



Chapter

01

The Advantages
and Disadvantages
of Amalgamation
and Federation
Council's Financial
Sustainability
Journey.

Chapter One – Catalogue Summary

This chapter presents examples of communication materials related to the Independent Review into the Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey.

Communication Material	Key information	Method of Delivery	Page
Website copy landing page attachments	<ul style="list-style-type: none"> Announced Independent Review into Federation Council's financial sustainability by the University of Newcastle (and Professor Joseph Drew) Terms of Reference of independent review 	<ul style="list-style-type: none"> Website copy was made available on Council's corporate website throughout the project. This copy was regularly updated to ensure transparency, engagement, and accountability with the community. 	5-8
Website copy latest news attachments	<ul style="list-style-type: none"> Community invited to Independent Review public meetings (Sep 2023) 	<ul style="list-style-type: none"> Website copy was made available on Council's corporate website. Council consistently provided the latest news items to the community throughout the project. These news items were also shared with media outlets to increase public awareness and engagement. 	9
	<ul style="list-style-type: none"> Recommendations - The advantages & disadvantages of amalgamation Link to quarterly status updates 		10
	<ul style="list-style-type: none"> Final Independent Review Report and Recommendations 		16-17
	<ul style="list-style-type: none"> Invitation to two community meetings to heard Professor Drew present his report (plus link to video invitation) 		18-19

Communication Material	Key information	Method of Delivery	Page
Educational Youtube videos	<ul style="list-style-type: none"> • Professor Drew videos: <ul style="list-style-type: none"> ○ Amalgamation outcomes (2/8/2023) ○ Average Rates are a poor comparison (14/8/2023) ○ Video of Independent Review community meeting content (Oct 2023) ○ A most dangerous financial ratio (17/8/2023) ○ What am I doing in Federation Council? (18/7/2023) ○ What are Financial Assistance Grants? (28/07/2023) 	<ul style="list-style-type: none"> • YouTube videos were created and published throughout various stages of the project. • These videos provided educational opportunities for community engagement. • YouTube was utilized to reach diverse audiences and maximize public participation. 	<p>11-15</p> <p>21-25</p>
Council Reports	<ul style="list-style-type: none"> • Notice of motion to appoint Professors to undertake independent review of Council's financial sustainability (9 June 2023) 	<ul style="list-style-type: none"> • Council reports were published in Council agenda papers and made available for public viewing on the corporate website. • Council discussions on these reports were held in open sessions, and recordings of these discussions are available on Council's website under the minutes and agenda section. • Residents are consistently encouraged to engage with Council meetings through various platforms to stay informed about Council's projects and initiatives. 	26-27
	<ul style="list-style-type: none"> • Funding option and appointment of independent advisor for independent review project (27 June 2023) 		28-30
	<ul style="list-style-type: none"> • Formal consideration of Tier 1 recommendations from independent review (Apr 2024) 		31-35
	<ul style="list-style-type: none"> • Formal consideration of Tier 2&3 recommendations from 		36-41

Communication Material	Key information	Method of Delivery	Page
	<p>independent review (May 2024)</p> <ul style="list-style-type: none"> Quarterly status report of implementation of independent review recommendations - September 2024 (Dec 2024) 		42-56
Urana District Newsletter content	<ul style="list-style-type: none"> Appointment of University of Newcastle to undertake independent review (Sep 2023) Update on Independent Review report and recommendations (Dec 2023) 	<ul style="list-style-type: none"> The Urana District Newsletter is a Council print publication delivered monthly via Australia Post to the Northern region of the Council area. 650 copies of the newsletter are published monthly. The newsletter is also available in a digital version on Council's corporate website. 	63-64 57-60
Federation Council Snippets content 27/09/2023	<ul style="list-style-type: none"> Invite to public meetings on independent review findings 	<ul style="list-style-type: none"> Federation Council Snippets are print media advertisements published weekly in two local media outlets: The Corowa Free Press and the Yarrowonga Chronicle. Council Snippets are also available online on Council's corporate website and social media pages. 	61

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Independent Peer Reviewed Business Case Study of Federation Council



At an extraordinary meeting on Friday, July 14, 2023 Council resolved to appoint the Institute for Regional Futures (University of Newcastle) to undertake an independent peer reviewed business case study on the financial sustainability of Federation Council and the advantages and disadvantages of amalgamation.

Council adopted the following terms of reference at its July meeting:

1. *A review and commentary of the validity of the former Corowa Shire Council's merger proposal submitted to the NSW State Government including all potential efficiencies and savings outlined in that report i.e \$40M over 20 years.*
2. *A review State Government's KPMG report on the Corowa and Urana merger proposal including (but not limited to) a review and commentary on whether the efficiencies and savings outlined in that study and were achieved, and if not why not.*
3. *A comparison of Council's financial performance since merger as opposed to the combined financial performance of the Corowa and Urana Councils prior to merger.*
4. *Analysis and provide commentary on the projected financial sustainability of the Federation Council from 2023 onwards including (but not limited to);*
 - (a) *The circumstances leading to the current financial position of Council and*

(b) an investigation of various options for improving the situation – these options will include additional sources of revenue and changes to expenditure profiles.

5. *Whether, in accordance with section 263 (3) (e5) of the NSW Local Government Act, 1993 (the Act) there is a need (or desirability) to divide the Council area into Wards to ensure effective representation.*
6. *Any other matters of section 263 (3) of the Act considered relevant*
7. *Investigate options for engaging with NSW State Government to try to mitigate any issues identified.*
8. *After completing TOR 1 to 7 investigate the need, timing and conduct of a potential special rate variation application.*

Further information is available below and updates on this review will be provided as they become available.

Community Meeting Video & Survey

For those community members who were unable to attend the public community meetings held on Monday 16 and Tuesday 17 October, 2023, Professor Joseph Drew prepared a video explanation.

(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle/Community-Meeting-Video-Survey>)

What am I doing in Federation Council?

To provide an overview of the Institute for Regional Futures (University of Newcastle) prior to their arrival in Federation Council.

(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle/What-am-I-doing-in-Federation-Council>)

What are Financial Assistance Grants?

Each year councils across Australia receive an allocation of Financial Assistance Grants (FAGs). The NSW Grants Commission has estimated that Federation Council's allocation for 2023/24 will be \$8.5 million.

(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle/What-are-Financial-Assistance-Grants>)

Amalgamation Outcomes for NSW - The Evidence

Professor Joseph Drew has prepared the following video to provide further detail about amalgamation outcomes for NSW.

(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle/Amalgamation-Outcomes-for-NSW-The-Evidence>)

Average Rates are a poor comparison

Professor Joseph Drew has prepared the following video to explain why average rates are a poor comparison.

(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle/Average-Rates-are-a-poor-comparison>)

The most dangerous financial ratio

Professor Joseph Drew has prepared the following video to explain the most dangerous financial ratios.

(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle/The-most-dangerous-financial-ratio>)

Independent Review Update – Public Meetings

Council extended an invitation to its residents to attend public meetings in Corowa and Urana during October.

(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle/Independent-Review-Update---Public-Meetings>)

Invitation to hear the evidence and have your say

Professor Joseph Drew prepared the following video in relation to the public meetings scheduled in October 2023.

(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle/Invitation-to-hear-the-evidence-and-have-your-say>)

Independent Review Report & Recommendations Update

Council noted Professor Drew's report 'The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability' and recommendations at the November Council Meeting.

(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle/Independent-Review-Report-Recommendations-Update>)

Council invites community to Independent Review public meetings

Published on 22 September 2023

Council extends an invitation to its residents to attend upcoming public meetings in Corowa and Urana this October. The purpose of these meetings is for residents to receive an update on the Independent Review currently being undertaken by Professor Joseph Drew. These meetings will also provide ratepayers with the opportunity to provide valuable feedback in respect to this ongoing review.



At an extraordinary meeting on Friday, July 14, 2023 Council resolved to appoint the Institute for Regional Futures (University of Newcastle) to undertake an independent peer reviewed business case study on the financial sustainability of Federation Council and the advantages and disadvantages of amalgamation. An integral part of this project is to seek feedback from the community to accompany the findings that will be contained in the final report. Public meetings will be held on:

- Monday, October 16 from 6.30pm-8pm at Club Corowa.
- Tuesday, October 17 from 6.30pm-8pm at the Waterfront Pavilion Urana.

Federation Council Mayor, Cr Pat Bourke encouraged residents to attend the upcoming meetings.

“I encourage all residents in the Federation community to attend these important public meetings,” Mayor Bourke said.

“Since the commencement of this independent review, residents have been encouraged to stay engaged and informed and these public meetings will provide a further opportunity to do so. I look forward to seeing many residents at these meetings and receiving an update on Professor Drew’s findings to date.”

[Find out more \(https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle\)](https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle).

Home (<https://www.federationcouncil.nsw.gov.au/Home>) / Living Here (<https://www.federationcouncil.nsw.gov.au/Living-Here>) / Rates (<https://www.federationcouncil.nsw.gov.au/Living-Here/Rates>) / Special Rate Variation Project 24-25 (<https://www.federationcouncil.nsw.gov.au/Living-Here/Rates/Special-Rate-Variation-Project-24-25>) / Recommendations - The advantages & disadvantages of amalgamation

Recommendations - The advantages & disadvantages of amalgamation

In 2023 Council engaged the University of Newcastle, led by Professor Joseph Drew, to complete an independent report on the Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey (Independent Review). The Independent Review provided 77 recommendations. Council adopted 65 recommendations in full and 2 in part.

Please see below the quarterly progress reports relating to the status of the implementation of the recommendations.

Related Information

[Recommendations-Progress-Report-September-2024.pdf](#) ^(PDF, 649KB) (</files/assets/public/v/1/document-library/corporate-documents/special-rate-variation/recommendations-the-advantages-and-disadvantages-of-amalgamation-and-federation-council's-financial-sustainability-journey-progress-reporting-september-2024.pdf>).

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Federation Council (<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council>) / Independent Peer Reviewed Business
Case Study of Federation Council
(<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle>) / Amalgamation Outcomes for NSW - The Evidence

Amalgamation Outcomes for NSW - The Evidence

Professor Joseph Drew has prepared the following video to provide further detail about amalgamation outcomes for NSW.

2 8 23 Amalgamation Outcomes



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Average Rates are a poor comparison

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14 8 23 Average Rates Are a Poor Comparison



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Community Meeting Video & Survey

For those community members who were unable to attend the public community meetings held on Monday 16 and Tuesday 17 October, 2023, Professor Joseph Drew prepared a video explanation.

The purpose of the video is to provide residents with an update on the Independent review undertaken by Professor Joseph Drew, Institute for Regional Futures (University of Newcastle).

Residents are encouraged to view the video below.

Professor Joseph Drew Public Community Meeting



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Independent Review Report & Recommendations Update

Council noted Professor Drews report 'The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability' and recommendations at the November Council Meeting.

The report was commissioned by Council in June 2023, and after an expression of interest process, Council awarded a contract to the University of Newcastle, led by Professor Joseph Drew, to complete this work. The process commenced in July and has now finalised.



Council resolved to receive further reports regarding the consideration of implementation of the recommendations.

Download the report and recommendations from this page.

Related Information

[The-Advantages-and-Disadvantages-of-Amalgamation-and-Federation-Council's-Financial-Sustainability-Journey-Report.pdf](https://www.federationcouncil.nsw.gov.au/files/assets/public/v1/document-library/corporate-documents/other/the-advantages-and-disadvantages-of-amalgamation-and-federation-council's-financial-sustainability-journey-report.pdf) ^(PDF, 3MB) (/files/assets/public/v1/document-library/corporate-documents/other/the-advantages-and-disadvantages-of-amalgamation-and-federation-council's-financial-sustainability-journey-report.pdf).

[The-Advantages-and-Disadvantages-of-Amalgamation-and-Federation-Council's-Financial-Sustainability-Journey-Recommendations.pdf](#) (PDF, 302KB) [\(/files/assets/public/v/1/document-library/corporate-documents/other/the-advantages-and-disadvantages-of-amalgamation-and-federation-council's-financial-sustainability-journey-recommendations.pdf\)](#)

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Independent Review Update – Public Meetings

Council extended an invitation to its residents to attend public meetings in Corowa and Urana during October. The purpose of the meetings is for residents to receive an update on the Independent Review currently being undertaken by Professor Joseph Drew. The meetings also provided ratepayers with the opportunity to provide valuable feedback in respect to the review.



At an extraordinary meeting on Friday, July 14, 2023 Council resolved to appoint the Institute for Regional Futures (University of Newcastle) to undertake an independent peer reviewed business case study on the financial sustainability of Federation Council and the advantages and disadvantages of amalgamation. An integral part of this project is to seek feedback from the community to accompany the findings that will be contained in the final report. Public meetings will be held on:

- Monday, October 16 from 6.30pm-8pm at Club Corowa.
- Tuesday, October 17 from 6.30pm-8pm at the Waterfront Pavilion Urana.

Residents are encouraged to view further information and video updates from [Professor Joseph Drew](https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle) (<https://www.federationcouncil.nsw.gov.au/Council/Our-Organisation/About-Federation-Council/Independent-Peer-Reviewed-Business-Case-Study-of-Federation-Council-University-of-Newcastle>).

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Invitation to hear the evidence and have your say

Professor Joseph Drew prepared the following video in relation to the public meetings scheduled in October 2023.

20 9 23 Invitation to Attend



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The most dangerous financial ratio

Professor Joseph Drew has prepared the following video to explain the most dangerous financial ratios.

17 08 23 A Dangerous Financial Ratio



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What am I doing in Federation Council?

Residents and key stakeholders were encouraged to view the video message below from the Institute for Regional Futures (University of Newcastle) Professor Joseph Drew prior to their arrival in Federation Council to undertake community engagement and data collation as part of this review.

18 7 23 Introduction Video



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What are Financial Assistance Grants?

