

## Template 3

# Rural Council Proposal



# Getting Started

Before you commence this template, please check the following:



You have chosen the correct template – only councils in Group C in the final report of the Independent Panel or that meet the Rural Council characteristics (and do not wish to complete template 1 or 2) should complete Template 3.



You have read a copy of the guidance material for Template 3 and instructions for completing each question.



You have completed the self-assessment of your performance, using the tool provided.



You have completed any supporting material and prepared attachments for your Proposal as PDF documents. Please limit the number of attachments and ensure they are directly relevant to your proposal. Specific references to the relevant page and/or paragraph in the attachments should also be included.



Your Proposal has been endorsed by a resolution of your council.

# Section 1: About your council's proposal

## Council details

Council name:

Hay Shire Council

Date of Council resolution  
endorsing this submission:

23/6/2015

### 1.1 Executive summary

*Provide a summary (up to 500 words) of the key points of your Proposal including current performance, the issues facing your council and how adopting the Rural Council and other options in your Proposal will improve your council's performance against the Fit for the Future measures.*

Council is pleased to provide this proposal which has been formulated in house by Council Staff and Councillors in consultation with the Community. The ILGRP recommendation for Hay Shire Council was Group C Rural Council in Murrumbidgee JO and whilst Council did explore other options it is this recommendation that forms the basis of our proposal.

The Hay Community is currently going through a period of growth with the local economy rebounding strongly largely due to the expansion of the Cotton industry to the district and a large growth in tourism. Council has been a significant factor in both of these areas particularly tourism, where there has been a strong commitment from Council to grow and expand the industry. These are excellent examples of where Hay Shire as a Rural Council is well placed to represent our community. It is also pleasing to note in our recent community survey that 74% of respondents indicated that Council was very important to them.

Elsewhere in this report it is detailed how our infrastructure assets are in good condition with a very small backlog and strong community support for our infrastructure service provision. Indeed our Customer Request System shows very few complaints around infrastructure service levels.

As a Rural Council, Hay Shire Council is acutely aware of the challenges it faces and is already well progressed in adapting and changing to meet new requirements and demands. This proposal outlines a number of improvement strategies to make us fit for the future.

The process around preparing this proposal has been beneficial in not only requiring a plan to make real change and improve, but also a detailed analysis of where we are and how we are performing now. It is our belief that Hay Shire Council is fit for the future as a rural Council, we have demonstrated in recent years that we are prepared to adapt and change and that we have a good culture of performance and Governance. Council already has a number of resource sharing arrangements in place with other Council which are already producing savings and increasing capacity.

This proposal indicates an improvement in most of our benchmarks which occur for a variety of reasons from a SRV application, further savings in employee costs, re-assessment of asset measurement methodology, service reviews and business process analysis as well as the expansion in the use of technology. Further details of these strategies are outlined in a separate annexure.

Council is confident that the strategies outlined in this report combined with our past performance and current sustainability, efficiency, infrastructure and service management position make us Fit for the future as a Rural Council. The recently completed Promoting Better Practice Review of Hay Shire Council which is attached supports this view.

## 1.2 Scale and capacity

Did the Independent Local Government Review Panel identify the option that your council become a Rural Council?

*(i.e. your council was identified in Group C or B of the Panel's final report)*

**Yes**

If the Panel identified an alternative preferred option for your council, have you explored this option?

*(Group C Councils should answer 'NA')*

**NA**

## 1.2 Scale and capacity

Please demonstrate how your council meets the following characteristics of a Rural Council (optional if a Group C council).

Rural Council Characteristic	Your council's response
1. Small and static or declining population spread over a large area	
2. Local economies that are based on agricultural or resource industries.	
3. High operating costs associated with a dispersed population and limited opportunities for return on investment.	
4. High importance of retaining local identity, social capital and capacity for service delivery.	
5. Low rate base and high grant reliance.	

6. Difficulty in attracting and retaining skilled and experienced staff.	
7. Challenges in financial sustainability and provision of adequate services and infrastructure.	
8. Long distance to a major or sub-regional centre.	
9. Limited options for mergers.	

