community input

NSW Government Roadmap - 2017

Timeframe	Milestone
By end of March 2017	<ul style="list-style-type: none">- Prepare draft operational plan & integrated budget input- Deliver new website
By end of June 2017	<ul style="list-style-type: none">- Adopt operational plan, budget, fees & charges
By end of Sept 2017	<ul style="list-style-type: none">- Report on service review & recommendations- Draft a community strategic plan for consideration of new council

Community priorities





Challenges & opportunities

MCC services

- 'Business as usual' services
- Resourcing (building surveyor example)
- Strategic capacity
 - Destination Management Plan & Tourism
 - Easier & quicker access to services through existing MCC Ageing & Disability (NDIS certified provider)
 - Funding opportunities



Integrating 3 organisations

- Impact of organisational culture
 - culture: how you are expected & encouraged to behave
 - decision making
- Organisational structure
- Integration of systems, processes, policies

Government support

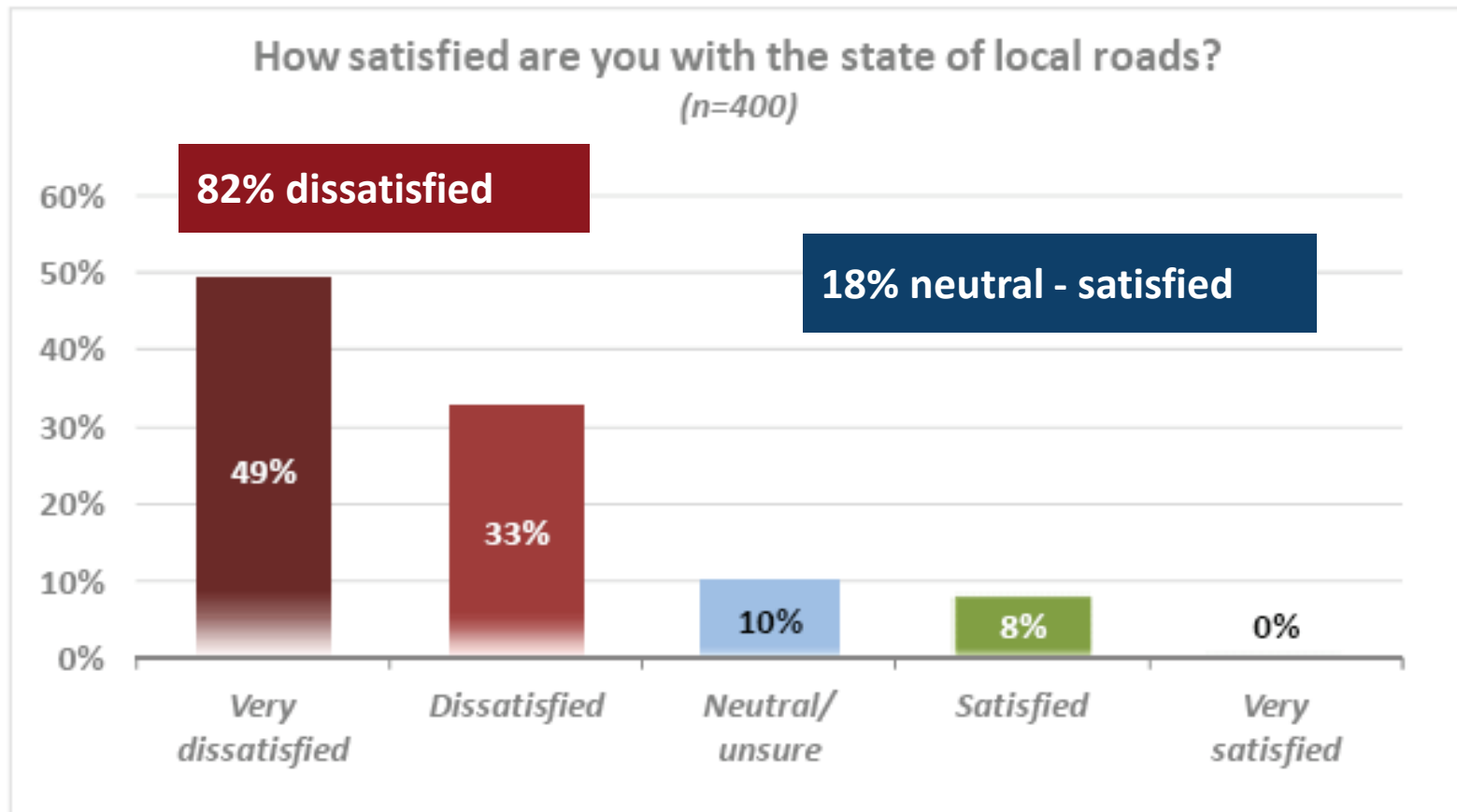
- Implementation costs - \$5 million
- \$1 million - Stronger Communities fund
 - Up to \$50k to incorporated not for profit groups
 - Projects to build more vibrant, sustainable & inclusive communities
- \$14 million – towards infrastructure, major projects