Each year councils across Australia receive an allocation of Financial Assistance Grants (FAGs). The NSW Grants Commission has estimated that Federation Council's allocation for 2023/24 will be \$8.5 million.

Professor Joseph Drew has prepared the following video to provide further detail on Financial Assistance Grants, their purpose and the work that he will be undertaking.

28 7 23 What Are HFE Grants



5.1 Notice of Motion – Request for Independent Peer Review

Moved by Councillor David Fahey OAM:

Motion

1. **THAT Federation Council** engage a consultant to undertake an independent peer reviewed business case study on the financial sustainability of Federation Council and the advantages/disadvantages of amalgamation;
2. THAT Council allocate adequate funding to cover the cost of the review, being approximately \$130,000, in this year's budget from savings, and receive a further report at the June ordinary meeting; and
3. THAT Council consider engaging the preeminent Professor Joseph Drew and his independent nominees, Professor Masato Miyazaki from Saitama University, Japan and Professor Diogo Ferreira from IST Portugal to undertake the peer reviewed study, considering Professor Drew is a Local Government specialist and is also very experienced in the issues and costs associated with amalgamated Councils.

Background information to support this motion

1. Federation Council was proclaimed on 12 May 2016. The State Government at the time marketed efficiencies and savings for the newly merged entity, as they did for all of the merger proposals. Corowa Shire also indicated in their merger proposal that they envisaged large savings could be made. It has been 7 years since this time and I believe that it is prudent to check how the Council is doing, especially in regards to financial sustainability.

With the anticipated SRV result, whatever the result may be, I believe it would be good practice to look into the Council business and make sure Council is on track for the future. This is more than a mere review of the amalgamation; it is a health check for council to consider its options if the SRV is approved or not approved and what options are available.

2. Professor Joseph Drew is an independent expert on Local Government in Australia and has completed several reviews and studies of other councils in Australia and, in my opinion, the most qualified and experienced for the job.
3. The estimated price for the review is under the tender threshold of \$150,000 therefore Council could obtain quotes under a shorter time frame.
4. The reason for this coming to an extra-ordinary meeting and not wait until the June meeting is for three main reasons –
 - (a) If funding can be identified in this years budget, this would be considered more suitable as the Council is showing savings,
 - (b) Professor Drew and others who may quote have very large workloads due the financial sustainability pressures on all Councils seeking more funding to maintain their large asset bases, and therefore their workload is significant so the earlier the better to engage someone.
 - (c) This will also give staff time prior to the June meeting to present a further report on the final funding source recommended and for the quotes to be sought.

Terms of reference for review

The terms of reference for the review should be guided by Sect 263(3) of the *Local Government Act 1993*

- (3) When considering any matter referred to it that relates to the boundaries of areas or the areas of operations of county councils, the Boundaries Commission is required to have regard to the following factors--
 - (a) the financial advantages or disadvantages (including the economies or diseconomies of scale) of any relevant proposal to the residents and ratepayers of the areas concerned,
 - (b) the community of interest and geographic cohesion in the existing areas and in any proposed new area,
 - (c) the existing historical and traditional values in the existing areas and the impact of change on them,
 - (d) the attitude of the residents and ratepayers of the areas concerned,
 - (e) the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as it considers relevant in relation to the past and future patterns of elected representation for that area,
 - (e1) the impact of any relevant proposal on the ability of the councils of the areas concerned to provide adequate, equitable and appropriate services and facilities,
 - (e2) the impact of any relevant proposal on the employment of the staff by the councils of the areas concerned,
 - (e3) the impact of any relevant proposal on rural communities in the areas concerned,
 - (e4) in the case of a proposal for the amalgamation of two or more areas, the desirability (or otherwise) of dividing the resulting area or areas into wards,
 - (e5) in the case of a proposal for the amalgamation of two or more areas, the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented,
 - (f) such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas.

Other factors that may guide the review would be staffing levels, asset management, future financial sustainability, governance, strategic and operational performance, should also be guided by the above legislation.

Financial Implications

Council could likely fund this from savings in the current year's budget without impacting on any projects or services in this year or next. Of course, any savings used will mean the \$130,000 approximately would be reduced from consolidated revenue/unrestricted cash in Councils end of year 22/23 operating result, but Councils unrestricted cash is continuing to improve thanks to sound financial management, so it is considered a good investment.

Links to Council's Integrated Planning Framework

Community Strategic Plan 2022 – 2032 'Our Community Our Opportunity'

Theme: Well Governed Federation

Outcome: *Strong civic leadership and governance supporting equity across communities and effective communication with residents.*

Delivery Program 4 year plan: *5.3 Ensure good governance and administration.*

5.4 Ensure extensive communication and consultation with residents.

5.6 Provide operational efficiency and effectiveness to ensure a resilient and responsive organisation.

7.3. Independent Peer Reviewed Business Case Study on Federation Council - Funding option and appointment of independent advisor

Author: Adrian Butler, General Manager

Summary

This report is required following Council's resolution at the Extraordinary Council meeting held Friday 9 June 2023.

At that meeting, Council resolved -

138/2023FC RESOLVED on the motion of Councillors David Fahey and Shaun Whitechurch

1. THAT Federation Council engage a consultant to undertake an independent peer reviewed business case study on the financial sustainability of Federation Council and the advantages/disadvantages of amalgamation;
2. THAT Council allocate adequate funding to cover the cost of the review, being approximately \$130,000, in this year's budget from savings, and receive a further report at the June ordinary meeting; and
3. THAT Council consider engaging the preminent Professor Joseph Drew and his independent nominees, Professor Masato Miyazaki from Saitama University, Japan and Professor Diogo Ferreira from IST Portugal to undertake the peer reviewed study, considering Professor Drew is a Local Government specialist and is also very experienced in the issues and costs associated with amalgamated Councils.

This report seeks Council confirmation of the funding source, recommended to be sought from increases to budgeted income from Investments (as a result of the interest rates rising). The report also seeks Council to delegate the Mayor to appoint an independent advisor to assist Council finalise the Terms of Reference and the procurement processes leading to the July Council meeting to appoint a consultant to deliver the project. The report also seeks, should Council have endorsed report 7.2, consideration of other options for the appointed consultation to assist Council in the re-application for the Special Rate Variation as recommended including in community engagement and any other aspects if required.

Recommendation

1. THAT Council allocate \$130,000 from the 2022/23 budget, with the funds to come from the 'Income from Investments' revenue line, and carry this amount forward to the 2023/24 budget to fund the independent peer reviewed business case study on the financial sustainability of Federation Council and the advantages/disadvantages of amalgamation and an independent advisor;
2. THAT Council note the Audit, Risk and Improvement Committee have been briefed on this project and support the appointment of an independent advisor by the Mayor, to assist Council in managing the finalisation of the Terms of Reference consistent with resolution 138/2023FC, and the procurement processes to engage a consultant/firm to undertake this work;
3. THAT Council receive a further report after the quotations/procurement process is finalised

- and quotes are received, to accept a provider to undertake this project at the July 2023 Council meeting; and
4. THAT the submissions to the request for quotation be required to outline in full the community, Councillor and staff engagement methods proposed, and that the submissions outline any additional services if able to be offered for Council's consideration, such as assistance with any future community consultation and other aspects of a Special Rate Variation application should Council proceed with a further Special Rate Variation application.

Background

Council is recommended to fund the report from this year's budget, to avoid any impacts on the 2023/24 budget at this late stage, considering Council's 2022/23 financial performance will support this. The area recommended to seek the funds, and carry forward for use in 2023/24, is from improved interest rates delivering a higher than budgeted income from investments return.

Community Engagement

IPART have advised in the final report on the SRV determination for Federation Council, that approximately 50 submissions expressed frustration that the merger of Corowa and Urana Shire did not lead to financial savings and efficiencies. This report is considered a way of assisting the community to understand the history of the amalgamation, including the proposed savings put forward by Corowa Shire in their merger proposal, and also by the Government.

The report to be undertaken should have community engagement naturally as part of the research the consultant would undertake, and local sentiment and opinion can be gauged through this process however the report and its finding, should remain independent and rely on facts and figures and the researchers work, more-so than unquantified opinion, bias, preconceived notions or perception.

Attachments

None

Links to Councils Integrated Planning Framework

Community Strategic Plan 2022 – 2032 'Our Community Our Opportunity'

Theme: Well Governed Federation

Outcome: *Strong civic leadership and governance supporting equity across communities and effective communication with residents.*

Delivery Program 4 year plan: *5.3 Ensure good governance and administration.*

Financial Implications

Adopting this recommendation will reduce the operational result for Council for 2023/24 by \$130,000 however this is fully funded by interest income YTD exceeding the 2022/23 budget.

Financial Sustainability

Proceeding with this recommendation will have a neutral impact on Council's Long Term Financial Plan 2022-2032 financial sustainability ratios.

Risk Implications

Council should ensure it has appropriate risk management controls in place, including briefing and seeking the oversight of Council's Audit, Risk and Improvement Committee (ARIC). The Council resolution was mentioned at the last ARIC meeting held on Friday 16 June, and it will be a standing item for the committee to monitor. ARIC supported undergoing a procurement process (request for quotes), and also for the General Manager and Director Corporate and Community Services to be afforded the protection of ensuring staff in those roles can stay at arms length to the process to finalise the Terms of Reference and Procurement of the consultant. For this reason, Council is recommended to delegate to the Mayor the authority to appoint an advisor to assist in this work. This would not be expected to cost more than \$2,000 and be funded from the \$130,000 allocation and full costings incurred of all work will be further reported to Council as part of project reports and budget reports.

Legal Implications

Council will follow required processes including the Council's Procurement policy.

Options

1. As recommended.
2. As varied, such as seeking funding from 2023/24, not supporting independent advisor - not recommended.

7.1. Formal consideration of adoption of Tier 1 recommendations - Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey - Independent Peer Reviewed Business Case Study of Federation Council - University of Newcastle/Professor Joseph Drew (short name - Independent Review)

Author: Adrian Butler, General Manager

Summary

The purpose of this report is to present to Council for formal consideration, the **Tier 1** recommendations from the Independent Review report and to formally note any others that Council have adopted in other resolutions, in the summary table of recommendations.

Council has already received reports separately and adopted recommendations 16, 17, and 18, around further lobbying to the state and federal governments for increased funding. Council also has by way of other resolutions, and work in progress, has effectively adopted the 10 Special Rate Variation (SRV) specific recommendations, along with some others passed by events, such as the management model for the Corowa Aquatic Centre.

The Independent Review was commissioned by Council and led by Professor Joseph Drew, under the University of Newcastle across the latter part of 2023.

There are 77 recommendations in total split across the following -

Tier 1 - 40 recommendations

Tier 2 - 7 recommendations

Tier 3 - 20 recommendations

Special Rate Variation (SV) - 10 recommendations (Note IPART now refer to SRVs as SVs)

The 10 SV specific ones, Council is advancing the project already and so the passage of time has meant that some of these have been effectively adopted. The attached table reflects this.

The table in the attachment to this report lists all recommendations, along with a column with a proposed action from staff for Council to consider, along with a status column.

Once the final actions are endorsed by Council by way of resolution, and the table is updated to reflect that, it is recommended that a report and the updated table be presented after each quarter, to the Council meeting, to reflect status updates, to reflect any changes as Council works through the implementation. This will likely be in the same month that each Quarterly Budget Review Statement is presented (required within the first two months of each quarter passing).

Given the scale of the recommendations and their importance, Council has workshopped the report and recommendations several times, and at the last workshop, again due to the scale of the recommendations, agreed to receive a report to formally consider the **Tier 1** recommendations at this meeting. Council then intends to receive further reports at the coming meetings to consider the **Tier 2** and **Tier 3** recommendations.

There are four categories of actions proposed for the recommendations being -

1) Adopt 2) Not Adopt 3) Council to Determine, and 4) Further Consider/For future reports.

Council have been adamant from the outset that whilst this report is Independent, it did not wish to keep the recommendations from the public, and the full transparency of this process will continue with respect to the status updates.

This is however whilst bearing in mind there is a required delineation between what is a Council/Councillor role, in strategic matters, and what areas are required to be Staff/Operational matters as per the Local Government Act. Some of the recommendations either in whole or part, mainly around staffing matters, are operational but will be actioned if endorsed by Council, with appropriate updates still reported to Council where relevant/where staff are able to.

On final adoption of the recommendations, Council may receive further reports on specific ones, considering some of the recommendations rely on others, and some others may not be actioned for example, recommendation 32, if others were successful (for example recommendation 31).

Recommendation

1. THAT Council note the update report on the '*Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey - Independent Peer Reviewed Business Case Study of Federation Council - University of Newcastle/Professor Joseph Drew (short name - Independent Review)*';
2. THAT Council adopt the Tier 1 recommendations as per the attached table, and adopt the 10 SRV specific recommendations;
3. THAT Council pass further resolutions to determine on recommendations 31 and 32 of the Independent Review, with either 'Adopt', 'Not Adopt' or 'Further Consider', at this meeting, to allow these to be determined;
4. THAT on passing resolutions to deal with recommendations 31 and 32, that Council endorse the attached table listing all recommendations and proposed actions, being 'Adopt', 'Not Adopt' and 'Further Consider', and that the table be amended to reflection the decisions made with respect to recommendations 31 and 32, and any other changes to any of the other proposed actions in the table, if changed by resolution at this meeting; and
5. THAT Council receive further reports to finalise the consideration of the Tier 2 and Tier 3 recommendations over the coming months, and then receive quarterly update reports as to the status of all adopted recommendations.

Background

Council engaged the University of Newcastle, led by Professor Joseph Drew, to complete a report on the Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey - Independent Peer Reviewed Business Case Study of Federation Council.

The report was prepared from July to early November 2023, (received early November), and it was then presented to Council for noting, to allow public access to the report, at the ordinary November 2023 meeting. Council as a whole had not had the chance to fully consider all recommendations to adopt, not adopt or further consider at that meeting, hence they only noted the recommendations.