## Section 2: Your council's current position

### 2.1 Key challenges and opportunities

Explain the key challenges and opportunities facing your council through a SWOT analysis.

*(You should reference your Community Strategic Plan and any relevant demographic data for this section)*

#### Strengths

- Politically stable
- Close to the community
- Relatively sound financial position (low debt)
- Promoting Better Practice Review – Well managed with good governance procedures
- Strong alliance with Holroyd City Council
- Culture
- Experienced and competent workforce
- Good reputation among community and peers
- Sound infrastructure
- Good recreational and cultural assets
- Positive/strong community influence/identity
- Very strong growth in the Agriculture Industry
- Real growth in the Tourism Industry

#### Notes

1. See executive summary of the "Promoting better practice review" regarding Council's financial position and governance
2. The NSW Local Government Infrastructure audit report assessed Council as being "moderate"
3. TCorp Assessment -FSR Moderate Outlook Negative
4. Council Survey indicated that 74% \see Council as very important.
5. Council has a very popular newsletter "Shire Snippets" which keeps residents informed

#### Weaknesses

- Reliant on grants
- Lack of ability to fund specialist staff in future
- Difficulty attracting and retaining specialist staff in future
- Lack of ability to fund discretionary works
- Systems outdated
- Lack of ability to pay in the community (increase of rates)

#### Notes

Rates and Annual Charges outstanding ratio is high



## Opportunities

- Value add with new agricultural industries
- Review workforce plan and service delivery methods
- Resource sharing
- Further develop Holroyd alliance
- Innovation
- Nimmie-Caira development

## Notes

1. Cotton industry has revitalised the town – Population (see ABS 2013-2014 population change)
2. Council already has extensive resourcing arrangements with neighbouring Councils
3. See Nimmie Caira Socio- Economic Impact Assessment and Economic Enhancement Options paper.
4. Council will be seeking assistance under the innovation funding program for the “Making Hay connected project”.

## Threats

- Change in Financial Assistance Grants
- Reduction in road funding
- Extended drought
- Murray Darling Basin Plan
- Loss of experienced staff
- Climate
- Change in Government Policy

## 2.2 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-.211	-.166	-.151	-.253
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	39.9%	36.2%	36.5%	43.7%
<b>Building and Infrastructure Asset Renewal Ratio</b> (Greater than 100% average over 3 years)	80.37%	92.7%	130.6%	146.30%

## 2.2 Performance against the Fit for the Future benchmarks

Sustainability			
Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	No	-.07%	No
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	No	75.26%  With consideration of FAGS in accordance with Table 3.3	Yes
<b>Building and Infrastructure Asset Renewal Ratio</b> (Greater than 100% average over 3 years)	Yes	94.16%	No

If Fit for the Future benchmarks are not being achieved, please indicate why.

1. In relation to the Operating performance result this is a significant improvement on the 2013/2014 result even after allowing for the fact that Council received only 50% of FAGS income in 2013/2014. Councils long term financial Plan shows Council reaching the benchmark within 10 years which is in accordance with Table 3.3 sustainability criteria. This benchmark is achieved with efficiency gains and a special rate variation in 2018/2019.
2. In relation to the Building and Infrastructure ratio Council does meet the ratio within 5 years in accordance with table 3.3 and has consistently met this benchmark which is consistent with the overall standard of our assets and very few complaints regarding our infrastructure service provision.

## 2.2 Performance against the Fit for the Future benchmarks

Infrastructure and service management				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	9.9%	9.8%	10.58%	4.35%
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	59.2%	84.5%	68.5%	64.2%
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	2.71%	2.24%	3.14%	3.86%

## Infrastructure and service management

Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	No	1.61%	Yes
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	No	100.48%	Yes
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	Yes	3.34%	Yes

If Fit for the Future benchmarks are not being achieved, please indicate why.