Assets & Special rate variation

Former GTCC satisfaction – local roads

Graph 1.2: Satisfaction with local roads



- ❖ Extract from GTCC Special Rate Variation Application – random telephone survey, 1-5 scale. Conducted by Jetty Research, November 2015

Road condition ratings



Asset data for MCC

- Consistent definition of backlog
- Morrison Low engaged to integrate 3 sets of asset management data
- Next steps
 - Align asset data with long term financial plan
 - Determine what funding for assets is required
- Consider a special rate variation (SRV) to address anticipated shortfall

Previous SRV applications

Former Council	SRV requested
Greater Taree	49.2% cumulative over 6 years
Great Lakes	20.7% cumulative over 4 years
Gloucester	Continuation of current 3x 13% Proposal for additional 3x 13% (2018-19)

SRV application result

Former Council	IPART determination
Greater Taree	<i>Not approved due to:</i> <ul style="list-style-type: none">- Community engagement- Affordability
Great Lakes	<i>Approved</i> <ul style="list-style-type: none">- Not implemented due to merger
Gloucester	Continuation of current 3x 13% <i>Proposal</i> for additional 3x 13% (2018-19)

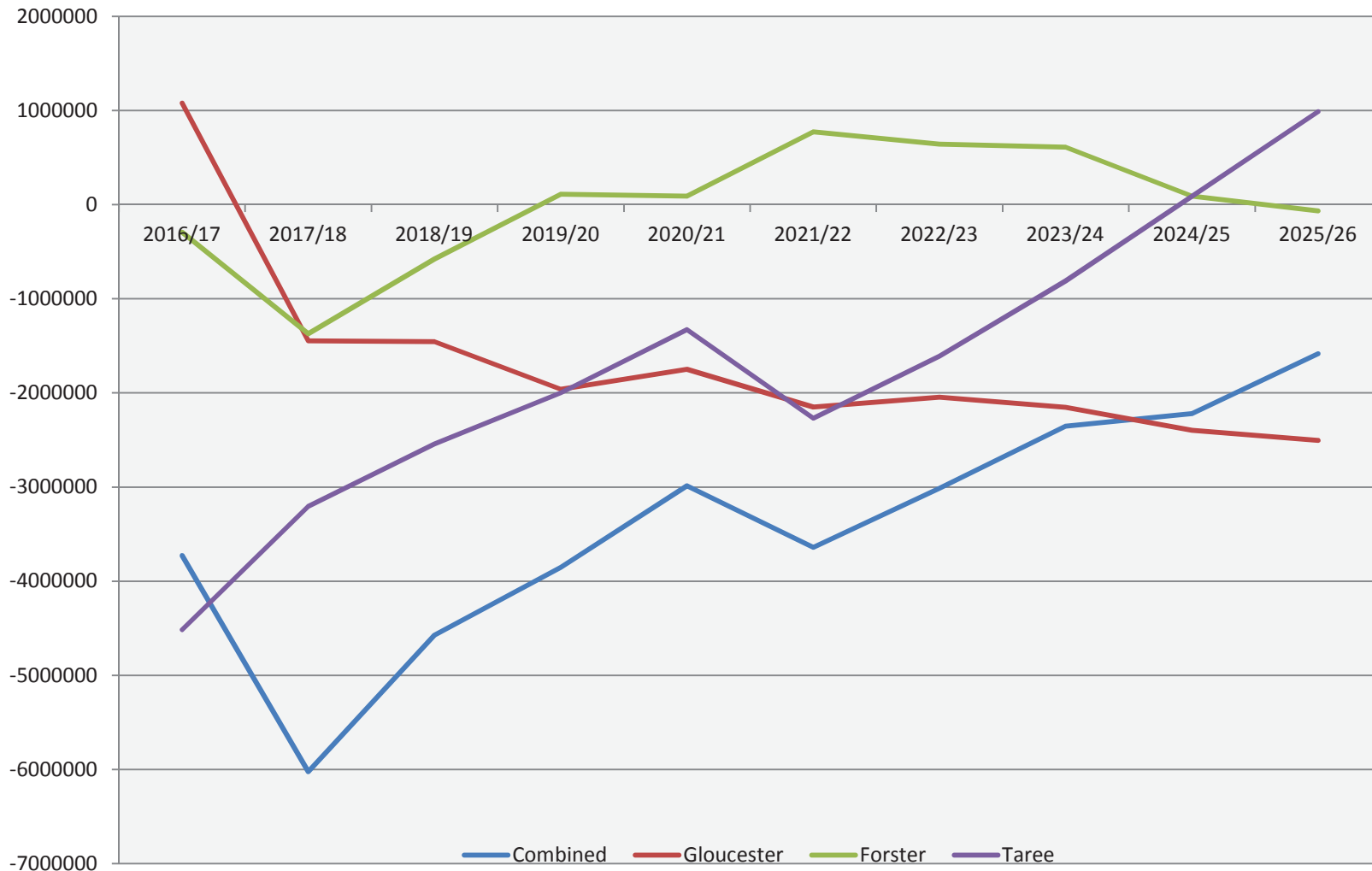
Funding shortfall

'000	Asset Maintenance	Renewals	Infrastructure Backlog	Average funding required per annum (5 years)	Average funding required per annum (5 years+)
MCC	-3,368	-3,425	-20,535	-27,328	-6,794

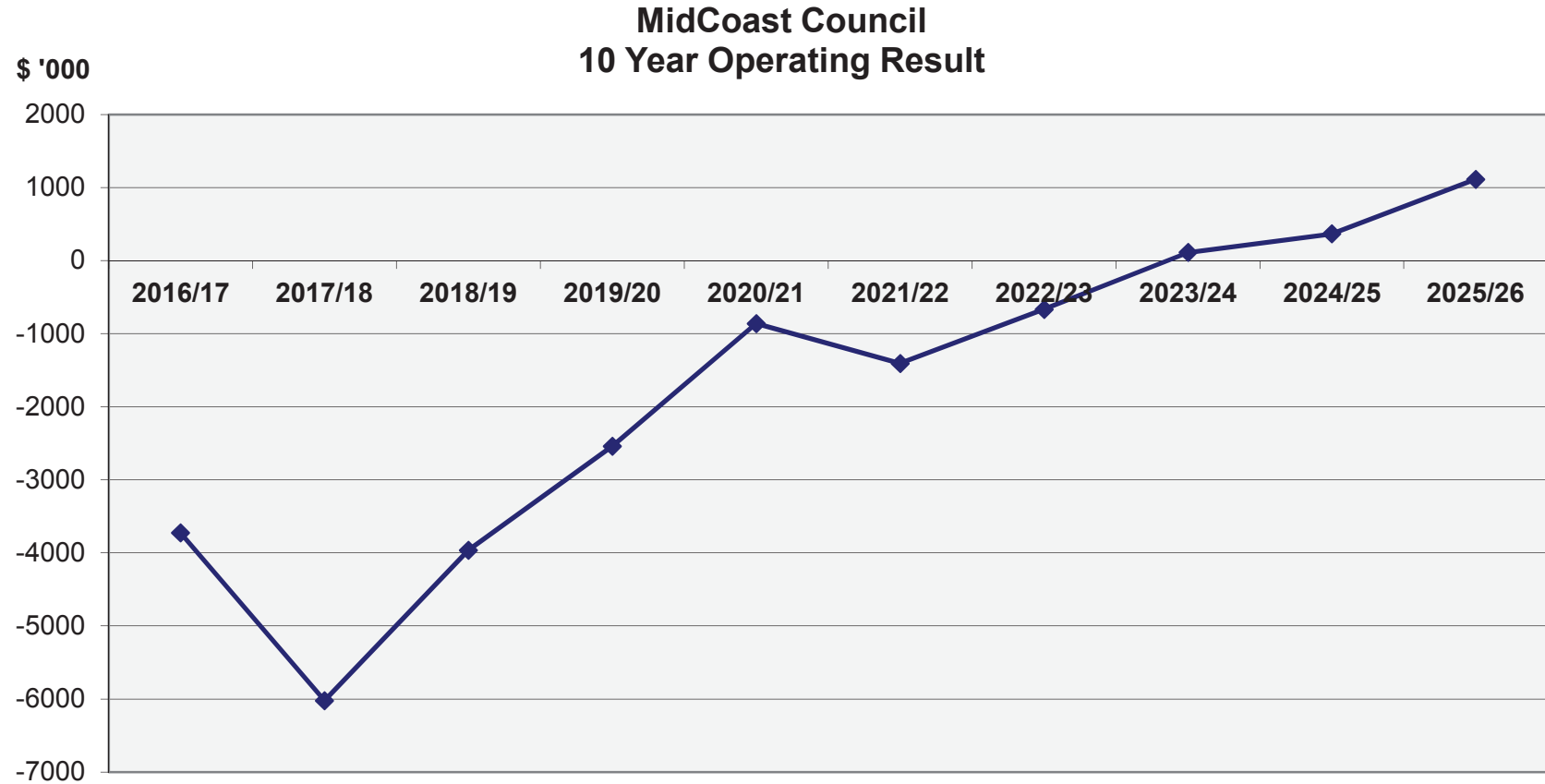
'000	Asset Maintenance & Renewals ONLY
MCC	-6,700

