



**Gunnedah Shire Council
Cost Containment and
Productivity Report
January 2025**

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Executive Summary

Should Gunnedah Shire Council (GSC) decide to make a Special Rate Variation (SRV), Council's IP&R documents or Council's SRV application must explain and quantify the productivity improvements and cost containment strategies Council has realised in past years and plans to realise over the proposed SRV period.

Councils should present their productivity improvements and cost containment strategies in the context of ongoing efficiency measures and indicate if the estimated financial impact of the ongoing efficiency measures has been incorporated in the Long Term Financial Plan (LTFP).

Should Council decide not to make an SRV, the review of Council's operations becomes even more time critical to lessen the impact on service levels if there is a reduction in Council's available resources.

The full report provides detailed outline of the following items:

1. **What is Council's strategic approach to improving productivity in its operations and asset management?**
2. **What outcomes has Council achieved from productivity improvements and cost containment strategies in past years?**
3. **What productivity improvements and cost containment strategies are planned for future years?**
4. **How has Council's levels of productivity and efficiency changed over time, and compared to similar councils?**

A summary of Council's response to each of these items is:

#	Question	Summary Response
1	What is Council's strategic approach to improving productivity in its operations and asset management?	<ul style="list-style-type: none"> • Long-term financial sustainability based on service levels that provide a good quality of life for the residents, ratepayers and visitors of the Gunnedah Shire, • A continuous improvement approach to achieving operational efficiencies and maximising the use and flexibility of Council's resources, • An engaged community that understands the service levels Council can provide with the available resources, • A planned and resourced service review program, • A detailed approach to asset management, and • A collaborative approach to solutions working with other councils and private sector organisations to maximise the efficiency of Council's operations.
2	What outcomes has Council achieved from productivity improvements and cost containment strategies in past years?	<ul style="list-style-type: none"> • Seven (7) direct cash saving activities resulting in: <ul style="list-style-type: none"> ○ 402,500 in one-off savings, and ○ 243,874 in annual recurrent savings • 44 efficiency gain initiatives, including improved maintenance of unsealed roads noted as a high priority service by the community

#	Question	Summary Response
3	What productivity improvements and cost containment strategies are planned for future years?	<p>Strategic and tactical improvements include:</p> <ul style="list-style-type: none"> • Review of vacant positions • Review of new revenue opportunities • Continuation of the Council service review program. <p>Specific projects planned for future improvements include:</p> <ul style="list-style-type: none"> • Improved asset management systems and processes <ul style="list-style-type: none"> ○ Conduct and implement asset condition assessments and data improvement for more efficient financial management and improved understanding of asset performance and to provide forward works plans for inclusion in future budgets ○ Road reclassifications to transfer management to the NSW State Government ○ Activation and maximising the utilisation of assets e.g. quarries ○ Building relationships with new business partners such as the Koala Sanctuary operator • Improved customer service systems and processes <ul style="list-style-type: none"> ○ Improved response timeliness to customer requests ○ Review the community engagement website for usability, cost efficiency and integration ○ Implementation of a new customer service request system replacing a system that is at end-of-life • Upgraded website <ul style="list-style-type: none"> ○ Improved external communications • Review cost saving opportunities, including savings that may be gained through reduced energy costs • Betterment: improved unsealed cross-road drainage infrastructure through securing grant funding in lieu of Council funding
4	How has Council's levels of productivity and efficiency changed over time, and compared to similar councils?	<p>Over the last 10 years there has been an increase of 51 Full Time Equivalent positions (FTEs). Most of this increase is attributed to the growth of the GoCo aged care provider business unit. GoCo is fully self-funded and makes a contribution towards the internal services that provide support services.</p> <p>Most of the additional FTEs are also fully funded by grants. As an example, from 2023/24 to 2024/25 there was an overall increase of 8.49 in "indoor" FTEs, of which all but two are grant funded. By growing the GoCo business, Council was also able to provide a greater level of community service to a vulnerable section of the community and created greater economy of scale within the corporate services support areas.</p> <p>As outlined in section 7.2.2, Council has made significant efficiency gains in recent years, with \$402,500 in one-off savings, \$243,874 in annual recurrent savings, and 44 process improvements and efficiency gains. All these gains were absorbed by inadequate rate peg increases, increased compliance costs and cost shifting imposed on Council during the same time. As Council has not had sufficient funding for asset renewal in recent years, many recent gains have been diverted to this essential funding requirement.</p> <p>With the implementation of Council's service review program and internal audit program, Council will continue to make operational improvements,</p>

#	Question	Summary Response
		<p>efficiency gains and reduce operational risks that will improve Council's operations into the future.</p> <p>Comparative FTE data demonstrates that Council is operating as efficiently as similar-sized councils within its comparative group of "large rural councils" and has a low level of expenditure on "Governance & Administration" compared with the State Average.</p>

7.2.1 What is Council's strategic approach to improving productivity in its operations and asset management?

Council has made significant efforts to improve operations and deliver services to the community without increasing rates above the rate peg over many years.