Council is achieving the Infrastructure Backlog Ratio and Asset Maintenance Ratio in 2016/2017 after previously not achieving the benchmark. The improvement is as a result of a reassessment of the backlog calculation and asset maintenance requirements in accordance with the Methodology recommended by Jeff Roorda and associates. Regardless of the benchmark results, by any measurement Council's assets are in very good condition especially our road assets. Council is fortunate to have a relatively small percentage of Local roads and Bridges and as such has the resources to maintain the network at a satisfactory standard. The only backlog item in Council's assets register is the Maude Bridge which is on a regional road and is subject to negotiations with the State Government regarding funding arrangements.

## 2.2 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
<b>Real Operating Expenditure per capita</b> (A decrease in Real Operating Expenditure per capita over time)	2.55	2.93	2.57	2.52

## 2.2 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/Benchmark	2013/2014 performance	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
<b>Real Operating Expenditure per capita</b> (A decrease in Real Operating Expenditure per capita over time)	2.95	No	2.63	Yes

If Fit for the Future benchmarks are not being achieved, please indicate why.

## 2.3 Water utility performance

*NB: This section should only be completed by councils who have direct responsibility for water supply and sewerage management.*

Does your council currently achieve the requirements of the NSW Government Best Practice Management of Water Supply and Sewerage Framework?

**Yes**

*If no, please explain the factors that influence your performance against the Framework.*

How much is your council's current (2013/14) water and sewerage infrastructure backlog?

**Nil**



## 2.3 Water utility performance

Identify any significant capital works (>\$1m) proposed for your council's water and sewer operations during the 2016-17 to 2019-20 period and any known grants or external funding to support these works.

Capital works			
Proposed works	Timeframe	Cost	Grants or external funding
Nil			

## 2.3 Water utility performance

Does your council currently manage its water and sewerage operations on at least a break-even basis?

**Yes**

*If no, please explain the factors that influence your performance.*

## 2.3 Water utility performance

Identify some of your council's strategies to improve the performance of its water and sewer operations in the 2016-17 to 2019-20 periods.

These may take account of the Rural Council Options in Section 3.

Improvement strategies		
Strategy	Timeframe	Anticipated outcome
1.Review Business Process under the same program as proposed in section 6 service review	30/6/2017	Efficiency and sustainability gains
2. Review service levels under the same program as proposed in section 6 service review	30/6/2017	Improve service provision and respond better to customer needs.

## Section 3: Towards Fit for the Future

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

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

#### Option 1: Resource sharing

Proposal	Implementation	Proposed milestones	Costs	Risks
<p><b>Resource Sharing</b> Council currently has a number of Resources sharing initiatives in place with neighbouring Councils (see item 4 on the Fit for the Future improvement strategy). These arrangements have evolved as Council has restructured its workforce and has found it far more efficient to purchase specialist services on a short term basis rather than have a specialist person on staff. Council also provides ranger services on a short term basis to Balranald Shire who have seen the benefits of our arrangements</p> <p>Resources sharing arrangement in place include :-</p>				
<p><b>a)</b> Using Carrathool Shire Council for specialist Building approvals and advice.</p>	On a fee for service basis using current arrangements	Achievement of Operational Plan	Fees are negotiable and are on a contestable basis	May not always get full commitment from parties but residual risk is low
<p><b>b)</b> Griffith City Council undertake food inspections.</p>	On a fee for service basis using current arrangements	Achievement of Operational Plan	Fees are negotiable and are on a contestable basis	May not always get full commitment from parties but residual risk is low
<p><b>c)</b> Holroyd Council provide professional support and Peer reviews and Hay Council provides independent advice and assistance when required in accordance with our alliance agreement</p>	In accordance with our agreement on an individual basis	Services provided	Fees are negotiable and are on a contestable basis	May not always get full commitment from parties but residual risk is low

<b>d)</b> Ramroc – Group Contracts, waste management professional services	In accordance with our agreement on an individual basis	Services provided	Fees are negotiable and are on a contestable basis	May not always get full commitment from parties but residual risk is low
<b>e)</b> Balranald Council purchase ranger services from Hay Shire periodically	Fee for service	Services provided	Fees are negotiable and are on a contestable basis	May not always get full commitment from parties but residual risk is low
<b>f)</b> Deniliquin Council - Hire of Street Sweeper	On a fee for service basis	Achievement of Operational Plan	Fees are negotiable on a contestable basis	May not always be available when needed

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

Efficiency	Infrastructure and Service Management	Sustainability
Each proposal is an example of where it is far more efficient to purchase specialist staff on a short term basis than have a fiscal responsibility of paying for skills that are not needed full time	The services provided by the Council has been professional and timely	It is very cost effective and frees up Council management to deal with other matters. It can also mean that you are only paying for specialist resources when you need them and they are more likely to be available then attracting full time specialist persons.