At that meeting it was resolved -

292/2023FC RESOLVED on the motion of Councillors Shaun Whitechurch and David Longley

- 1. THAT Council note the report tabling the final report and recommendations - 'The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey'; and*
- 2. THAT Council receive further reports regarding the consideration of implementation of the recommendations.*

Details

The report has 77 recommendations into total split across the following areas.

- 40 in Tier 1
- 7 in Tier 2
- 20 in Tier 3
- 10 Special Rate Variation (SRV) specific recommendations, noting this process is now called Special Variation (SV) by IPART.

An extract from the report is re-produced below in bold italics, to give context/rationale to the splitting of these recommendations into Tiers - Noting the underline sections were not underlined in the actual report, they have been done for emphasis in this report.

'We have ordered the recommendations according to the categories of 'tier 1', 'tier 2' and 'tier 3' tasks. The categorisation is not solely about priority – some tasks are clearly pre-requisites for others, and some will have extensive lead times.

All recommendations are consistent with the evidence and theory presented in the report – although it might be noted that not every recommendation is stated explicitly in the aforementioned document.

We do not expect Council to slavishly adopt all of the recommendations and feel that doing so could be interpreted as a perversion of the democratic process. However, we – and the community – are looking for clear communication around which recommendations will be adopted as well as good reasons in the event that the democratically elected Council decides not to proceed with a given suggestion. The Audit Risk and Improvement Committee have an important role to play in monitoring Council's responses to the recommendations and progress on same. We note that it will take time for Council to articulate responses to each matter raised and ask for all to be patient in this regard.'

All recommendations are contained in the attachment, being in a table format. It is proposed that this attachment be updated as follows -

1. Following formal consideration of the recommended actions in the column beside each recommendation, the table will be updated. Note - Staff have placed either an 'Adopt', 'Not Adopt' or 'Further Consider' beside each recommendation, and Council will need to endorse or vary each one. Council in the recommendation will need to finalise their position on this table and resolve to amend/vary as they see fit.
2. Depending on the scope of the recommendation, further work and specific Council reports may be required on some, including an implementation plan to outline the resources required to deliver and to set a timeline for this work to occur. This includes in areas where additional staff are recommended.

3. This table will be then presented to Council meetings on a quarterly basis should Council agree, for status updates.

The passage of time, means that some actions have either already in full or part, been actioned. This is due to Council already been in the process of reviewing services, such as the Corowa Aquatic Centre management model, and also the fact that both the 2017 and 2021 elected Councils have been continuously working on financial sustainability .

This continuing work on financial sustainability commenced in early 2018 when Council undertook an organisational review and later in 2018, commissioned preparation of an entirely new Long Term Financial Plan including service mapping and costing. This was to replace the LTFP in existence at that time, which was effectively a merger of the former Corowa and former Urana LTFP's, which in practical terms was all that could be reasonably expected considering the merger had only occurred a little over two years prior.

Other work already underway prior to the Independent Review includes -

- Implementation of recommendations from earlier commissioned reports and work, including through the Audit Risk and Improvement Committee (ARIC) processes. This included where Council through ARIC, commissioned a Gap Analysis review by its Internal Auditors (who are external and independent). This was led by Council becoming aware of a report by Finch into the financial performance of the 2016 merged Cootamundra Gundagai Council, and then shortly after, the 2016 merged Central Coast Council becoming insolvent. Progress against the recommendations from the Gap Analysis report that have been adopted by Council and the implementation of these reports are monitored through ARIC also and Council.

Council have been adamant from the outset that whilst this report is Independent, it did not wish to keep the recommendations from the public, and the full transparency of this process will continue with respect to the status updates.

This is however whilst bearing in mind there is a required delineation between what is a Council/Councillor role, in strategic matters, and what areas are required to be Staff/Operational matters as per the Local Government Act. Some of the recommendations either in whole or part, mainly around staffing matters, are operational but will be actioned if endorsed by Council, with appropriate updates still reported to Council where relevant/where staff are able to.

It is also important to note that some of the recommendations rely on others to be actioned prior, and some others may not be actioned for example, recommendation 32, if others were successful (for example recommendation 31).

Community Engagement

The Independent Review was undertaken with extensive community engagement including surveys, presentations to public gatherings, and individuals and groups being able to meet with Professor Drew, including phone calls, through this process.

Also by continuing to ensure the recommendations now come to Council each month with updates on the progress of implementation of the adopted recommendations, this is a further way to ensure community engagement continues on this important matter.

Attachments

1. Recommendations - The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey - April 2024 (24/15189)

Links to Councils Integrated Planning Framework

Theme: Well Governed Federation

Outcome: *Strong civic leadership and governance supporting equity across communities and effective communication with residents.*

Delivery Program 4 year plan: *5.3 Ensure good governance and administration.*

Operational Plan Action 2023-2024: *5.3.14 Council undertake a peer reviewed business case study on the financial sustainability of Federation Council and the advantages/disadvantages of amalgamation.*

Financial Implications

There are no direct implications as a result of this report, however in adopting any recommendations, there will be various financial implications that will need to be considered, for example in recommendations such as increasing staff positions in certain areas. These will be worked through the ordinary Council budget approvals/management processes.

Financial Sustainability

Proceeding with these recommendations will have either a neutral or ideally a positive impact on Council's Long Term Financial Plan 2023-2033 financial sustainability ratios. Should some of the more strategic recommendations be adopted and successful, such as a Special rate variation, and others such as requesting increased financial assistance grants from the Federal Government, this could positively impact on Councils Long Term Financial Sustainability.

Risk Implications

Risks will be managed throughout the process. For example financial and reputational risks will need to be managed.

Legal Implications

Council will follow required legislation including around any staffing proposals.

Options

1. Adopt proposed actions for the report recommendations as tabled.
2. Adopt as varied.
3. Adopt none and require further information (not recommended due to time elapsed and Councils continuing Special Variation reapplication processes).

7.1. Formal consideration of adoption of Tier 2 and 3 recommendations - Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey - Independent Peer Reviewed Business Case Study of Federation Council - University of Newcastle/Professor Joseph Drew (short name - Independent Review)

Author: Adrian Butler, General Manager

Summary

The purpose of this report is to present to Council for formal consideration, the **Tier 2 and 3** recommendations from the Independent Review. This will then ensure all recommendations have been considered formally by Council. Update reports are then recommended to be presented to Council at the end of each quarter, in line with the Quarterly Budget Review Statements, usually in the second month after the end of each quarter.

Council at the April 2024 meeting, considered the **Tier 1 and Special Rate Variation (SRV - now known as SV)** specific recommendations.

Council resolved the following at the April 2024 meeting -

92/2024FC RESOLVED on the motion of Councillors Rowena Black and David Fahey

1. **THAT Council note the update report on the 'Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey - Independent Peer Reviewed Business Case Study of Federation Council - University of Newcastle/Professor Joseph Drew (short name - Independent Review)';**
2. **THAT Council adopt the Tier 1 recommendations as per the attached table, and adopt the 10 SRV specific recommendations;**
3. **THAT Council further consider recommendations 19, 31 and 32 of the Independent Review;**
4. **THAT Council receive further reports to finalise the consideration of the Tier 2 and Tier 3 recommendations over the coming months, and then receive quarterly update reports as to the status of all adopted recommendations.**

The attached updated table of recommendations, has been updated to reflect the resolution from the April meeting. The table contains the status of those already considered by Council, (Tier 1 and the SV and several other recommendations) as well as the recommended actions for each of those not yet adopted, after consultation with Council.

The table in the attachment to this report lists all recommendations, by tier, recommendation number, the actual recommendation, a staff comment column, along with a column with a Management recommendation for this meeting, (for those yet to be considered) and the column also shows those that have already been considered earlier by Council decision. There is a status column and a priority column.

Separate to the April Council meeting, Council in earlier meetings had already adopted recommendations 16, 17, and 18, around further lobbying to the state and federal governments for increased funding.

Council also has by way of other resolutions, and works in progress, effectively adopted the 10 Special Rate Variation (SRV) specific recommendations, along with some others passed by events,

such as the management model for the Corowa Aquatic Centre which was considered by Council also at an earlier meeting.

On final adoption of the recommendations, Council may receive further reports on specific ones, considering some of the recommendations rely on others, and some others may not be actioned for example, recommendation 32, if others were successful (for example recommendation 31).

Recommendation

1. THAT Council note the update report on the 'Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey - Independent Peer Reviewed Business Case Study of Federation Council - University of Newcastle/Professor Joseph Drew (short name - Independent Review)';
2. THAT Council adopt the Tier 2 and Tier 3 recommendations as per the attached table using the Management recommendations based on the recent Councillor consultation;
3. THAT Council pass further resolutions to determine on any recommendations that are identified as 'further consider' in the future; and
4. THAT Council receive quarterly update reports as to the status of all adopted recommendations and more frequently should it be considered necessary.

Background

The Independent Review was commissioned by Council at the July 2023 Extra-ordinary Council meeting, awarding the project to the University of Newcastle, within the Institute for Regional Development unit. The work was led by Professor Joseph Drew, with Professors Diogo Cuhna Ferreira and Professor Masato Miyazaki assisting and providing peer reviews. The work was across the latter part of 2023. Council received the report for noting at the November 2023 meeting, to allow the report to be publicly released.

Council then reviewed the report in detail, over the following months, with Professor Drew strongly urging readers not to just jump to the Executive Summary or the recommendations, but to read the entire report to gain context to the lengthy list of recommendations. Council have then over the past few months worked through the recommendations and formally considered each one, at open Council meetings.

Of note is that Professor Drew found it unusual that Council would release the recommendations to the public, noting some other Councils he has produced reports for, have not. **This Council has again demonstrated its willingness to be open and transparent about the challenges**, to ensure the community are as informed as they can be, (if they wish to be), and to enable them to have their say in the appropriate means, should they wish.

This has included members of the public addressing Council via the public forum, speaking in the media about the review, and no doubt informally discussing the review with Councillors.

There are 77 recommendations in total split across the following -

Tier 1 - 40 recommendations - Council has adopted

Tier 2 - 7 recommendations

Tier 3 - 20 recommendations

Special Rate Variation (SV) - 10 recommendations.

Operational versus strategic recommendations - for example appointment of staff/training

The 1993 NSW Local Government Act is the principle legislation that governs Councils. There is a requirement for Councils/Councillors to be strategic, and to appoint a General Manager, as per section 334, and for the General Manager as per section 355, to *(a) to conduct the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council.*

Council as per section 355 require the General Manager -
(h) to appoint staff in accordance with the organisation structure determined under this Chapter and the resources approved by the council,
(i) to direct and dismiss staff,

Council as per section 332 must determine the structure (Senior staff and reporting lines and resources), however the General Manager is required to appoint all other positions.

Determination of structure

- (1) A council must, after consulting the general manager, determine the following-*
(a) the senior staff positions within the organisation structure of the council,
(b) the roles and reporting lines (for other senior staff) of holders of senior staff positions,
(c) the resources to be allocated towards the employment of staff.
(1A) The general manager must, after consulting the council, determine the positions (other than the senior staff positions) within the organisation structure of the council.

The terms of reference for the Independent Review were deliberately wide ranging, and so was the consultation, therefore the recommendations resulted in a similar mix of strategic, financial recommendations, as well as other areas such as political representation. Whilst there were also operational areas such as improving maintenance grading (rec. 4), improved asset data collection (rec 6), and recommendations to appoint additional staff (recs. 28, 36, 37, 38).

It needs to be noted that there is a required delineation between what is a Council/Councillor role, in strategic matters, and what areas are required to be Staff/Operational matters as per the Local Government Act. Some of the recommendations that are either in whole or part, mainly around staffing matters, that are operational, will be actioned if endorsed by Council, with appropriate updates still reported to Council where relevant/where staff are able to and they will be labelled as operational for clarity.

Once the final actions are endorsed by Council by way of resolution, and the table is updated to reflect that, it is recommended that a report and the updated table be presented after each quarter, to the Council meeting, to reflect status updates, to reflect any changes as Council works through the implementation. This will likely be in the same month that each Quarterly Budget Review Statement is presented (required within the first two months of each quarter passing). Noting that should anything significant occur in between, or be considered to be required, specific Council reports may be presented to reflect this.

On final adoption of the recommendations, Council may receive further reports on specific ones, considering some of the recommendations rely on others, and some others may not be actioned for example, recommendation 32, if others were successful (for example recommendation 31).

An extract from the report is re-produced below in bold italics, to give context/rationale to the splitting of these recommendations into Tiers - Noting the underline sections were not underlined in the actual report, they have been done for emphasis in this report.

'We have ordered the recommendations according to the categories of 'tier 1', 'tier 2' and 'tier 3' tasks. The categorisation is not solely about priority – some tasks are clearly pre-requisites for others, and some will have extensive lead times.

All recommendations are consistent with the evidence and theory presented in the report – although it might be noted that not every recommendation is stated explicitly in the aforementioned document.

We do not expect Council to slavishly adopt all of the recommendations and feel that doing so could be interpreted as a perversion of the democratic process. However, we – and the community – are looking for clear communication around which recommendations will be adopted as well as good reasons in the event that the democratically elected Council decides not to proceed with a given suggestion. The Audit Risk and Improvement Committee have an important role to play in monitoring Council's responses to the recommendations and progress on same. We note that it will take time for Council to articulate responses to each matter raised and ask for all to be patient in this regard.'

The passage of time, means that some actions have either already in full or part, been actioned. This is due to Council already been in the process of reviewing services, such as the Corowa Aquatic Centre management model, and also the fact that both the 2017 and 2021 elected Councils have been continuously working on financial sustainability.

This continuing work on financial sustainability commenced in early 2018 when Council undertook an organisational review and later in 2018, commissioned preparation of an entirely new Long Term Financial Plan including service mapping and costing. This was to replace the LTFP in existence at that time, which was effectively a merger of the former Corowa and former Urana LTFP's, which in practical terms was all that could be reasonably expected considering the merger had only occurred a little over two years prior.