Council's strategic approach to achieve a financially sustainable future is as follows:

- Long-term financial sustainability based on service levels that provide a good quality of life for the residents, ratepayers and visitors of the Gunnedah Shire,
- A continuous improvement approach to achieving operational efficiencies and maximising the use and flexibility of Council's resources,
- An engaged community that understands the service levels Council can provide within the available resources,
- A planned and resourced service review program,
- A detailed approach to asset management, and
- A collaborative approach to solutions working with other councils and private sector organisations to maximise the efficiency of Council's operations.

GSC last undertook an SRV in 2012/13 and in the years since that SRV, Council has continued to make efficiency gains and absorb newly added costs to Council without seeking to raise rates. There have been:

- multiple restructures,
- changes to functions,
- where appropriate, reduce service levels driven by resource constraints,
- the implementation of reviews driven by the audit, risk and improvement committee,
- the development of formal service review program,
- review of procurement processes,
- undertaking organisational structural changes to align skills and qualifications of employees to better align with service delivery and organisational requirements,
- opportunities to redeploy and internally transfer employees in consultation with employees,
- review of IT opportunities to realise efficiency gains,
- review of assets that can be sold or disposed of to reduce operational costs,
- review avenues for increased revenue via operations; an example of this includes the increased scale of the GoCo operations,
- review strategies and business plans of Council's commercial business units,
- undertook a major review of all fees and charges,

- investigated further opportunities for economies of scope (shared services); an example of this is the shared agreement with Liverpool Plains Shire Council regarding economic development,
- development of budget management, project management and business planning systems and skills.

Improved Asset Management

GSC is currently rebuilding and addressing key gaps in its asset management plans and framework. Council is working with an external partner to bring its asset management plans up to date and ensure appropriately skilled staff can successfully perform strategic asset management functions as well as creating an environment to improve asset management processes and software improvements based on quality data.

A significant improvement is being made through:

- the integration of infrastructure and finance functions which will reduce double handling of asset data, reduce errors and allow for better prioritisation of works,
- Conduct and implement asset condition assessments and data improvement for more efficient financial management and improved understanding of asset performance and to provide forward works plans for inclusion in future budgets,
- Road reclassifications to transfer management to NSW State Government,
- Activation and maximise the utilisation of assets e.g. quarries, and
- Building relationships with new business partners such as Koala Sanctuary operator to utilise our assets.

7.2.2 What outcomes has Council achieved from productivity improvements and cost containment strategies in past years?

Council has a focus on continuous improvement and works hard to keep costs under strict control.

Council has introduced a formal program of service reviews to improve operations and maximise the use and efficiency of Council's resources. Council's Service Review Framework sets out a program that covers an eight (8) year period and covers service reviews over 25 distinct review areas further compromised of a number of functions, which highlights the diversity of Council's service portfolio.

Council has made numerous productivity gains over recent years, some of which resulted in cash savings whilst others resulted in efficiency gains.

Recent productivity gains resulting in actual cash savings have included:

Productivity Improvement – Cost Savings	One-off	Ongoing
Savings in the internal audit program		\$26,000
Insurance savings (excluding workers compensation)		\$130,000
LED Street Lighting savings		\$64,613
Obtained external grant to upgrade IT system in lieu of IT funds	\$80,000	
Obtained external grant to undertake review of Development Control and S7.12 Plans in lieu of utilising Planning funds	\$202,500	
Obtained external grant to upgrade customer service request system in lieu of IT funds	\$120,000	
Sewerage Treatment Plant solar system		\$23,261
Total	\$402,500	\$243,874