* Based on May 2015 Morrison Low business case

LTFP projections for former Councils

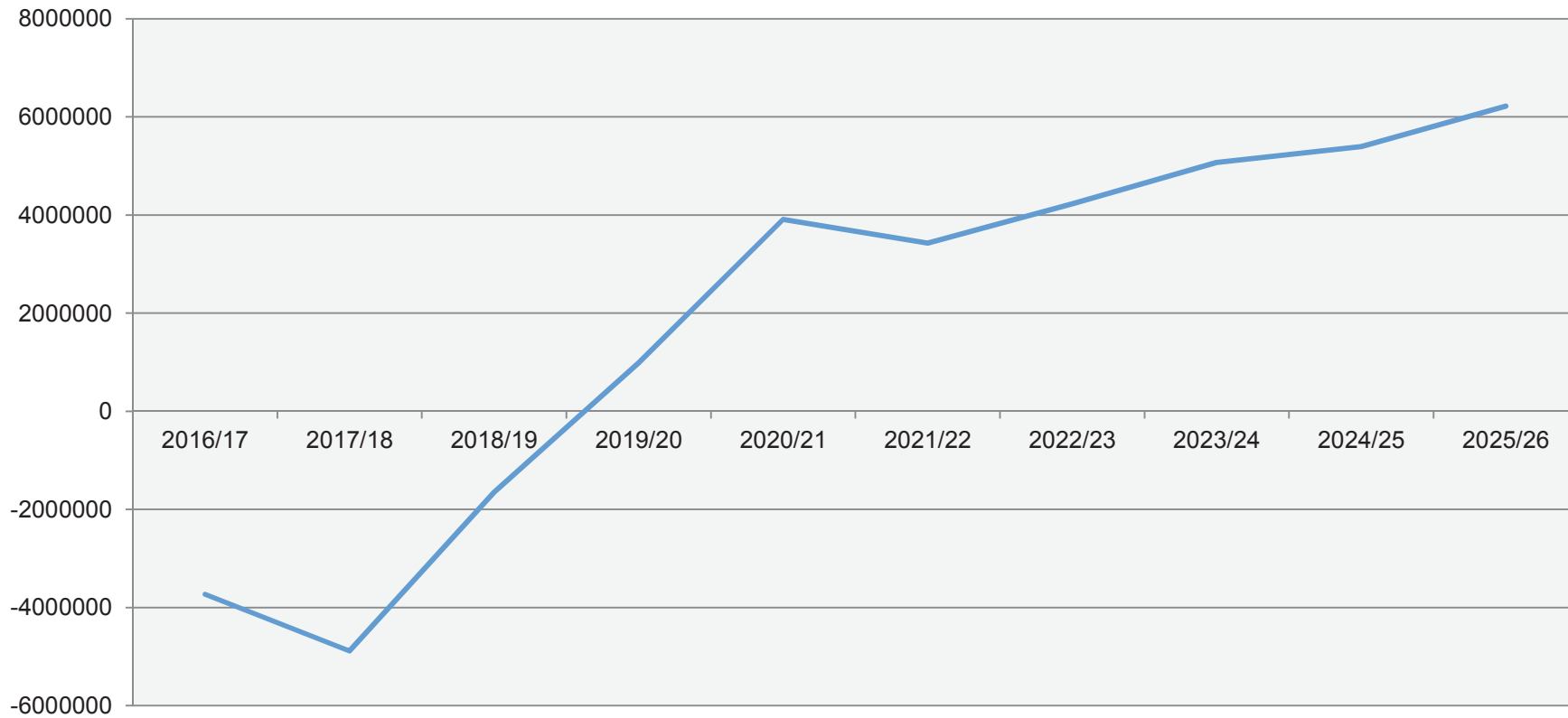


Initial financial projection



Long term result with SRV

**MidCoast Council
10 Year Operating Result**
4 X 5% SRV from 2017/2018





Local projects

News from Taree area

- Pulteney St – Stage 2 underway, completion 28 July
- ‘Vibrant spaces’ program inviting businesses to use footpaths to inject vibrancy (in Taree, Harrington, Old Bar & Wingham)
- The Lakes Way – completion end of July
- Draft Manning Valley local strategy – community consultation closed today
- The Bucketts Way being upgraded with \$16m grant from Federal Government

Questions?