Other work already underway prior to the Independent Review includes:

- Implementation of recommendations from earlier commissioned reports and work, including through the Audit Risk and Improvement Committee (ARIC) processes. This included where Council through ARIC, commissioned a Gap Analysis review by its Internal Auditors (who are external and independent). This was led by Council becoming aware of a report by Finch into the financial performance of the 2016 merged Cootamundra Gundagai Council, and then shortly after, the 2016 merged Central Coast Council becoming insolvent. Progress against the recommendations from the Gap Analysis report that have been adopted by Council and the implementation of these reports are monitored through ARIC also and Council.

Community Engagement

The Independent Review was undertaken with extensive community engagement including surveys, presentations to public gatherings, and individuals and groups being able to meet with Professor Drew, including phone calls, through this process.

Also by continuing to ensure the recommendations come to Council for formal adoption, and that Council receive quarterly reports showing updates on the progress of implementation of the adopted recommendations, this is a further way to ensure community engagement continues on this important matter.

Attachments

1. Recommendations - Independent review Update for May Council Meeting (24/15188)

Links to Councils Integrated Planning Framework

Theme: Well Governed Federation

Outcome: Strong civic leadership and governance supporting equity across communities and effective communication with residents.

Delivery Program 4 year plan:

5.3 Ensure good governance and administration.

Operational Plan Action 2023-2024:

5.3.14 Council undertake a peer reviewed business case study on the financial sustainability of Federation Council and the advantages/disadvantages of amalgamation.

Financial Implications

There are no direct financial implications as a result of adopting the recommendations in this report. However in adopting some recommendations, there could be various financial implications that will need to be considered, for example in recommendations such as increasing staff positions in certain areas.

These will be worked through the ordinary Council budget approvals/management processes and no positions would be advertised without ensuring Council has an endorsed budget for this.

Financial Sustainability

Proceeding with these recommendations will have either a neutral or ideally a positive impact on Council's Long Term Financial Plan 2023-2033 financial sustainability ratios. Should some of the more strategic recommendations be adopted and successful, such as a Special Rate Variation, and others such as requesting increased financial assistance grants from the Federal Government, this could positively impact on Councils Long Term Financial Sustainability.

Risk Implications

Risks are continually managed throughout the process and are considered within acceptable limits. For example financial and reputational risks are being managed in ways such as for example -

1. ensuring (reputational) that Council is acting on as many adopted recommendations as reasonable given existing resourced.
2. ensuring timely presentation of reports to Council (reputational) to ensure transparency for the public.
3. ensuring if any staffing increases are proposed, Council endorses a budget, including with any justification.

Legal Implications

Council has to follow many legal instruments in carrying out the recommendations in this report. Councils principle legislation is the NSW Local Government Act 1993. There are no adverse legal implications as a result of adopting the recommendations in this report.

Options

1. Adopt proposed actions for the report recommendations as tabled.
2. Adopt as varied.
3. Adopt none and require further information (not recommended due to time elapsed).

8.8. Independent Review recommendations update

Author: Jo Shannon, Deputy General Manager and Chief Financial Officer

Summary

In 2023 Council engaged the University of Newcastle, led by Professor Joseph Drew, to complete an independent report on the Advantages and Disadvantages of Amalgamation and Federation Council’s Financial Sustainability Journey (Independent Review). The Independent Review provided 77 recommendations. Council adopted 65 recommendations in full and 2 in part.

This report provides the quarterly progress update on implementing the recommendations as at 30 September 2024.

Recommendation

THAT Council note the progress report on implementing recommendations from the University of Newcastle Independent Review as at 30 September 2024.

Background

In 2023 Council engaged the University of Newcastle, led by Professor Joseph Drew, to complete an independent report on the Advantages and Disadvantages of Amalgamation and Federation Council’s Financial Sustainability Journey. This is referred to as the Independent Review in Council reports.

The report was received and noted by Council in November 2023. In March and April 2024 Council considered the recommendations and determined which recommendations to proceed with.

There are 77 recommendations in total. Council adopted 65 recommendations in full and 2 in part. There were also a number of recommendations that Council determined to consider at a future time, with further work and specific Council reports being required on potential implementation plans, outlining the resources required to deliver and timelines for this work to occur.

Tier	Recommendations	Adopted in full	Adopted in part	For further consideration	Not adopted
1	40	32	2	5	1
2	7	7	0	0	0
3	20	16	0	2	2
Special Rate Variation (SRV)	10	10	0	0	0
Total	77	65	2	7	3

This report provides the quarterly progress update on implementing the recommendations as at 30 September 2024.

In summary, five of the adopted recommendations have been fully implemented. The following table provides a summary of progress.

Tier	Recommendations adopted in full or in part	Complete	In progress	To be progressed
1	34	3	29	2
2	7	1	4	2
3	16	2	9	5
Special Rate Variation (SRV)	10	4	6	0
Total	67	10	48	9

A status update on each recommendations is contained within the attached report.

Community Engagement

The Independent Review was undertaken with extensive community engagement including surveys, presentations to public gatherings, and individuals and groups being able to meet with Professor Drew, including phone calls, through this process. By continuing to provide Council with quarterly reports showing updates on the progress of implementation of the adopted recommendations, this is a further way to ensure community engagement continues on this important matter.

Attachments

1. Recommendations - The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey - Progress reporting - See

Links to Councils Integrated Planning Framework

Theme: Well Governed Federation

Outcome: Strong civic leadership and governance supporting equity across communities and effective communication with residents.

Delivery Program 4 year plan:

5.3 Ensure good governance and administration.

Operational Plan Action 2024-2025:

5.3.14 Progress recommendations from Independent Review following Council adoption of recommended actions.

Financial Implications

There are no direct financial implications as a result of noting this report.

Financial Sustainability

Whilst noting the report will have no impact on Council's long term financial sustainability, proceeding with a number of the recommendations will have a favourable impact on Council's Long Term Financial Plan 2024-2034 financial sustainability ratios.

Risk Implications

Risks are continually managed throughout the process and are considered within acceptable limits. For example financial and reputational risks are being managed in ways such as -

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1. ensuring (reputational) that Council is acting on as many adopted recommendations as reasonable given existing resourced.
2. ensuring timely presentation of reports to Council (reputational) to ensure transparency for the public.
3. ensuring if any staffing increases are proposed, Council endorses a budget, including with any justification.

Legal Implications

Council has to follow many legal instruments in carrying out the recommendations in this report. Council's principle legislation is the NSW Local Government Act 1993. There are no adverse legal implications as a result of noting this report.

Options

This agenda item is provided for noting purposes.

The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey

Independent Peer Reviewed Business Case Study of Federation Council - University of Newcastle/Professor Joseph Drew

Update Sep 2024

Tier	Recommendation	Staff comment (Apr 2024)	Council decision	Status (Sep 2024)	Status update - September 2024	
1	1	Provide better price signals. Full cost recovery should be targeted according to long run marginal cost for all non-regulated prices except where a clearly articulated subsidy is in place (see next point). Even where a subsidy is in place, resident consumers need to be advised of the full cost of the good or service. We suggest Council divide non-regulated fees and charges into four equal lists. Each year, the relevant Director or Manager should be asked to accurately cost each item on a given list. Revised prices should then go to the Council for a decision. This task is not about getting more revenue – it is about improving economic efficiency, ensuring taxes are spent for the purpose that they were levied, and also dispelling deeply embedded fiscal illusion.	All fees and charges have been reviewed for the draft 2024/25 Fees and Charges as per standard practice. However a sharper focus has been placed on increases where considered appropriate. Now that this has been adopted, further work will occur in the lead up to the 25/26 fees and charges, to ensure merit based subsidies and true cost principles are reflected.	Adopted by Council April 2024.	Underway	Project included in Delivery Program 2022-2026. Analysis commenced on cemetery user and fees.
1	2	For merit subsidies, Council should clearly articulate: (i) what is the merit inherent in the good or service, (ii) what the goal of the subsidy is (and how this will be measured), and (iii) the date on which the merit subsidy will be reviewed.	A range of merit goods are provided by Council, including the use of community halls, recreation facilities, swimming pools and aerodromes. Future Council reports will be presented and service reviews in some areas, to gain further input and information, and to assist with stakeholder/users engagement, as the 25/26 fees and charges are worked on.	Adopted by Council April 2024.	Underway	
1	3	A renewed focus needs to be made on the core remit of Council. All services should be classified as either 'core' or 'discretionary' and priority given to the former. Otherwise stated, the practice of Council should be to satisfy 'needs' first, before 'wants'.	Classifications to be further developed to also clearly articulate what is mandatory.	Adopted April 2024.	Underway	Plans for 2024/25 have focused on mandatory activities, followed by maintenance of existing service delivery
1	4	Establish a stronger focus on maintenance – especially road reseals and clearing of table drains. We are very concerned that the backlog is not known with sufficient accuracy. Moreover, it is clear to us that if essential maintenance is not carried out on road infrastructure in a timely manner that Council will not be able to regain financial sustainability.	The practice of less reseals and less clearing of table drains has been occurring due to reduced funding and attempting to do more with less for too long. Even with increased rates, by changing to for example 'heavier' maintenance grading practices, Council will need to communicate why it is doing 'less' kilometres of maintenance grading, to spend more time doing the table drains etc each time. The Asset Management Co-ordinator was unable to be filled for three years, however the recent recruitment success means this person has just commenced. This will assist in the backlog estimates being continually reviewed and updated. Continuing review of operator practices and training where required will also be implemented if shifts to heavier maintenance grading occurs more consistently.	Adopted April 2024.	Underway	Council has engaged the services of a consultant to undertake a significant road condition assessment project across all of council's road assets including the condition of table drains. The work also includes undertaking an update asset valuations, depreciation and renewal demand of council's road network. This will enable council staff to better prioritise works within the constraints of the available budget.

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1	5 Related to the above, service levels for roads need to be renegotiated. It may be the case that some roads need to be changed to 'dry access only', or that some need to be changed to restricted use. Indeed, it might even be appropriate to convert some sealed roads to unsealed, or closed roads. These conversations need to be had in the context of willingness to pay – if we can't get sufficient grant and tax revenue then the reality of the situation is that we simply won't be able to maintain current road service levels.	Consideration of dry access only signage has been discussed considering many of the unsealed local roads are of natural surface in the central to southern areas of the Council area especially. Also closing roads or converting sealed to unsealed will also be considered. This will require extensive consultation and furthering Council's asset data will be critical to this work. Condition assessment samples are also being undertaken as part of the Special Variation reapplication work, and extensive new data now exists on road condition as a result of the extensive flooding across the latter part of 2022 and the subsequent flood damage assessment work.	Adopted by Council April 2024.	Underway	As with recommendation 4, the asset conditions assessment and renewal demand project that is about to commence will provide council with valuable data relating to road condition and renewal demand. Once this project is completed and council staff have evaluated the data, the Roads Advisory Committee will be re-established. Through the technical expertise of council staff with input from the Roads Advisory Committee decisions can be made in relation to service levels and the status of roads across the network.
1	6 With respect to the above, it is necessary to clearly define and record what is a satisfactory standard for all asset classes. Photographic evidence should be used where appropriate. These definitions should be thoroughly reviewed during the term of each Council to ensure that they are consistent with contemporary community expectations.	This will be worked through as part of the Asset Management focus and is also occurring as part of the Special Variation reapplication process.	Adopted by Council April 2024.	Underway	This will be worked through as part of the Asset Management focus and is also occurring as part of the Special Variation reapplication process.
1	7 Council needs to provide greater assurance on the cost to bring assets to a satisfactory standard. We are concerned that recent asset management data was largely based on figures compiled in 2019. Moreover, it is not at all clear that the work done in 2019 involved actual inspections of the assets. Assurance needs to be conducted as quickly as practical – commencing first with a sub- sample of the road and other infrastructure, and then progressively rolled out to the entire stock of assets. A SRV cannot be formulated until sufficient assurance is had on this matter. We note that this work is currently underway and that the continual review of these matters is a task for all councils. We also note, with some concern, that the Asset Management Co-ordinator role is currently vacant, and urge continued efforts to secure a suitably qualified person as soon as practical.	The new Asset Management Co-ordinator has commenced. Significant asset assessment is underway.	Adopted by Council April 2024.	Underway	With the commencement of the Asset Management Coordinator, work has commenced to inspect and value all road assets. Work has also recently been completed on the assessment and revaluation of Sewer & Water Assets. Public Works NSW are also preparing a renewal plan for these assets. Additionally, a cyclical 4 year plan of asset inspection and revaluation program is being developed to ensure all classes are revalued every 4 years.
1	8 We also have reason to doubt the veracity of the 'required asset maintenance' figures. Looking at the last three financial years' data for the asset maintenance ratio, it is hard to see how maintenance shortfalls in a given year were correctly imputed in the following period. (For instance, there was a shortfall in maintenance of \$1.218m in 2021, but the required maintenance figure only increased by \$1.077m in 2022 despite a high inflationary environment). Moreover, the actual state of assets suggests that the true maintenance backlog may be far higher. There is a clear role for ARIC to perform with respect to ensuring that these figures are logically expressed from year to year.	ARIC will continue to be presented with all relevant work as appropriate in relation to furthering Council's strategic asset management work.	Adopted by Council April 2024.	Underway	Council have recently completed a significant refresh of the Strategic Asset Management Plan. Coupled with the asset inspection and revaluation program of works, renewal and maintenance programs will be more clearly defined. Review of the methodology for 'required asset maintenance' figures will be added to the ARIC agenda in 2025.
1	9 We doubt that Council can obtain sufficient revenue and efficiencies to allow for all assets to be maintained at the desired levels. We therefore recommend that Council identify assets which will be placed into managed decline until matters improve.	Rationalisation/disposal of assets also to be considered.	Adopted by Council April 2024.	Not started	Following completion of the road asset inspection project, a more informed decision relating to the closing of roads can be made.