Productivity Improvement – Efficiency gains	One-off	Ongoing
Service Review - Parks & Gardens		√
Service Review - Unsealed Roads		√
Procurement - Panel tenders and government contracts are used to streamline procurement costs	\$17,000 / tender	√
Printing - Introduced dual screens for all staff to improve productivity, reduce printing costs and rationalised printers resulting in lower electricity costs		√
Office Space - Rationalised underutilised office space in the former Ace building to relocate staff to avoid incurring costs on staff accommodation		√
Asset Management - Implemented Assetic software system to replace end-of-life asset management software, streamline asset data capture and reporting, enable Council to improve asset management practices and remove significant risks of data loss and errors		√
Governance - Implementation of Resolve meeting agenda software in 2023 resulting in significant time savings for administrative and executive staff and reduced risk of manual handling errors		√
Information Technology - Developed an in-house project portal to track all projects within Council (170 projects in 2024/25) and provide reporting		√
Information Technology - Implemented Office 365 in 2023/24 enabling access to improved functionality and time savings		√
Information Technology - Upgraded Civica system in 2023/24 enabling access to improved functionality		√
Finance - Digitised the daily bank reconciliation process reducing printing costs, saving time and reducing the risk of errors		√
Finance - Digitised the accounts payable process reducing printing costs, saving time and reducing the risk of errors		√
Finance - Digitised and streamlined the external audit process reducing printing costs, saving time and reducing the risk of errors		√
Finance - Streamlined the direct debits process to reduce the frequency of payment runs and authorisations processed by multiple staff		√
Finance - Implemented e-notices offering digital rates and water bill delivery and reducing postage costs		√
Finance - Implemented budgeting at resource level in 2023/24 enabling detailed review of actuals to budget and more accurate identification of budget variances		√
GoCo - Implemented Essendex – automated text message reminders and notifications to clients – reduced the number of phone calls into the office		√
GoCo - Changed the work order system – we used to have a work order for every individualised package client, now we have one WO for the funder		√

Productivity Improvement – Efficiency gains	One-off	Ongoing
GoCo – streamlined Purchase order process to now do 1 purchase order per contractor. Significantly reduced the amount of purchase orders to be processed.		√
GoCo - Streamlined the process for reviewing low level clients care needs. Time reduced from up to 2 hrs to 20-45 minutes per client. This is a significant time saving with a client base of 600.		√
Library - Sourcing library fiction book buying from lower cost suppliers		√
Parks & Gardens - SR - GPS line marking		√
Parks & Gardens - Implementation of loader and bucket attachment to reduce downtime in moving headstones, allowing those gained hours to be utilised in the maintenance of public facilities. Additional benefit via reduced exposure to WHS risk and possible MTI or LTI costs as a result.		√
Parks & Gardens - Infrastructure Staff Restructure, including remuneration and staff training considerations to be consistent with other similar roles in other operational business units.		√
Parks & Gardens - Automating several irrigation systems as resources allow.		√
Parks & Gardens - Increased use of herbicide to reduce whipper snipping requirements.		√
Parks & Gardens - Use of plant growth regulator in line marking paint and other areas.		√
Parks & Gardens - Use of pre-emergent to slow weed growth and reduce maintenance.		√
Parks & Gardens – Collaboration with Progress Associations in lieu of Council staff delivering works in remote locations.		\$38,985
Planning - Subscribed to CIBIS for integration with NSW ePlanning Portal, so that new applications are automatically created in Authority and data from the portal is automatically copied across reducing manual tasks for planning staff.		√
Planning - Added DA-Tracking as online option for exhibition of development applications saving printing of documents for public exhibition.		√
Planning - Subscribed to Objective Trapeze reducing time spent on development and CDC determinations, as well as informal property accesses (approximately 15 minutes per round of stamping saved)		√
<p>Unsealed Roads - Transitioning from five dry grading crews to three grader, roller and water cart crews which deliver a more effective compaction service.</p> <p>Each crew covers about one third of the total unsealed road network and Council estimates a full maintenance cycle is conducted across the entire network once every two years. Each crew is responsible for approximately 355km of unsealed road length and this is at the upper end of the industry average of 300-350km of road length per crew.</p> <p>The compaction method delivers the following benefits over dry grading:</p> <ol style="list-style-type: none"> 1. It compacts the material forming the road and less of the road is lost to dust or pushed off the road into drains or road reserve by heavy vehicles; 		√

