

# Section 3: Towards Fit for the Future

## 3.1 How will your council become/remain Fit for the Future?

Outline your council’s key strategies to improve performance against the benchmarks in the 2016-20 period, considering the six options available to Rural Councils and any additional options.

Option 1: Resource sharing				
Proposal	Implementation	Proposed milestones	Costs	Risks
Over the years Council has undertaken many resource sharing initiatives. The savings made are one of the reasons that Council’s finances are in such good shape. Past initiatives and savings made are documented in Attachment 6. The savings are continuing and amount to \$776,200 pa. Within the bounds of our current knowledge, further resource sharing opportunities are limited.	Initiatives as attached already implemented.	These initiatives are carried out on an ongoing basis and the savings are documented as attached.	Our resource sharing initiatives create savings – no additional costs are incurred	Some S355 Cttees undertake maintenance work which entail some WHS risks but these are mitigated in the same way as normal staff members e.g. inductions, risk assessments etc. Ageing volunteers and difficulty in attracting younger replacements is a risk which will become more evident over time.

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
Savings already made and continuing. New initiatives are always sought and will be acted on if feasible	Neutral	Neutral

### 3.1 How will your council become/remain Fit for the Future?

Option 2: Shared administration				
Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Some opportunities exist to share administration with our neighbours to our west, i.e. Urana and Jerilderie Councils. This sharing would increase each Council's strategic capacity by providing staff which individually may not have been possible. Urana and Jerilderie have both indicated interest in pursuing these opportunities depending on the outcome of the FFF process. Functions deemed suitable for exploration include</p> <ol style="list-style-type: none"> <li>1.Engineering design</li> <li>2.Director of Engineering</li> <li>3.Environmental Services</li> <li>4.HR/WHS.</li> </ol>	<p>Implementation would not eventuate until after FFF outcomes are known. Agreements would need to be reached by negotiations with the other parties.</p>	<p>Agreement on goals and terms Filling of positions if required Backfilling of positions if required.</p>	<p>The Innovation Fund may be utilised to fund feasibility study costs. Outcome will provide savings or will not be continued with.</p>	<p>Conflicts of interest by staff fulfilling these roles would need to be carefully considered</p>

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
Will increase strategic capacity.	Will increase strategic capacity.	Will increase strategic capacity.

### 3.1 How will your council become/remain Fit for the Future?

Option 3: Speciality services				
Proposal	Implementation	Proposed milestones	Costs	Risks
Our lack of spare resources would mitigate against pursuing this option.				

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
NA	NA	NA

### 3.1 How will your council become/remain Fit for the Future?

Option 4: Streamlined governance				
Proposal	Implementation	Proposed milestones	Costs	Risks
Organisation Restructure carried out. Three Directors reduced to 2.	Implemented in 2014	Completed in 2014	Savings of \$30K per annum	Nil
Reduce no of Councillors from 9 to 6 at the 2020 election with retention of Wards	At 2020 election	Community consultation followed by Government approval	Savings of \$30K per annum	Reduced representation
No reduction in Council Meetings – Council has already dispensed with Committee system and requires the existing no of Council Meetings for its business to be transacted	NA		NA	NA
Increased delegations to GM via creation of new policies will result in efficiencies.	2016	Adoption of new policies	Neutral	Nil

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
Will increase strategic capacity.	Neutral	Neutral

### 3.1 How will your council become/remain Fit for the Future?

Option 5: Streamlined planning, regulation and reporting				
Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Council is a member of REROC and the JO when acted on. It is proposed that the following functions be carried out by REROC/JO:</p> <ul style="list-style-type: none"> <li>• Community Strategic Plans</li> <li>• SOE Reports</li> <li>• Land use plans</li> <li>• Regional transport plans</li> <li>• Common governance requirements</li> <li>• Regional contracts</li> <li>• Internal audit</li> <li>• Regional economic development</li> <li>• Contaminated land, asbestos, waste management, climate change</li> <li>• Strategic water issues.</li> </ul> <p>Attachment 7 outlines the current functions and issues that REROC carries out, and how it contributes to the strategic capacity of its members</p>	<p>Reliant on formation, agreement on functions and set up time for JO.</p>	<p>As per implementation.</p>	<p>Research carried out by REROC has shown that REROC membership benefits its members by 400% of the membership fee. Our membership fee is currently \$13,500, which means savings of \$54K per annum.</p>	<p>JO doesn't wish to take on, or is not mandated for some of the functions indicated.</p> <p>JO may result in efficiencies but also cost increases rather than savings.</p>

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service Management	Sustainability
<p>Will increase efficiency</p>	<p>Will increase service management</p>	<p>Will increase strategic capacity</p>