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1	10 As we demonstrated in the main report, there is some reason to doubt the accuracy of depreciation accrual practice in the past (as evidenced by shifts over time and also an extraordinarily high number of accounting adjustments on disposal). Staff need to carefully review practice and thus assure that the depreciation accrual parameters are indeed appropriate to the conditions and use patterns of assets at Federation.	Depreciation amounts and re-valuations will continue to be worked on.	Adopted by Council April 2024.	Underway	The road condition assessment project includes an update on asset valuations and depreciation of council's road network. This will enable council staff to review depreciation practices for road infrastructure assets. Recently received asset valuations for water and sewer infrastructure will be considered in reviewing depreciation practices for these infrastructure assets.
1	11 The Ball Park Caravan Park business needs to be divested to relieve the pressure on overstretched staff, eliminate distractions from core service provision, reduce local economic distortion, and better manage risk.	Council does not own the land that the Caravan Park operates on, it is Crown Land. Council cannot sell this land. Council supported a report at the April 2024 Council meeting with a resolution to engage resources to allow the park to be put to the market under a long term lease to improve the financial results, and offer an economic driver for the area. Other options will also be discussed.	Adopted by Council April 2024.	Underway	Expression of interest for work to progress private investment into the site developed. Advertising to commence shortly.
1	12 Consideration needs to be given to outsourcing the Corowa Aquatic Centre for similar reasons.	Council considered this option and have decided to staff the Centre on a tiered supervision model. Further consider during the three year lower staffing model.	Adopted by Council April 2024.	Complete	Council considered this and decided to maintain direct operation albeit with a tiered supervision model. To be reassessed in 2026.
1	13 Service levels need to be reviewed with particular emphasis on (i) services harmonised during the amalgamation process, (ii) the potential to reduce services to ease the burden on the local government taxpayer, (iii) differentiated services to reflect the significant heterogeneity evident in the community (where standardised provision is not required by law). We hasten to add that this is a different task to regular service reviews already conducted by Council as per best practice (service levels need to be carefully defined, reviewed and communicated at least every Council term). What we are interested in here is identifying inefficiencies created by the amalgamation process that might be reversed.	Whilst the recommendation says 'this is a different task to regular service reviews', it is recommended that these factors be included in future service review. Council has 45 services and practically, only around 4 - 6 can be reviewed properly each year.	Adopted by Council April 2024.	Not started	
1	14 A firm commitment needs to be made that all new discretionary projects must satisfy the following minimum requirements: (i) be fully funded according to whole-of-life cost over the current LTFP, (ii) have need unambiguously demonstrated through a randomised survey, and (iii) confirm community willingness to pay the full whole-of-life cost through an appropriate random survey. It is critical to start using random surveys instead of the biased samples used in the past. Moreover, a quid-pro-quo needs to be established as quickly as possible after the discretionary project has been approved – fees, charges or rates must go up promptly to reduce the potential for further exacerbation of fiscal illusion.	Consider further the process of randomised surveys, and present options back to Council as part of the development of the new Community Engagement strategy currently underway. Further consider if a \$ threshold level for this process would be best to apply to, to target higher risk/higher value projects only. Also need to define discretionary. Further individual Council report needed to further flesh this out.	Adopted 14 (i), Further consider (ii) and (iii).	Underway	The Annual Budget for 2024/25 is primarily focused on asset renewal and maintenance. The capital works program is directed towards roads, stormwater, water and sewer assets, or assets required to support these functions (such as plant and information technology).
1	15 Decision-makers need to clearly convey to the community that financial sustainability concerns dictate that, in future, 'needs' (as well as 'mandatory' services) must be prioritised over 'wants'. As we note in footnote 1, this is something that is negotiated in the political process, and constructive arguments should be based on good moral reasons.	Like recommendations 3 and 14, terms like 'needs', 'wants' and 'discretionary' and 'core' are not defined practically and councils inevitably can and will fund projects and or services based on political will. In some ways this is one of the reasons for having a democracy. Council will ensure any projects in the future have sound financial justification and community support.	Adopted by Council April 2024.	Underway	Plans for 2024/25 have focused on mandatory activities, followed by maintenance of existing service delivery. This was a key message in communications prior to final plans being adopted.

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1	16 Council should consider writing to the Minister for Local Government requesting his assistance in investigating whether the post-amalgamation protections to general component grants were indeed respected. Indeed, it might also be reasonable to write to the Treasurer of the Commonwealth Government, who is ultimately responsible under the Act (1995, CTH).	Refer to report on this matter to the March 2024 Council meeting. Letters sent.	Adopted by Council April 2024.	Underway	
1	17 In separate correspondence, Council should consider writing to the Minister for Local Government to ask him for an extension of protections on general component FAGs into perpetuity. Reference should be made to the clearly skewed data and its effect on the FAG allocations.	Refer to report on this matter to the March 2024 Council meeting. Letters sent.	Adopted by Council April 2024.	Underway	
1	18 In further correspondence, Council might ask the Minister for Local Government to investigate how current road grant allocations accord with the horizontal fiscal equalisation (HFE) principles in the Act (1995, CTH). Attention should be drawn to the fact that heavy grain trucks and farm equipment do far more damage to roads than light vehicles and motorcycles. Specific inquiries should be made to clarify whether this fact is indeed being sufficiently taken into account by the NSW Local Government Grants Commission.	Refer to report on this matter to the March 2024 Council meeting. Letter sent. Awaiting response.	Adopted by Council April 2024.	Underway	Letter sent March 2024. Response received from Minister for Regional Development, Local Government & Territories (Commonwealth) in May 2024, recommending council make a submission to the Australian Parliament <i>Inquiry into local government sustainability</i> . Response received from Minister for Local Government (NSW) in June 2024, noting the letter and advising that he has requested the Local Government Grants Commission to respond to Council directly.
1	19 As an entirely separate matter, Council should write to the Minister to request a minor boundary review to look at economic spillovers and other inefficiencies associated with the current boundaries. In any such process, it will be important to put measures in place to ensure that political voice is preserved.	Considered an unnecessary distraction (cost/benefit) with limited staff resources, and this would be a significant task.	Further consider (April 2024 meeting)	Not started	Recommended this not be adopted as not considered worthwhile from a cost / benefit basis.
1	20 In separate correspondence, Councillors should write to seek compensation for the failed amalgamations. Notably, this was the single most common response from the community surveys. In all likelihood the request will be ignored, however it is important for Council to be seen to be pursuing a more just outcome. Compensation could take the form of an ongoing untied grant, or financial assistance in pursuing some of the recommendations noted in this report.	Agreed that whilst the merger funding was welcomed, it did not address the issue of continued and ongoing cost increases to operate merged Councils. Refer report to May Council.	Adopted by Council April 2024.	Underway	Letter drafted and to be sent.
1	21 Formal processes need to be established to ensure that grants provided to community groups are both sustainable and also accord with the concept of subsidiarity. Grant application forms should ask potential recipients to detail: (i) the wider community benefit that they provide, (ii) the contribution of the group towards meeting its own needs, (iii) what other funding options were explored, and (iv) the group's plans to reduce reliance on grants in the future. These forms should then be publicly available to assure transparency and accountability. All support provided to community groups – such as in-kind support like mowing football fields and the like – should be the subject for a grant application (with the value of the in-kind support clearly articulated). We direct people to take particular note of our preference for groups to make a material contribution to meeting their own needs – this could be a financial or in-kind contribution. Over time, the expectation should be established that contributions are a requirement, and that preference will be given to matching grants wherever possible.	Agreed, and there are significant discrepancies across both former Council areas in terms of Council budgets for these areas along with a Council wide issue of why some sports/activities receive Council staff to manage and maintain and others don't and rely solely on volunteers.	Adopted by Council April 2024.	Not started	
1	22 Key Performance Indicators (KPIs) need to be established for relevant staff around adherence to budgets. As a general rule, KPIs should always be: (i) specific, (ii) measurable, and (iii) verifiable. No suggestion is being made that KPIs don't currently exist – rather we merely assert that KPIs might be tightened up somewhat.	Operational matter. Agreed, continue to add more measurable KPIs to relevant staff around budget management, including seeking/achieving efficiency gains.	Adopted by Council April 2024.	Underway	Further KPIs being considered to complement existing measures.

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1	23	Specific, measurable and verifiable KPIs should also be established for all citizen-consumer facing positions specifying appropriate response times and resolution times. Responsiveness is a major concern for many in the community and improvements in this area may improve willingness to pay as well as confidence in Council. We acknowledge that current data systems are not sufficient to deliver this recommendation. As a result, additional resources will be required, and this is likely to impact on the timeframes for delivery.	Operational matter involving staff, will be reported on as and when appropriate. Responsiveness issues are considered in part due to systems, but in the main due to lack of staff.	Adopted by Council April 2024.	Underway	Customer Charter under review. Expected to be provided for Council consideration in early 2025.
1	24	The rigour of the monthly budget reconciliation needs to be improved. Deviances from budget need to be explained and a path forward established to mitigate over-runs. A central register of causes and solutions needs to be kept to inform future budget preparation. We understand that some progress is being made on this front at present and note that this recommendation has implications for all management reporting to MANEX	Commenced.	Adopted by Council April 2024.	Underway	Variations from budget are explained and reported in Quarterly Budget Review Statements.
1	25	The Quarterly Budget Reviews also need to be improved. The reasons for deviations in excess of five percent and \$10,000 need to be given and the proposed method to mitigate any overrun stated clearly for follow-up. Readers should note that the state government only requires reporting for variance of ten percent – thus, the standard we propose here is much higher than the standard set by the NSW government. In view of the need to improve performance in this area, QBR should be extended for all four quarters. The ARIC should also be encouraged to become more involved in monitoring budget deviations, investigating their causes, and making recommendations to establish entity-wide measures to minimise future events and thus assure ongoing organisational improvement. We understand that some progress is being made on this front at present.	Continued improvement, Audit Risk and Improvement Committee (ARIC) do already monitor Quarterly Budget Reviews (QBR) and question any variances that they feel need it. A QBR for the fourth quarter was presented to the September 2023 Council meeting.	Adopted by Council April 2024.	Underway	A QBRS for the June 2023 quarter was presented to Council in October 2023. A QBRS for the June 2024 quarter is under development however has been delayed due to the focus required on a future SV and the associated I{P&R requirements. The QBRS for the September 2024 quarter is being progressed with a 5% variance margin.
1	26	Survey evidence suggests that there is strong support in the community for reductions to tourism expenditures. In FY2021, expenditure in this category was \$356,000, in 2022 it was \$170,000. Many debate whether tourism is indeed a legitimate role for local government in the first instance. In addition, it is clear that tourists place a significant burden on council but provide very few opportunities for direct additional revenue in a land-based taxation system (in FY 2021 \$18,000 of revenues were collected, and in FY2022 just \$12,000). In view of the significant challenges facing Council, it may be prudent to pare back tourism spending even further, within the constraints of current obligations. Preference might be given, in the future, to matching grants provided to tourist-orientated businesses in the local area (limited to a certain quantum). There may also be opportunities for sharing the cost of the tourist information services with businesses in the local area. We understand that Council has already commenced a review into various options related to tourism expenditure.	The Tourism service budget has been significantly reduced over the past two years, with the service level reduced significantly in November 2023, resulting in a \$132,000 reduction to the budget. The 2024/25 draft budget shows a further reduction down to \$302,352 from \$336,613 in 2023/24 (10%). For further review across 2024/25.	Adopted by Council April 2024.	Underway	The tourism service level was reduced significantly in November 2023 (after drafting of this recommendation), resulting in a \$132,000 reduction to the budget.
1	27	Councillors and staff should vigorously engage on the long list of tasks that need to be dealt with prior to being in a position to lodge a compelling SRV application (please see the final section of this appendix).	Commenced - Appointed University of Newcastle led by Professor Drew to assist in this work.	Adopted by Council April 2024.	Underway	Significant progress has been made on the list of tasks. An update was provided to the August 2024 Council meeting. This report also provides an updated for recommendations 68-77.
1	28	Council should consider establishing a Community Liaison Officer position to: (i) better co-ordinate with s355 committees, (ii) liaise with progress associations and the like before significant capital projects are executed, and (iii) assist in communication with the community around SRV outcomes and the financial sustainability journey. Most s355 committees expressed frustration to us around navigating the larger bureaucracy at Federation. They have also advised that community willingness to participate is diminishing. A key part of the financial sustainability puzzle is for Council to become a 'facilitator' rather than a 'provider' – Federation simply could not afford to take on the work currently performed by these valuable community groups. It may therefore be deemed appropriate for the liaison officer to have an open channel of communication with the Councillors.	Operational matter (appointing staff). Await outcomes of community engagement strategy and the 355 Governance review work. Considering other areas of staff shortages, the role would not likely achieve the outcome of assisting with community engagement. Some 355s lament the loss of Councillors for example, who in the former Urana Shire, would be from the areas where the committees were and champion their cause/projects, and this role would not take their place.	Further consider	Underway	Council has appointed a contract staff resource to review and update Council's governance of section 355 committees. This may go somewhat towards improving communication with those committees.