Productivity Improvement – Efficiency gains	One-off	Ongoing
2. It reforms the road and, unlike dry grading, does not create a lip on the edge of the road, which leads to water being trapped on roads and not flowing off during rain events; and 3. It builds up the road surface, unlike dry grading, and leads to better condition over time.		
Unsealed Roads - Improving Gravel haulage practices by using the number of trucks required to match the production rate of the grader.		√
Unsealed Roads - Improved Quarry Practices by drill, blast crush in big production runs to reduce unit rate cost and improve quality (no more raw ripped material being used on roads).		√
<p>Unsealed Roads - The change in haulage practices and use of processed gravel took our gravel re-sheeting program from being a 6-month program to a 2-month program for the same outcomes.</p> <p>This has enabled one crew an additional four months to spend on maintenance grading. As each crew is covering approximately 177km per year this equates to an additional 59km per year in unsealed road maintenance grading able to be carried out as a result of these changes.</p> <p>In dollar terms, it is an estimated \$333,333 productivity improvement being one third of the cost of one crew. This has been reinvested back into the unsealed road maintenance program by way of an increased service level (i.e. more road maintenance grading) than would otherwise have been possible.</p>		\$333,333
<p>Unsealed Roads - Sealed over 60km of the unsealed road network.</p> <p>Benefits include increased safety for the travelling public and improved economic outcomes are provided by sealed roads by way of access to properties and transport of livestock and rural produce. Combined with the high level of mining activity in the region these roads are also heavily used by employees and contractors travelling to work sites.</p> <p>Council also has a reduced maintenance requirement on these roads as sealed roads. While sealed roads still require funding to maintain them, the high traffic nature of these roads meant that Council was needing to conduct a high level of maintenance grading on these roads.</p>		√
Unsealed Roads - Moved to a condition-based program and changing techniques to maximise the longevity of the road following maintenance works.		√
Water Services - Undertaking in-house bulk water meter replacement program in 2024 with IT developing in-house meter replacement mapping (avoided higher cost outsourcing option).		√
Library - Book Buddies (formerly Toddler time) three times a week – same theme, same titles - but different people each day - so building up a steady clientele of people – no additional resources necessary		√
Library - Brain training @ the library – compiled by staff using cost free resources – over 40 participants a week – two sessions at the library, one at the retirement village presented by a volunteer, delivered to housebound residents including nursing homes		√

Productivity Improvement – Efficiency gains	One-off	Ongoing
Library - 1000 books before school – initiated 2013/2014 in Gunnedah using no additional resources		√
Library - Shop bound library services – initiated in 2013/2014 using no additional resources		√
Infrastructure – North West Weight of Loads Committee – Eight North West councils share a service to regulate heavy vehicle loads as per the Heavy Vehicle National Law and Regulations		√

7.2.3 What productivity improvements and cost containment strategies are planned for future years?

Council will continue to apply a continuous improvement approach to its operations.

The planned improvements for the future include:

- Review of vacant positions
- Review of new revenue opportunities
- Continuation of the Council service review program.

Specific projects planned for the future improvements include:

- Improved asset management systems and processes
 - Conduct and implement asset condition assessments and data improvement for more efficient financial management and improved understanding of asset performance and to provide forward works plans for inclusion in future budgets
 - Road reclassifications to transfer management to NSW State Government
 - Activation and maximising the utilisation of assets e.g. quarries
 - Building relationships with new business partners such as the Koala Sanctuary operator.
- Improved customer service systems and processes
 - Improved response timeliness to customer requests
 - Review the community engagement website for usability, cost efficiency and integration
 - Implementation of new customer service request system
- Upgraded website
 - Improved external communications
- Review cost saving opportunities
 - Council has a Renewable Energy Plan that provides a range of options being considered where council would make investments that will lead to savings and/or operational improvements including investment in solutions to reduce future energy costs such as:
 - Solar
 - Battery storage,
 - Replacement of devices with lower energy usages.
 - Council has applied for funding under the Federal Government’s Community Energy Upgrade Fund (requiring 50% co-contribution) to deliver some of these projects, noting that the up-front cost of these projects is currently beyond Council’s financial capacity.
- Betterment – Unsealed Cross-Road Drainage Improvements
 - Council has recently secured of \$1,012,000 in NSW Government “betterment” funding and \$729,000 in NSW Government “NSW Severe Weather & Flood Grant” totalling \$1,741,000 to be directed towards cross-road drainage upgrades. The Betterment project will provide funding for the upgrade of at least ten (10) locations on unsealed roads within the Gunnedah Shire. The

scope of works includes replacing unsealed gravel road causeways with concrete causeways (including one concrete replacement and one extension). Benefits include:

- The new causeways will not be subject to washing out and repetitive reconstruction: they will be more resilient to the effects of storm water flows crossing the road,
- Residential and business users of the roads will not be affected by closures of the roads once the water recedes to a minor depth,

Council will not need to conduct reactive maintenance at these sites when it floods once the drainage upgrades are in place. As a result, Council will gain approximately 30 days of time back for one maintenance grading crew, being 10 sites attended to three times per year. This would equate to a productivity saving of approximately \$120,000 per annum, and would be reinvested back into the unsealed road maintenance program by way of an increased service level (i.e. more road maintenance grading) than is otherwise possible.

Estimated Financial Impact

As part of the proposed SRV, Council is also targeting to achieve \$930,000 in savings by 2028 with a report to Council by May 30th annually during this period.

Whether or not this is achievable will be assessed as Council implements the measures outlined above.

It is also likely that a significant portion of any gains will be in efficiency gains rather than direct cash savings and a portion is also expected to be required to deal with future cost shifting and unknown increases, the full amount of savings that could be allocated to asset renewals will be determined as a part of each year's operational plan development.

Are these savings incorporated into Council's Long Term Financial Plan?

No, until there is a high level of confidence in achieving these savings, they have not been included in Council's Long Term Financial Plan. It is expected that, in order to achieve a savings level of this quantum, some proposals for savings may result in a reduction in service levels, which would require consultation with both the Council and community.

Given most of the savings are expected to efficiency gains rather than direct cash savings, any cash savings will be included in future LTFP's once savings levels are identified with a >50% level of confidence.

Service Review Program

Council's Service Review Framework sets out a program that covers an eight (8) year period and covers service reviews over 25 distinct review areas further compromised of a number of functions, which highlights the diversity of Council's service portfolio. The Service Review Program is outlined below.

DIRECTORATE	DEPARTMENT	BUSINESS UNIT & SERVICES	SERVICE REVIEW COMBINATION	TYPE OF REVIEW	PROGRAM YEAR	REVIEW YEAR	COMPLETED
Office of the General Manager	People and Culture	People & Culture	Recruitment, On & Off boarding Learning & Development Related HR services	Standard	Year 6	2028/29	
			Workplace, Health and Safety	Standard	Year 7	2029/30	

DIRECTORATE	DEPARTMENT	BUSINESS UNIT & SERVICES	SERVICE REVIEW COMBINATION	TYPE OF REVIEW	PROGRAM YEAR	REVIEW YEAR	COMPLETED						
GoCo Services	GoCo	Commonwealth Home Support Program Community Transport GoCo Care Finder GoCo Packages	Whole of Service	In-depth	Year 8	2030/31							
Corporate Services	Customer and Information Services	Communications Customer Service Geographic Information Systems Information Technology Records Management	Communications Customer Service Geographic Information Systems Information Technology Records Management	Standard	Year 3	2025/26							
								Financial Services	Employee Oncosts Financial Management General Purpose Revenue Loans Rates	Whole of Service	Standard	Year 5	2027/28
	Governance and Legal	Governance	Whole of Service	Standard	Year 6	2028/29							
	Infrastructure Services	Engineering Services	Assets Design Engineering Services Management Quarry Operations	Assets Design Engineering Services Management Quarry Operations	Standard	Year 4	2026/27						
Plant and Building Services Public Facilities									Commercial Property Community Housing Emergency Services - RFS, SES, Fire & Rescue Fleet Public Halls and Centres Public Facilities Management Stores	Commercial Property Community Housing Emergency Services - RFS, SES, Fire & Rescue Fleet Public Halls and Centres Public Facilities Management Stores	In-depth	Year 4	2026/27
		Fleet Plant Stores	Fleet Plant Stores	Standard	Year 5	2027/28							
								Airport Caravan Parks and Camping Grounds					
Parks and Gardens		Parks and Gardens	Parks and Gardens	Parks and Gardens	In-depth	Year 1	2023/24	Nov 2023 (Doc Set ID 2126646)					