### 3.1 How will your council become/remain Fit for the Future?

Option 6: Service review				
Proposal	Implementation	Proposed milestones	Costs	Risks
Council maintains that it regularly conducts this type of analysis and numerous savings have been made as a result. Details are included in Option 1 – Resource Sharing – Attachment 6	Details of resource sharing already implemented	Already implemented	Already implemented	NA
Our effectiveness is also demonstrated by reference to our lower than average cost of service delivery in the extracts from OLG’s Comparative Listing contained in the Executive Summary	Refer Executive Summary	NA	NA	NA
Our latest Community Satisfaction Survey shows overwhelming support for our existing services and levels – refer Attachment 8.	Refer attachment	NA	NA	NA
Notwithstanding the above, the following reviews are either current or proposed – refer Attachment 9	Refer attachment			
1.Waste Management – sub-regional contract	2016/17	Undertaken in conjunction with WWCC contract renewal	Savings expected of \$57,500	Cannot reach contract agreement – require revering to current arrangements Nil
2.Asset Management Review	2018/19	Progressively review plans in accordance with audit schedule	Neutral	Nil
3.S94A Contributions Plan	Completed	Completed	Neutral	Nil
4.External Contracting With Neighbouring	Ongoing	Ongoing	Will increase OSR	Proposed works don’t eventuate

Councils 5.Aged Accommodation Review	2017/18	Review completed	Depend on review findings	Nil
6.Out of School Hours Program Needs Analysis	Current	2015/16 completion	Possible start-up costs but ongoing neutral	Demand not sufficient
7.Solar Power Use review	2017/18	2017/18 completion	Savings of \$10K per annum expected Neutral	Some facilities not suitable for solar power
8.Shire Roads Classification Review	2018/19	2018/19 completion	Neutral	Possible increased cost if community requires increased service levels
9.Swimming Pools Operational Review	2016/17	2016/17 completion	Cost of \$2.2M expected – funding strategy not yet formulated	Review may result in different outcome perhaps increasing expected costs

**How will your proposal allow your council to become/remain Fit for the Future against the criteria?**

<b>Efficiency</b>	<b>Infrastructure and Service management</b>	<b>Sustainability</b>
Increase efficiency	Increase works program and OSR	Increase strategic capacity

### 3.1 How will your council become/remain Fit for the Future?

Option 7: Additional options identified by the council				
Proposal	How will it be achieved /Implemented	Proposed milestones	Costs	Risks
<p>The main thrust of Council's response to the FFF Program is to increase its Own Source Revenue (OSR). Council already achieves 6 of the 7 benchmarks contained in the Program. The only one where Council is deficient is OSR, which currently sits at around 33%. Council, with community support, has identified an improvement program to increase our OSR towards the 60% benchmark. This involves rate increases and external contracting for works. (NOTE: if FAGS are included this benchmark already achieved.)</p>	<p>Rate increases of 4.6% per annum cumulative for the next 10 years. External contracting for works to a minimum amount of \$350K. It is highly likely that that amount will increase but to be conservative, that figure is used in our modelling. This work has already commenced. At the end of 10 years, our OSR will have increased to between 50 and 55%. If FAGS income is included in OSR, our percentage will easily exceed the benchmark prior to commencing its Improvement Plan.</p>	<p>Auditable against our model annually</p>	<p>Additional income gained as per financial model</p>	<p>External contracting revenue targets may not be reached</p> <p>Severe drought may impact on Council's ability to impose the full annual rate increase</p> <p>IPART rejection of SRV application.</p>

How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service management	Sustainability
<p>Will increase efficiency.</p>	<p>Neutral</p>	<p>Will significantly increase sustainability and our ability to cope with emerging issues and emergencies.</p>

## 3.2 Rural Council Action Plan

Giving consideration to the Rural Council options, summarise the key actions that will be achieved in the first year of your plan.

Action plan	
Actions	Milestones
1. Apply for SRV to begin revenue expansion and increase OSR.	SRV approved.
2. Increase external contracting to increase OSR.	Successful negotiations.
3. Continue involvement with REROC/JO.	JO formulation and decisions made on functions.
4. Commence service review actions.	As detailed in Option 6.

*\*Please attach detailed action plan and supporting financial modelling. –refer Attachment 10*

Outline the process that underpinned the development of your action plan.

Council developed its action plan by conducting a series of workshops, a SWOT analysis, regional discussions through REROC, and attendances by Councillors and staff at various workshops and seminars conducted by OLG and REROC. Employees have been kept informed by staff meetings as required, and the Improvement Plan was accepted by a large majority of those who attended 5 public meetings throughout the shire.



See Guidance material page 21 for help completing this section.