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1	29	Indeed, Council needs to clearly articulate its shift in mindset from 'provider' local government to a 'facilitator' local government. The role of government is to help people to co-operate for the benefit of all. Government simply does not have the capacity to do everything that benevolent foundations and volunteer groups used to do. Indeed, Pius seems prescient in his (1931, paragraph 78) declaration that 'with a structure of social governance lost, and with the taking over of all the burdens which the wrecked associations one bore, the State has been overwhelmed and crushed by the infinite tasks and duties which it has needlessly taken on'. Moreover, when government takes over the functions rightly belonging to associations, people miss out on the opportunity to generate the collaborative goods which come about through striving for a common goal – what most of us refer to as community building (Drew, 2022). We must therefore concentrate on re- invigorating our community associations by helping to facilitate and promote their important work.	Further discuss how this can be implemented, will take many forms.	Adopted by Council April 2024.	Not started	Needs further defining to reach agreement on ways to implement these "words".
1	30	We need to consider whether it might be advisable to remove the long-term risk and distraction posed by the saleyard business. One option would be to sell the saleyard business in its entirety (subject to the terms of recent grants or other constraints). In all likelihood, physical saleyards may continue to lose volume to online and direct options in the future and Council could ultimately be left with an unsaleable asset. A second option is to outsource the business on a long-term basis to delay the realisation of risk. Notably, the saleyard situation is slightly different to the caravan park and aquatic centre and needs to be treated with care.	Recommended to continue on current staffing arrangement, service review in future can look at all options.	Not adopted (April 2024)	Complete	
1	31	Steps should be taken to increase the number of Councillors to twelve – either with the help of the Minister or through the extant process (referendum).	Was discussed at the April 2024 Council meeting. For futher consideration.	Council to further consider	Not started	No work has progressed until Council adopt or not.
1	32	More broadly, continued profound political disenfranchisement cannot be allowed to go unchecked – apart from any other concern, it is inconsistent with the intent of s 263(3) of the Act (1993, NSW) and could therefore be seen as potentially unlawful and it might ultimately represent a risk to the sustainability of Federation Council (the establishment of a tiered system, as per the report, is also something that warrants further investigation). Accordingly, we suggest that Council makes further investigations around the potential for a tiered system of local government to mitigate disenfranchisement and also improve efficiency. We are willing to assist Council in this endeavour with advice and help as appropriate (pro bono at the initial investigation phase). Once Council has completed its investigations, we suggest that they consider writing to both the Minister for Local Government and Premier to garner political support for what might prove quite an elegant solution to a very pressing problem.	Was discussed at the April 2024 Council meeting. For futher consideration.	Council to further consider	Not started	No work has progressed until Council adopt or not.
1	33	If neither of these proposals can garner sufficient support, then it may be appropriate to either relocate a director to the Urana office, or even establish a new director level position at Urana. It is absolutely essential that in the absence of reasonable political voice that some kind of permanent executive-level voice exists as a partial mitigator. We note that similar positions – tied to former amalgamated centres – occur at other rural councils. It would be appropriate for any position description to clearly indicate its northern location and role in assuring efficient and effective management of the Urana office and depot.	Would be managed after results of 31 and or 32 are known. Council are within 12 months of an election required to review the organisational structure (Senior level) and this is recommended to be considered at this time.	Council to further consider	Not started	No work has progressed until Council adopt or not.
1	34	Council needs to establish succession planning for all positions of senior management and above. This needs to be a formal process whereby a person is identified, their training needs met, and sufficient opportunities provided to develop the requisite skills and experience. Staffing continuity is one of the largest sustainability risks for Council and we suggest that ARIC actively monitor implementation of a suitable program.	Operational matter. This will be managed through the reviews and updates of the Workforce Management Plan. Noting there is no way a staff member can be formally 'identified' as there are often various staff who can and do fill in, in Acting roles in Senior Management and above. Particular caution needs to be exercised to ensure any staff who act in roles are fully aware of Councils requirements to externally advertise Senior Management and above positions.	Adopted by Council April 2024.	Underway	An Emerging Leaders Program has commenced to identify future leaders and provide opportunities for skills development.

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1	35	Council needs to ensure that it has an up-to-date staff retention plan and put this into practice as soon as practical. We also need to ensure that other HR policies – such as staff grievances and the like – are also in-place and appropriate for the current structure.	Attraction and Retention principles and strategies are managed through updates of Councils Workforce Management Plan and policies. Grievances are managed through the Award. Council has recently increased staffing resources in Human Resources/People and Culture.	Adopted by Council April 2024.	Underway	Council continues to offer award attraction and retention incentives where possible.
1	36	Certain positions need to be funded and approved for the Planning and Development Team as soon as possible. Fixed-term positions need to be created for a plumbing inspector and an additional administration assistant until the backlog becomes more manageable. New trainee positions may need to be funded and filled. It may be appropriate to fund the plumbing inspector – and potentially other positions – from the water or sewer fund. This matter has been allowed to go unresolved for too long and it is now evident that the stress of the situation is feeding on itself and having serious implications for the health and welfare of staff. Perceived staff shortfalls represent an important sustainability risk for Federation.	Service review to be undertaken, April Council report resulted in Council endorsing \$690,000 for new positions.	Adopted by Council April 2024.	Underway	Additional \$690,000 per annum for new positions allocated for the delivery of this service. Service review underway.
1	37	Similarly, the Human Resource Department is clearly under-staffed, and this is affecting other important areas of the organisation.	Operational matter. A Manager to lead People and Culture was added to the organisational structure in December 2022. One HR position has been added, further may be required. Await results of increased staff.	Adopted by Council April 2024.	Complete	Council's Human Resources team comprises 3 staff members. The vacancy in the third position has now been filled.
1	38	Staffing gaps exist in other areas of the organisation and service reviews may further add to staff needs. New positions need to be justified carefully in terms of what they are expected to achieve and how we might measure success. Moreover, any recruitment needs to be affordable in the context of significant financial sustainability challenges.	Operational matter. There are staffing risks associated with Council critical services that will be reviewed.	Adopted by Council April 2024.	Underway	As required by the legislation, the structure will be reviewed within 12 months of the local government election.
1	39	Attention should be given to ensure that there are sufficient reserves for plant and infrastructure replacement. It is quite likely that additional funds will need to be transferred from unrestricted cash to internal reserves. Indeed, it is possible that Federation does not currently hold sufficient unrestricted monies to properly provide for known future needs (which should be internally reserved).	Adopt first sentence. Note the use of unrestricted cash for future needs, is strongly not supported. This is for financial shocks and cash flow management. Plant fees should be set at a level to cover their replacement. Disagree with last sentence, unrestricted monies is unrestricted cash which is required to remain as unrestricted. Known future	Adopted by Council April 2024 in part, refer to staff comment.	Underway	Plant reserve totalling \$650,000 created in June 2024.
1	40	There is an important gap in knowledge between finance and engineering staff, consistent with just about every council in the country. Accounting staff are experts in what they do, but usually only have the most rudimentary knowledge of construction and maintenance. By the same token, engineering staff are experts in their field but often do not fully understand the intricacies of accounting practice. We understand that council has recently commenced fortnightly meetings between these two groups, and they should be commended for this rather unique initiative. We would like to see these meetings continue to be prioritised and also better management accounting information provided – tailored to the needs of engineering managers – as resourcing allows (see recommendation 66).	Operational matter. In progress, new Asset Co-ordinator has commenced and will assist in this process. There has been continued improved collaboration between finance and engineering staff across the last few years.	Adopted by Council April 2024	Underway	
2	41	Council should consider appointing some support and mentorship for the leadership group. The support person would help the MANEX group to make and communicate timely decisions and also help members to gain the skills necessary for future career progressions. What is anticipated here is independent advice and help in surmounting the unusual challenges facing senior staff confronted with the fallout of the ill-advised amalgamation – not dissimilar to the work done by Professor Drew and his team. The appointment of a suitable support person may also provide implicit assurance to the community and relieve some of the pressure on senior staff.	Operational matter - Manex meets fortnightly and minutes are circulated to all managers and are available to all staff through the employee intranet. Executive and Manager level training plans are being reviewed with a stronger focus on training to meet the increased demand on managers, especially in the areas of leadership (ie emotional intelligence, resilience, vision, impact, strategy) and financial sustainability.	Adopt - Operational Matter	Complete	Executive and Manager level training plans are focused on training to meet the agreed expectation of managers, especially in the areas of leadership (i.e. emotional intelligence, resilience, vision, impact, strategy). Financial sustainability training to be progressed.

Tier	Recommendation	Staff comment (Apr 2024)	Council decision	Status (Sep 2024)	Status update - September 2024	
2	42	All decision-makers – Councillors and senior staff – need to be clearer about the priorities and direction of Federation Council. Ideally, it should be communicated that the priorities are maintenance, selective asset renewals, and delivery of core services. The direction needs to be clearly articulated in terms of measurable and verifiable improvements to financial sustainability with specific tasks and outcomes monitored and reflected in the context of Integrated Planning and Reporting guidelines.	The Long Term Financial Plan is one example of where Council has in each years version, improved messaging and content in this regard. A focus on asset renewal, maintenance and delivering legislated services underpins the draft IP&R plans developed for 2024/25 as currently on public exhibition. Further continued work in communicating this more broadly will be undertaken.	Adopt	Underway	Plans for 2024/25 and the Long Term Financial Plan have a clear focus on asset renewal, maintenance and delivering legislated services.
2	43	Several community survey comments brought our attention to the desire for more forthright communications from Council to the community. We agree wholeheartedly with this sentiment. However, the community needs to understand that in order for senior staff and councillors to provide this kind of information, they need to feel safe and supported. Personal attacks need to stop. By all means criticise a decision or an outcome but be mindful that it is not appropriate to attack individual people. For the shared aspiration of the community, Councillors and staff to be realised – the best Federation Council possible – dialogue needs to be respectful, constructive and based on verifiable facts. Indeed, all stakeholders should be mindful that everyone is doing their best and that three independent professors were unable to uncover any compelling evidence otherwise.	Council will continue to be cognisant of the need to be forthright and publish challenging issues as well as celebrating achievements. Soon to be finalised community engagement strategy will guide this work.	Adopt	Underway	There has been a focus on more forthright communications to the community. This will continue to evolve as the review of the community engagement strategy progresses.
2	44	Council needs to establish a dashboard of robust financial sustainability metrics for communication with staff and community. Moreover, benchmarks need to be logically sound and appropriately dynamic. ARIC should be involved in constructing these metrics and advising Council on how to improve performance against same. Metrics should include inter alia: length of reseals as a proportion of sealed roads, length of drain clearings as a proportion of total road drainage, gross depreciation rate, a weighted measure of efficiency, a robust debt ratio, a measure of combined internal and unrestricted reserves expressed as a proportion of cash expenditure, staff turnover rate, budget accuracy (revenue and expenditure), and other measures proposed in this document and the full report. Ideally, this dashboard would appear prominently on the Council website, Annual Report, and be included with annual rates notices.	Further reports to ARIC and Council to progress. Need to be in line with current and any future industry requirements from Government. Needs to be data collected for a reason, KPIs continue to be required for I P R.	Adopt	Not started	
2	45	Council should ask the General Manager, Directors and Managers to set a firm goal of 25 days per annum work in the Urana office. This goal should be imputed into job KPIs, and a report made to the community regarding the achievement of the goal in annual reports. We note that this recommendation is consistent with s218CA of the Act (1993, NSW).	Not supported to be so prescriptive. The s218CA requirements specifically excludes senior staff. Regardless, this could create inefficiencies for example as currently all senior positions are conditioned as being located at the Corowa office. So travel would be in work time from Corowa to Urana potentially unless/until re-negotiated. Currently the General Manager and one Director would easily achieve this, and other Directors work from Urana as and when it is practical.	Adopt - Operational Matter	Not started	
2	46	It appears that there may be scope to reduce the number of airstrips at Corowa from two down to just one. Stakeholders should be engaged on this matter as well as the need to reset fees and charges so that they better cover the long run marginal cost of the airport infrastructure. Where subsidies are being imputed, the size of these subsidies need to be conveyed clearly to the recipients of the services. Moreover, it might be prudent to investigate the potential for future re-development adjacent to the airport to offset the burden of its operation.	Will be managed as part of the Service Review underway for the Corowa Aerodrome.	Adopt	Underway	Corowa Aerodrome service review well advanced. Report expected to Council in early 2025.