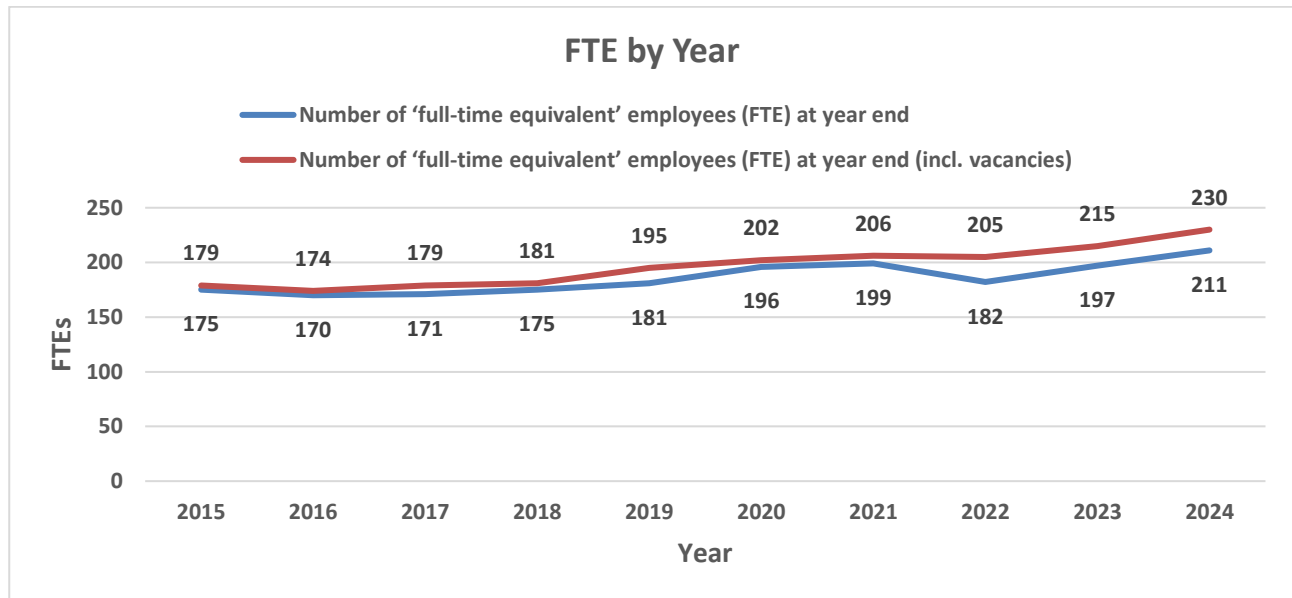
DIRECTORATE	DEPARTMENT	BUSINESS UNIT & SERVICES	SERVICE REVIEW COMBINATION	TYPE OF REVIEW	PROGRAM YEAR	REVIEW YEAR	COMPLETED	
		Cemeteries Noxious Weeds Parks and Gardens Public Facilities Management Sporting Grounds Swimming Pools	Caravan Parks/Camping grounds Cemeteries Sporting Grounds Swimming Pools	In-depth	Year 2	2024/25	Commenced December 2024	
	Water and Wastewater Services	Curlewis Water Gunnedah Water Mullaley Water Tambar Springs Water Gunnedah Sewer Curlewis Sewer	Whole of Service	In-depth	Year 8	2030/31		
	Works		Bridges	Rural Sealed Roads	In-depth	Year 3	2025/26	
			Bus Shelters	Bridges	In-depth	Year 7	2029/30	
			Car Parks	Unsealed Roads	In-depth	Year 1	2023/24	Apr 2024 (Doc Set ID 2293342)
			Footpaths and Shared Pathways	Stormwater	In-depth	Year 7	2029/30	
			Kerb and Gutter					
			Private Works					
	Regional Roads	Rural Sealed Roads Rural Unsealed Roads State Roads Stormwater Street Cleaning Street Lighting Urban Streets	Street Cleaning Street Lighting Urban Streets Bus Shelters	Standard	Year 2	2024/25	Commenced December 2024	
	Community and Development	Community Safety	Animal Control Compliance Local Emergency Management Parking Control	Whole of Service	Standard	Year 6	2028/29	
Building and Strategic Projects		Building Control Environmental Management Public Health	Whole of Service	In-depth	Year 3	2025/26		
Development and Planning		Development and Planning						

DIRECTORATE	DEPARTMENT	BUSINESS UNIT & SERVICES	SERVICE REVIEW COMBINATION	TYPE OF REVIEW	PROGRAM YEAR	REVIEW YEAR	COMPLETED
	Economy and Growth	Economy and Growth Mgt	Economy and Growth Mgt	Standard	Year 4	2026/27	
		Arts, Culture and Events	Arts, Culture and Events				
	Cultural Precinct	Cultural Precinct					
	Economy and Growth	Gunnedah Koala Sanctuary	Gunnedah Koala Sanctuary	Standard	Year 5	2027/28	
Library Services		Library Services					
	Waste Management	Waste Management	Whole of Service	In-depth	Year 8	2030/31	

7.2.4 How has Council's levels of productivity and efficiency changed over time, and compared to similar councils?

Employee Numbers

Council's Full Time Employee (FTE) numbers have increased over time as shown by the below graph.