Tier	Recommendation	Staff comment (Apr 2024)	Council decision	Status (Sep 2024)	Status update - September 2024	
2	47	A thorough review of fleet and plant for further potential rationalisation (ensuring fitness-for-purpose) should be made and acted upon. However, care must be taken to maintain sufficient plant capacity to respond quickly to community needs and natural disasters. Vehicle tracking might improve decision making in this regard, as well as health and safety with reference to the vast distances involved in traversing the local government area. We note with approval recent progress in this area of concern.	Being managed as part of Fleet Service review, and the Fleet Committee meet regularly to progress these matters. Council has fortunately filled two mechanic roles allowing Fleet Coordinator to 'get off the tools' and do further work in this area. Council will be involved as and when required for service review changes.	Adopt - Operational Matter	Underway	Changes have already been implemented to the Light Vehicle Policy and Light Vehicle Use Procedure & Agreements to limit the number of leaseback vehicles in council fleet. Reductions have already been realised. The review of heavy plant and equipment is an ongoing process with some rationalisation already occurring. A new Manager Operations will commence early in 2025 and this project will be a priority.
3	48	Establish the mantra 'every dollar counts' and add this to both internal and external communications. Some in the community and staff cohorts doubt that all decision-makers fully grasp the gravity of the financial sustainability predicament. By saying the mantra, acting on the mantra and reinforcing the mantra, we should be able to quickly redress this concern.	For continued work to ensure this can become part of the culture more visibly.	Adopt	Underway	This mantra is used internally on a daily basis. Whole of organisation meeting conducted in July 2024 reinforced this message.
3	49	Inform and brief staff on financial sustainability and actively employ workers as community emissaries. A cleverly constructed dashboard (recommendation 36) should prove helpful in this regard.	Continue to ensure staff are aware of and can where appropriate and willing, message Council's sustainability improvement journey.	Adopt - Operational Matter	Underway	
3	50	Councillors and relevant staff should be encouraged to complete a course on financial sustainability with a tertiary provider. A course that offers an assessment item should be preferred. This recommendation has two objectives: (i) to improve understanding regarding financial sustainability, and (ii) to provide additional assurance to the community. This is a recommendation that applies equally to every council in the state.	Councillors and relevant staff to undertake courses as appropriate. Consider as part of new Council training plan late 24/early 25. Executive and Manager levels to include financial sustainability in training plans.	Adopt	Not started	
3	51	It may prove useful to establish capital advisory committees for all projects over 1% of revenue. A capital advisory committee uses locals and independent experts to ensure that the design and execution of a project meets community needs, responds to local conditions, and runs according to budget. We have seen committees of this kind employed with great success in other geographically large and diverse communities. However, careful constraints need to be employed to make sure that the advisory committee contributes in a positive and productive way.	Not considered necessary, Council follows Capital Expenditure Guidelines and the community elect Councillors to deliver on the plans.	Not adopt	N/A	
3	52	Council should consider conducting a carefully designed citizen satisfaction survey on an annual basis. The survey should be randomised, consistent between years, and free from common source bias. We note the plan to have four-yearly satisfaction surveys but caution that infrequent surveys of this kind will make it difficult to observe trends and be sufficiently responsive to emerging problems. Ideally a survey of this kind would be conducted on a statewide basis as is the case in Victoria.	Formulate as part of new Communication and Engagement Strategy being prepared.	Adopt	Underway	Community satisfaction survey conducted on a two yearly basis with phone surveys conducted in September 2024.
3	53	Council ought to communicate in the Annual Report regarding citizen satisfaction, response times, and resolution times.	Will be possible once the annual surveys are conducted. Surveys were taken out to 4 years, some time back as a cost reduction measure.	Adopt	Underway	Increased reporting being prepared for 2023/24 Annual Report
3	54	Council should consider conducting a simple staff satisfaction survey annually and report on same.	This is part of Council's Workforce Management Plan.	Adopt - Operational Matter	Underway	Culture (not satisfaction) survey undertaken each year.
3	55	Council should consider conducting an annual staff efficiency survey (including suggestion scheme). This could be linked to recommendation 47.	Will be part of new Internal Communication Strategy.	Adopt - Operational Matter	Not started	
3	56	ARIC (Audit Risk and Improvement Committee) provides an important function albeit within the context of a surprisingly broad remit. We respectfully direct ARIC to redouble its focus on a number of areas of particular concern to the Federation sustainability journey: ARIC should be encouraged to more clearly measure and report on the financial sustainability challenges, sustainability risks, and also monitor the progress towards the implementation of adopted recommendations from this report.	Neither Council nor an independent report can 'direct' ARIC. ARIC does monitor the challenges and risks. Further report to ARIC to seek their views on the role for ARIC to monitor implementation of agreed actions from this report.	Adopt	Complete	ARIC is, and has been, training a active role in providing oversight of Council's financial sustainability challenge. More detailed minutes are being recorded to reflect areas of discussion.
3	57	ARIC could play a valuable role if it were to ensure that the terms of SRV instruments are fully complied with. Failure to do so may imperil future SRVs, decrease community trust, and ultimately put financial sustainability in jeopardy.	ARIC receive reports on Council's application of the SRV, by way of financial reports. This can be further emphasised.	Adopt	Complete	All SRV reporting is also provided to ARIC for consideration.

Tier	Recommendation	Staff comment (Apr 2024)	Council decision	Status (Sep 2024)	Status update - September 2024	
3	58	ARIC has an important role in communicating and monitoring the sustainability risks associated with a neglect of staff succession and retention.	ARIC review Council's I P & R documents including its Workforce Management Plan.	Adopt	Underway	ARIC is performing its required role.
3	59	Many Councils have found it helpful to establish Finance Committees with a dedicated remit orientated towards investigating the potential for efficiencies and supporting the process of budget cuts. It will be important to be mindful of the legislation when establishing terms of reference for bodies of this kind.	Executive staff and Councillors find it more effective for all Councillors (not just some on a Finance Committee for example) to be part of all aspects of budget processes as relevant for Councillors level.	Not adopt	N/A	
3	60	Senior managers should be tasked with finding specified efficiencies with respect to the 2024-25 budget. Efficiency goals should be set in response to the realistic potential within each budget and in accordance with the adopted recommendations contained in our report. Otherwise stated, efficiencies need to be plausible within operational constraints and regulatory requirements, and also care should be taken that efficiencies do not result in unintended side-effects (such as the deferral of essential maintenance). In general, because of regulations and other constraints, there are far fewer potential efficiencies to be found in government than most in the public are willing to concede. Indeed, as we demonstrated in the report, relative technical efficiency is close to optimal. Nevertheless, any and all possible efficiencies must be pursued with the utmost vigour. Efficiencies should be measurable and verifiable, and specific staff should be made accountable for their delivery. We are aware of nascent endeavours in this area and acknowledged potential overlap with ARIC. There may be a role for the finance committee to play in supporting this process and we note that this has indeed occurred in other councils with great success.	In train as part of 24/25 budget preparations that commenced in September 2023 and also as part of continuing management of the special variation reapplication process.	Adopt - Operational Matter	Underway	Productivity improvements and cost containment strategies continue to be implemented. Savings totalling \$823,489 were achieved in 2023/24 as reported to the August 2024 Council meeting.
3	61	A merged local environment plan (LEP) seems to be still outstanding and needs to be completed as soon as practical.	Further communications needed, this project is on hold to allow the Growth Strategy work to be completed prior.	Adopt	Not started	Awaiting water, sewer and stormwater plans. All underway.
3	62	As we have already noted, there is scope for divestment of non-core assets and services. It may be useful to explore the possibility of divesting some assets to community groups where risk can be appropriately managed.	Further review in Asset Management and Service review work.	Adopt	Not started	This recommendation requires recommendation 3 to be completed with services and assets to be classified as 'core' or 'discretionary'.
3	63	Council should investigate the potential for Riverina Water to take over the water supply business for the whole local government area, in view of the significant capital constraints facing council.	Council's water and sewer and utilities operations are whilst funded separately, still closely interacting in terms of for example shared funding for a Manager and some other staff roles. There is a lot of work in even investigating this. Staff time and consultant funds are considered better spent in pursuing the long term strategic work underway now, including the Water and Sewer servicing strategies as part of the growth strategy to inform the new LEP and any planning proposals, along with Council's Integrated Water Cycle Management Plan, and planning for the replacement of the Corowa Sewer Treatment Plant and Mulwala Water Treatment Plant.	Further consider	Not started	Not recommended for whole scheme due to financial impacts. Council has invited Riverina Water to consider Balldale and Daysdale Schemes.
3	64	Council should investigate opportunities in the renewable resource area as long as they do not involve additional material risk or distraction from core activities.	Only within areas such as increasing solar on existing facilities, not recommended to venture into non core areas such as stand alone facilities, as they pose risk, distractions, and Council is not staffed to do this. Climate Change adaptation plan and Ramjo work on this.	Further consider	Not started	No resources currently allocated to progress this.

Tier	Recommendation	Staff comment (Apr 2024)	Council decision	Status (Sep 2024)	Status update - September 2024	
3	65	There may be some value in continuing to outsource construction activities for potential efficiencies. We understand that this is already in train. However, we need to be mindful of the potential for this strategy to cause problems in the longer term, as evidenced in the scholarly literature (see, Drew 2021; Brown and Potoski, 2003). It is absolutely essential that we maintain competence and capacity – if we fail to do this, then future efficiency may be imperilled as well as our ability to respond to disasters and the like.	Council will continue to outsource works where it is deemed advantageous but also has skills in house and is currently undertaking heavy patching with good results.	Adopt - Operational Matter	Underway	Major construction works are mostly contacted. Council needs to retain some fleet / staff capacity.
3	66	Council needs to work towards providing real time unit cost data for the infrastructure division. Unfortunately, this task will be resource intensive and take some time to complete. Moreover, it might be noted that we know of only one council in the whole state that currently of the kind we envisage available to managers. Otherwise stated, what is happening at Federation is the norm – but we, the Councillors, community and staff aspire to be better than the norm (resources permitting).	Core data for asset management work. Will take time.	Adopt - Operational Matter	Not started	
3	67	It may be helpful for the community to have more of the political debates conducted during open council meetings. We know from firsthand experience that Councillors are actively engaged on substantive issues and commonly exchange different ideas and perspectives in constructive ways. However, there is a perception that the community may not get as many opportunities to witness the political process as some might wish. We are well aware that the workshop and council meeting practice followed at Federation is consistent with most councils. We are also aware that the current chambers and gallery are not really conducive to providing a safe and appropriate environment for Councillors to engage in extensive debates. Nevertheless, we encourage Councillors to prioritise more open debate as far as current facilities and workloads allow.	Council will continue to ensure it engages in full and frank debate in open Council meetings where appropriate.	Adopt	Underway	Following receipt of the independent review and this recommendation, there has been a notable increase in debate in the open Council Chamber. The NSW Government is considering banning briefings and workshops unless open to the public. Council will also consider options to expand the public gallery in 2025.
SRV	68	Vigorously report on mandatory SRV conditions as per earlier IPART instruments.	This has been reviewed and more comprehensive reporting included in the 2022/23 Annual Report.	Adopted by Council April 2024.	Underway	Included in Delivery Program 2022-2026. Annual report and State of our Region Report provide a summary of improvements to Council's financial sustainability and reporting consistent with the IPART instrument.
SRV	69	Demonstrate that Council is making substantial progress towards financial sustainability in terms of the conditions imposed with the temporary SRV.	Continued work on this.	Adopted by Council April 2024.	Underway	Annual report and State of our Region Report provide a summary of improvements to Council's financial sustainability and reporting consistent with the IPART instrument.
SRV	70	Conduct a robust and competent assessment of capacity to pay. The work performed by private consultants in the past was not fit-for-purpose.	Being undertaken as part of SV re-application.	Adopted by Council April 2024.	Complete	Capacity to pay report endorsed by Council at the August 2024 meeting.
SRV	71	Council needs to develop ways to mitigate capacity to pay – such as by changing the rate structure (base rate), reducing reliance on taxation revenue where possible, pursuing greater distributive equity, and also developing a more responsive and practical hardship policy.	Further work will be undertaken on the rates burden applied to each of the rating categories and on opportunities to improve Council's hardship policy.	Adopted by Council April 2024.	Underway	In order to mitigate capacity to pay Council maintained the base rate for 2024/25 at the same level as the previous year. Updated Hardship Policy adopted in August 2024.
SRV	72	Conduct a robust assessment of debt capacity.	Being undertaken as part of SV re-application.	Adopted by Council April 2024.	Complete	Debt capacity report endorsed by Council at the August 2024 meeting.
SRV	73	Articulate which recommendations from this report will be actioned and monitor the progress and outcomes associated with same.	Council recommended to receive quarterly updates.	Adopted by Council April 2024.	Underway	This report monitors progress of recommendation from the independent review.
SRV	74	The LTFP needs to be revised to reflect the aforementioned recommendations, current central bank projections on inflation, required staff, changes to grants (if any), as well as changes to revenue (arising from a better pricing of goods and services). We are also concerned that the current LTFP does not appropriately reflect the lower likelihood of capitalising staff costs in the future.	LTFP will continue to be revised to reflect the above and any other changes to Council direction including risks.	Adopted by Council April 2024.	Complete	LTFP reviewed and updated in June 2024.
SRV	75	An appropriate expert needs to be engaged to work with Council from February 2024 onwards to progress through the substantial list of tasks that need to be done prior to applying for a permanent SRV. This should be formalised quite early in 2024 and fortnightly meetings established shortly thereafter. Council and staff will need to be fully engaged on the task, flexible, strategic, and responsive for a future SRV to ultimately meet with approval by IPART.	Council appointed the University of Newcastle, led by Professor Joseph Drew, to assist with this work.	Adopted by Council April 2024.	Complete	

Tier	Recommendation	Staff comment (Apr 2024)	Council decision	Status (Sep 2024)	Status update - September 2024
SRV	76	The Councillors need to contemplate a revised strategy regarding the SRV that takes into consideration sophisticated, independent advice proximate to the application.	Council are considering all feedback from the temporary partial approval and will work on a revised application.	Adopted by Council April 2024.	Underway
SRV	77	The community has made it clear in the surveys that they want a future SRV to focus on (i) maintaining core infrastructure, (ii) improving financial sustainability, (iii) measuring and verifying goal setting, (iv) communicating in a way that responds – as far as practical – to community concerns, and (v) making a more accurate assessment of capacity to pay. We strongly recommend that Council takes note of the priorities of the community and tailors their approach to a SRV accordingly.	Council accepts this and will work on these areas as part of the application.	Adopted by Council April 2024.	Underway Plans for 2024/25 and future years focus on maintaining infrastructure and improving financial sustainability. This forms the basis of Council's planned SRV application to IPART. A more robust assessment of capacity to pay has been undertaken (refer recommendation 70).



FEDERATION
COUNCIL

THE HOUSEHOLDER
POSTAGE PAID AUSTRALIA

**DECEMBER 2023/
JANUARY 2024**



*Federation Council Councillors and staff would like to
wish you and your family a safe and happy Christmas
and New Year!*

www.federationcouncil.nsw.gov.au

URANA DISTRICT NEWSLETTER

CREATING OPPORTUNITY CELEBRATING COMMUNITY

URANA NEWSLETTER

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MAYORS MESSAGE



Dear Readers,

Welcome to the final edition of the Urana & District newsletter for 2023.

In this edition, we are pleased to share that Federation Council will host an exciting lineup of community events to illuminate the region this summer. They will shine a spotlight on the North of the Murray Region like never before. The North of the Murray Event Series will encompass five vibrant gatherings across four towns in the region, taking place from December 2023 to February 2024.

Council has received and noted the Independent Review report and recommendations from Professor Drew 'The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability' at the November Council Meeting. The report was commissioned by Council in June 2023, and after an expression of interest process, Council awarded a contract to the University of Newcastle, led by Professor Joseph Drew, to complete this work. Please read further information in this edition of the newsletter.

Also in this month's edition, we are pleased to present Council's Annual Report, invite Expressions of Interest for the Corowa Saleyards Canteen, share the opening dates of the Howlong, Urana and Oaklands Swimming Pools along with a reminder to enter the Light Up Federation Christmas lights and decorations competition.