Over the last 10 years there has been an increase of 51 FTEs (including vacancies). Most of this increase (around 18 FTEs) is attributed to the growth of the GoCo aged care provider business unit, which currently has 31 FTEs. GoCo is fully self-funded and makes a contribution towards the internal services that provide support services.

Many of the additional resources are also fully funded by grants. As an example, from 2023/24 to 2024/25 there was an overall increase of 8.49 "indoor" FTEs. This is mainly made up of:

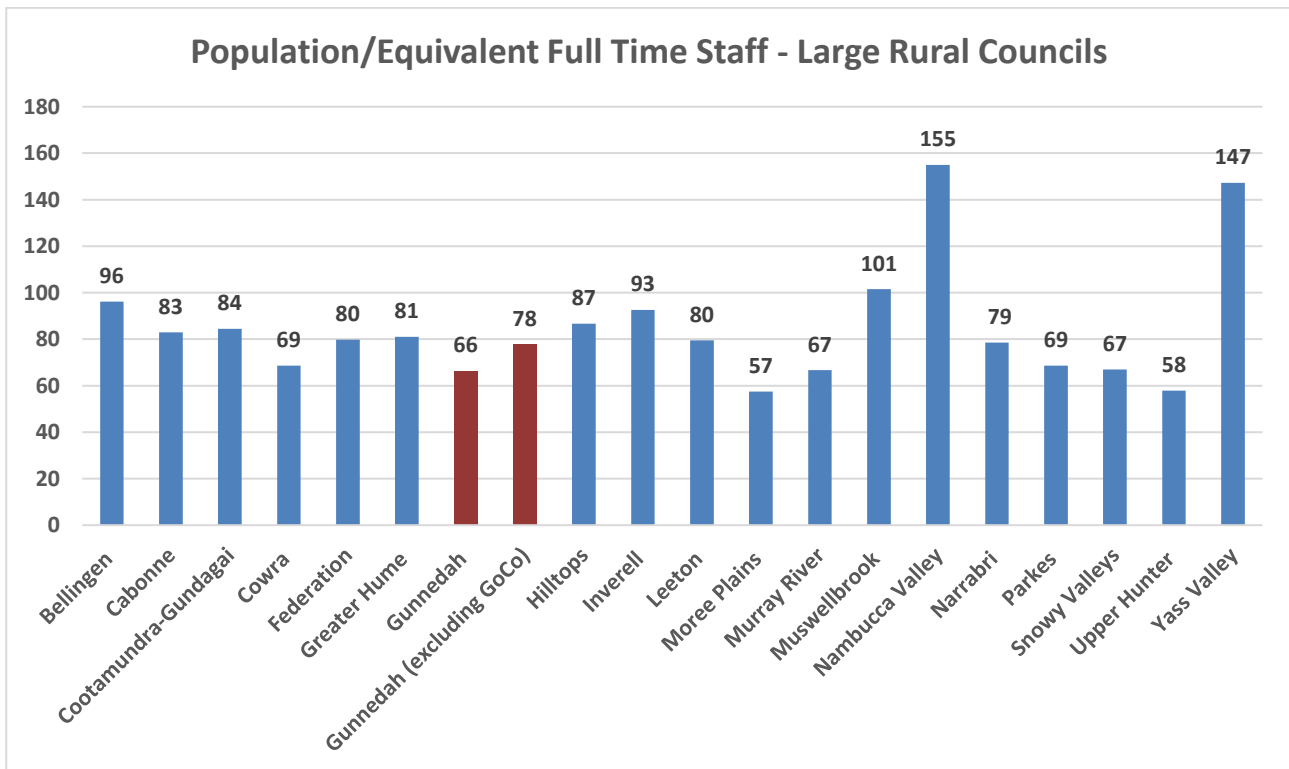
- 2.29 additional GoCo FTE (fully funded within business unit)
- 1 additional FTE in works (Assistant Works Manager)
- 1 additional FTE in Compliance (Grant funded Community resilience Officer that is subject to external funding), and
- 4 additional FTEs for project managers (that will be fully costed to capital works).