Included in the newsletter are many valuable resources for residents and businesses, and updates on initiatives and projects where Council invite you to participate in or provide your feedback.

This newsletter provides us with the opportunity to engage in consistent communication with residents throughout our Local Government Area. Should you have any questions, please do not hesitate to get in touch Federation Council on P: 02 6033 8999 or via email council@federationcouncil.nsw.gov.au

On behalf of Councillors and staff, may I take this opportunity to wish you and your families a Merry Christmas and safe and happy New Year. I would also like to thank all contributors to this valued newsletter over the last 12 months.

Federation Council Mayor - Cr Pat Bourke.

EXTREME HEAT TIPS



With the weather heating up, Federation Council encourages residents and visitors to be aware and look after yourself, your family and pets by following these tips:

- Stay hydrated and drink enough water.
- Keep out of the heat, look for shade, wear a hat and try not to be outside during the hottest parts of the day (11am-4pm).
- Encourage people to look after themselves and keep an eye out for the young, elderly, neighbours and friends.
- Don't forget your pets and animals; ensure they have plenty of water and shade.
- Cool your home by closing the blinds in the morning before the sun gets hot.
- Never leave kids, adults or pets in hot cars, as the temperature can increase quickly.
- Council offices and libraries in Corowa, Howlong, Mulwala and Urana are air-conditioned and provide a cooler environment. Find opening hours and locations from Council's website.
- NSW Health - Staying healthy during extreme heat Information available from the NSW Health website.

- Follow NSW Rural Fire Service for updates and information.
- In an emergency ring 000.

INDEPENDENT REVIEW UPDATE – REPORT & RECOMMENDATIONS



Council noted Professor Drews report 'The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability' and recommendations at the November Council Meeting.

The report was commissioned by Council in June 2023, and after an expression of interest process, Council awarded a contract to the University of Newcastle, led by Professor Joseph Drew, to complete this work. The process commenced in July and has now finalised.

Council resolved to receive further reports regarding the consideration of implementation of the recommendations.

Download the report and recommendations from Council's website.

Community Meetings



Find out more!
www.federationcouncil.nsw.gov.au

Independent Peer Reviewed Business

Case Study of Federation Council



POSITIONS VACANT

Federation Council is committed to being a quality Council with a strong focus on the delivery of services that continually meet community expectations. If you are committed to excellent customer service, being a competent team player and have a focus on results orientation that drives strategic thinking and fosters a culture of innovation, learning and continuous improvement, then one of these opportunities is for you:

- Lifeguards
- Learn to Swim Instructor

A more detailed advertisement and position description can be obtained from Council's website. Emailing jobs@federationcouncil.nsw.gov.au or by phone on (02) 6033 8903.

PRE-LODGE MEETINGS FOR DEVELOPMENT REQUIRING CONNECTION TO THE WATER SUPPLY NETWORK - HOWLONG

The contract for water main upgrade works in Howlong to increase water supply and reliability was awarded earlier this year, with an anticipated completion date of December 2023. Given the timeframes for construction of developments and the likely timing for connections to the water supply network, Council wishes to advise that we can now schedule pre-lodgement meetings to discuss proposed development with a water demand greater than a 3 bedroom dwelling, or greater than 1 allotment. This includes residential, commercial and industrial developments.

A reminder to applicants that the information provided with applications for development with a water demand of greater than a standard 3 bedroom dwelling or greater than a single residential allotment (known as an Equivalent Tenement, or ET) needs to provide appropriate commentary in response to the requirements of Clause 7.9 Essential Services of Corowa LEP 2012 in their supporting Statement of Environmental Effects. It will not be acceptable to state only that urban services are available and can be connected. A more detailed calculation of the water demand from the development (calculated using the NSW Water Directorate Guidelines) must be provided. This will enable Council to avoid the over-allocation of the additional supply generated by the current water main works.

Requests for pre-lodgement meetings should be submitted online via the following link: www.federationcouncil.nsw.gov.au/Building-Planning/Building-Renovating/Booking-an-Inspection-or-Meeting

Please note that owing to significant resource constraints, we can only book meetings when staff are available to attend so delays may be experienced. We apologise for the delays, but we are currently prioritising reduction of the backlog of lodged applications throughout the local government area.

DRAFT INVESTMENT POLICY

The draft Investment Policy is now available on public exhibition for a period of 28 days. The draft policy outlines Council's framework to invest to gain favourable return on investments whilst having due consideration of risk and security and complying with legislative requirements. Council invites residents to review the draft policy and provide any feedback by 5pm, **Tuesday 3 October, 2023**. The draft policy is available for viewing from Council's website or at any Council office. Anyone interested in providing feedback on the policy should do so in writing, addressed to the General Manager, PO Box 77, Corowa NSW 2646 or email to council@federationcouncil.nsw.gov.au

FEDERATION COMMUNITY EXPO - SOMETHING FOR EVERYONE!

Whether you are new to the Federation Council area or a long-term resident keen to know more about what local community groups and organisations have on offer, everyone is invited to the Federation Community Expo on **Thursday 19 October**, from 5:30pm at Bangerang Park in Corowa. This is a free community event to showcase the organisations, clubs, groups, and service providers in the Federation Council area. It will include displays and interactive activities, food, giveaways and live music throughout the afternoon. Find out more from Council's website.

NOTICE OF PROPOSED DEVELOPMENT APPLICATIONS

In accordance with Council's Public Notification Policy regarding Development Applications, the following are hereby listed for public comment. Plans relating to these proposals are available for review from Council's website www.federationcouncil.nsw.gov.au

DA NO.	Address	Zoning	Proposed Work
2023/92	2 Marie Court Howlong	R1 General Residential	Shed
2023/150	31-35 Jude Street Howlong	R1 General Residential	Removal of existing dwelling & 2 carports

Any persons may make a submission on the proposal within a period of fourteen (14) days from the date of this notification.

Persons making a submission are required to comply with Section 147(5) of the Environmental Planning Assessment Act (Political Donations & Gifts Disclosure Statement). Forms are available from Council's administrative offices.

DEVELOPMENT CONSENTS

Public notice is given pursuant to Section 101 of the Environmental Planning and Assessment Act, 1979, that the Council has granted development consent in respect of the following developments. The consents are available for public inspection by contacting Council during business hours.

DA NO.	Address	Approved Work
2022/691	78 McCarthy Street Mulwala	Unmanned service station and signage
2023/52	241 Honour Avenue Corowa	2 lot subdivision

Federation Council advises that there are significant delays to all applications being lodged for each stage of the development process. Staff shortages, in conjunction with the increasing complexity of the NSW Planning Portal Processes required to be undertaken by Council has seen pre-lodgement assessment times increasing to 6-8 weeks and average determination times taking between 10-12 weeks. We ask you for your cooperation as Council officers concentrate on clearing the backlog of applications while maintaining all other legislated services.

2024 AUSTRALIA DAY AWARD NOMINATIONS

The annual Federation Council's Australia Day Awards honours and acknowledges individuals and groups who have made a noteworthy contribution during the current year and/or given outstanding service to the local community over several years. Residents are encouraged to consider who they believe makes a difference in their community, and nominate them to be recognised for their efforts and commitment. Online Nomination Forms are available from Council's website for the following categories:

- Citizen of the Year Award
- Young Citizen of the Year Award
- The Local Achiever Awards
- Community Group of the Year

Nominations are now open and close 5:00pm on **Monday 20 November 2023**. Find out more from Council's website.

ROAD WORKS - MELBOURNE STREET MULWALA

On behalf of Transport for NSW, Council has engaged a contractor to undertake it's heavy patching road works program on Melbourne Street Mulwala on **Tuesday 3 October** (weather permitting), as follows

- Between Bayly and Dunmore Street.
- Southbound Lane

So that the work can be completed, we request no on-street parking from 7.00am - 3.00pm. Road access will be temporarily closed at the Bayly street roundabout (Southbound lane) and local residents will be able to gain access to their properties through the roundabout at Inglis Street. We ask local motorists and residents to observe traffic/road work signage and take extra care when travelling near the area. Council thanks our community for your patience and cooperation while undertaking this work.

INDEPENDENT REVIEW UPDATE - PUBLIC MEETINGS

Council extends an invitation to its residents to attend upcoming public meetings in Corowa and Urana this October. The purpose of these meetings is for residents to receive an update on the Independent Review currently being undertaken by Professor Joseph Drew. These meetings will also provide ratepayers with the opportunity to provide valuable feedback in respect to this ongoing review.

At an extraordinary meeting on Friday, July 14, 2023 Council resolved to appoint the Institute for Regional Futures (University of Newcastle) to undertake an independent peer reviewed business case study on the financial sustainability of Federation Council and the advantages and disadvantages of amalgamation. An integral part of this project is to seek feedback from the community to accompany the findings that will be contained in the final report. Public meetings will be held on:

- **Monday 16 October** from 6.30pm-8pm at Club Corowa.
- **Tuesday 17 October** from 6.30pm-8pm at the Waterfront Pavilion Urana.

Find out more from Council's website.

STEM-TACULAR SCHOOL HOLIDAY PROGRAM

Federation Council is excited to offer a great program of activities for our young residents during the upcoming Spring school holidays. The 'Science, Technology, Engineering and Mathematics' themed activities will help develop problem solving, creativity, critical analysis and digital literacy skills.

- Corowa Aquatic Centre Superhero Costume Day, **Thursday 28 September**.
- Parallel Wilds, **Tuesday 26 to Thursday 28 September** at Gorman Park and the Yarrowonga Mulwala Golf Club Resort.
- Board Game Days, Urana Soldiers' Memorial Hall on **Wednesday 4 October** and at the Howlong Library on **Thursday 5 October**.
- Corowa Aquatic Centre Under the Sea Costume Day, **Thursday 5 October**.
- Video Game Tournament, **Friday 6 October** at the Corowa Library.

Bookings for some activities are required and further information is available from Council's website.

JACKIE MERCHANT - AUTHOR VISIT

Join Australian author Jackie Merchant as she introduces her three young reader novels at the Howlong and Corowa Libraries.

- Howlong Library, **Wednesday 11 October**, 5pm
 - Corowa Library, **Thursday 12 October**, 5pm & 7:30pm
- The novels include; The Promise Horse, The Pony Question and The Homecoming Horse.
Book your place today at your local library.

LABOUR DAY PUBLIC HOLIDAY

Federation Council offices, services and facilities will have altered operating hours for the Labour Day Public Holiday scheduled on **Monday 2 October, 2023**. Visit Council's website for more information. Federation Council Councillors and staff would like to wish you and your families a safe and happy Labour Day weekend.

FEDERATION COUNCIL

Corowa General Office

Civic Centre, 100 Edward Street, Ball Park
Monday to Friday 8.30am - 5.00pm

Phone (02) 6033 8999

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www.federationcouncil.nsw.gov.au

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FEDERATION
COUNCIL

THE HOUSEHOLDER
POSTAGE PAID AUSTRALIA

SEPTEMBER 2023



Federation Council officially welcomed chaperones and students from Miki City, Japan, Council's Sister City. See page 14-15 for more info and pics from this amazing trip.

www.federationcouncil.nsw.gov.au

URANA DISTRICT NEWSLETTER

CREATING OPPORTUNITY CELEBRATING COMMUNITY

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MAYORS MESSAGE



Dear Readers,

Welcome to the September edition of the Urana District Newsletter for 2023.

In this edition, we are pleased to advise that the Community Grants Program Round One is now open to Friday 8 September, the Bald Archy exhibition will be available from the Corowa Art Space from Friday 8 September and we announce our Spring School Holiday program.

Also in this month's edition, we share information about the official opening of the Waterfront Pavilion Urana, successful hosting of the Miki City delegation from Japan, Apex Park Mulwala upgrades, Scam Awareness Workshops and lots more.

It was fantastic to see the community came together on Friday, September 1 to celebrate the official opening of the Waterfront Pavillion. Urana is blessed with this beautiful multipurpose complex, purpose built to hold events and celebrations including milestones, weddings, reunions and other occasions. I couldn't be happier of what our community has achieved in the delivery of this building. This project is a credit to everyone involved and I would like to thank each and every one of you who have supported the vision.

Until next time, be kind to yourselves and one another.

Federation Council Mayor - Cr Pat Bourke.

SCAM AWARENESS WORKSHOP

Federation Council invites you to attend free Scams Awareness Workshops being presented by Michael Palmer, Community Ambassador, nbn Local.

You will learn about:

- Main types of scams
- Most susceptible groups
- What to look out for
- How to protect yourself

The workshops will be held at your local library as follows;

- Wednesday 13 Sept - Howlong 10.30am & Corowa 1pm
- Wednesday 27 Sept - Mulwala 10.30am & Corowa 1pm

The duration of each workshop is approximately one hour and will include time for questions.

Please book at your local library.

INDEPENDENT PEER REVIEWED BUSINESS CASE STUDY OF FEDERATION COUNCIL

Council has resolved to appoint the Institute for Regional Futures (University of Newcastle) to undertake an independent peer reviewed business case study on the financial sustainability of Federation Council and the advantages and disadvantages of amalgamation.

Professor Joseph Drew has prepared a series of videos to provide ongoing updates to the Federation community as the review progresses. Community members are encouraged to engage in

this project. View the videos and more information about the review on Council's website.

COUNCILLOR BUS TOUR



Pictured above with Council staff are Cr David Longley, Cr Rowena Black, Cr Aaron Nicholls, Cr David Fahey, Cr Sally Hughes and Cr Shaun Whitechurch.

Council staff recently hosted their third annual Councillor Bus Tour which involved Councillors and staff travelling throughout our Local Government Area to view various rural roads, landfills, Special Rate Variation projects and villages.

This tour is vital to determine future funding priorities for Federation Council and gather first-hand information for Councillors to lobby other tiers of government for appropriate grant funding for the benefit of our diverse communities.