It is also important to recognise that attracting and retaining staff is an increasingly difficult task and the use of contractors is required to address the gap between funded and filled positions to ensure Council continues to meet its statutory obligations and deliver services to the community. Outsourcing work can be effective but contractors must also make a profit so often they are not a cheaper alternative to using Council labour.

2022/23 Council Comparisons

Comparative data is available for the 2022/23 financial year, being the latest available information compiled by the NSW State Government for all councils.

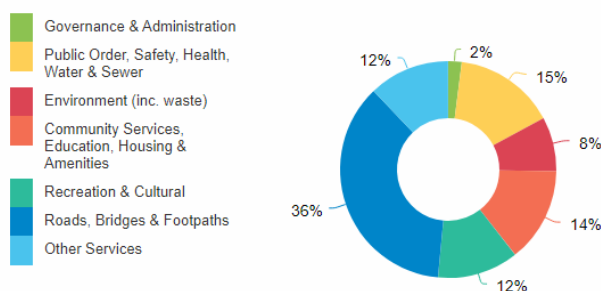
In 2022/23 Council was servicing 66 people for every 1 FTE. Excluding GoCo, which is considered to be a unique service as it operates both within and outside the local government area, this rises to 78 people for every 1 FTE. The graph below shows a comparison of population per FTE for all councils in "Group 11 – Large Rural Councils".



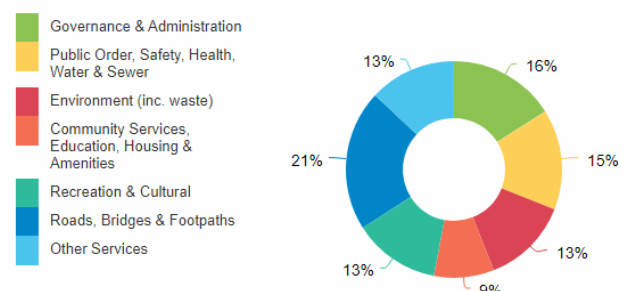
What is not factored into the comparison above is the level of in-house service delivery. All councils deliver services differently and will often contract out services such as: management of aquatic complexes, maintenance of parks and reserves, general maintenance of buildings, management of landfills and transfer stations, management of animal impound facilities and management of IT systems. GSC delivers all of these services in-house.

The “Your Council” web page ([Gunnedah - Your Council NSW](#)) shows that for the 2022/23 financial year, Council’s spend on Governance & Administration was low at 2% compared to the state average of 16%.

Council Expenditure on Services (%)



State Average Expenditure on Services (%)



Per capita, Council spent \$97.92 on Governance & Administration in 2022/23 compared to the group average of \$532.07.

As outlined in section 7.2.2, Council has made significant efficiency gains over the past years, with:

1. \$402,500 in one-off savings,
2. \$243,874 in annual recurrent savings, and
3. 44 process improvements and efficiency gains.

All these gains were absorbed by inadequate rate peg increases, increased compliance costs and cost shifting imposed Council during the same time. As Council has not had sufficient funding for asset renewal in recent years, many recent gains have been diverted to this essential funding requirement.

By growing the GoCo business, Council was also able to provide a greater level of community services and created greater economy of scale within the corporate services area reducing the general rate contribution required for internal services.

With the implementation of Council's service review program and internal audit plan, Council will continue to make operational improvements, efficiency gains and reduce operational risks that will improve Council's operations into the future.

Gunnedah Shire staff will continue to collaborate with other councils to achieve best practice at a functional service level.

Cost Shifting

In 2021-22 Council had an estimated \$2.4 million in additional operational costs relating to cost shifting. Subsequently, additional costs have been incurred from a range of increased regulation on activities including:

- Increased costs for the local government election process (was previously run in-house by Council but we are now required to use contractors)
- external audit costs have significantly increased
- emergency services levy has increased
- cyber security (essential 8) compliance requirements have increased resulting in increased costs
- asset management requirements have increased resulting in increased costs
- Council now has increased crown land management and native title assessment responsibilities resulting in increased costs well in excess of any grant funding made available when some of these responsibilities transferred

The above list is not exhaustive but provides an indication of the constantly increasing nature of costs associated with increasing regulatory requirements faced by local government.