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

#### Option 2: Shared administration

Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.

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

Efficiency	Infrastructure and Service Management	Sustainability

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

### Option 3: Speciality services

Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.

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

Efficiency	Infrastructure and Service Management	Sustainability

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

#### Option 4: Streamlined governance

Proposal	Implementation	Proposed milestones	Costs	Risks
<p><b>Review Governance Procedures</b> It is proposed to review our Governance procedures in accordance with item 5 on the Fit for the Future Improvement Strategies attachment. Council intend to do the following as part of its improvement strategy:-</p> <ul style="list-style-type: none"> <li>• Review Governance framework</li> <li>• Introduce Technology to allow secure distribution of content on a mobile platform (Part of Innovation funding application)</li> </ul> <p>The overall objective is to reduce costs and improve information and performance</p>	By Council and staff in consultation with the community	<p>Complete review by June 2016.</p> <p>Introduce technology as funding and opportunities become available</p>	Including “Make Hay Connected Program” budget which will be the subject of innovation funding application	Changes may not be supported by all stakeholders

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

Efficiency	Infrastructure and Service Management	Sustainability
A review of governance processes should lead to some cost savings and an improvement in our communication and information sectors	Improvement in governance and information will lead to better decision making	Cost savings, improvement in capacity and performance



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

#### Option 5: Streamlined planning, regulation and reporting

Proposal	Implementation	Proposed milestones	Costs	Risks
Proposed objectives and strategies	How will your council implement the option?	Milestones for implementation	Costs of implementation. Potential to consider Innovation Fund	Known risks of implementing your proposal.

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

Efficiency	Infrastructure and Service Management	Sustainability

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

#### Option 6: Service review

Proposal	Implementation	Proposed milestones	Costs	Risks
<p><b>1. Review Business Process</b></p> <p>Continue to review and refine Business Processes in accordance with our improvement program outlined in item 3 on the Fit for the Future Improvement Strategies attachment.</p> <p>Strategies Include</p> <ul style="list-style-type: none"> <li>• Complete Roadmap of five key business areas and formulate improvements</li> <li>• Educate and Train staff in business Process</li> </ul> <p>The overall objective is to achieve efficiency saving and improve capacity</p>	<p>Implemented by staff in a series of roadmap workshops and also training by experienced providers</p>	<p>Roadmap completed and training undertaken</p> <p>Some elements on going</p>	<p>Funded within service and training budgets</p>	<p>Small residual risk to service delivery</p>
<p><b>2. Review Service levels and introduce Measurement to what we do (item 6 on the Fit for the Future Improvement Strategies attachment).</b></p> <p>Strategies Include</p> <ul style="list-style-type: none"> <li>• Improvement of Measuring systems</li> <li>• Critically evaluate service levels in response to recent survey</li> </ul> <p>The overall objective is to ensure that our resources are used in an efficient and sustainable way.</p>	<p>Implemented by staff as delegated and coordinated by General Manager</p>	<p>Complete review and improve measurement</p> <p>Some elements ongoing</p>	<p>Funded within service budgets</p>	<p>Small residual risk that measurement may not be accurate</p>

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

Efficiency	Infrastructure and Service management	Sustainability
By correctly allocating resources and providing services in a productive way Council is addressing the efficiency criteria	Council will remain fit if is being efficient and not wasting resources	Attention to efficiency of service delivery and resource allocation assists sustainability in an era of limited funding and resources

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

#### Option 7: Additional options identified by the council

Proposal	How will it be achieved /Implemented	Proposed milestones	Costs	Risks
<p><b>1. Make Hay Connected Program</b></p> <p>This program is outlined on Item 1 on the Fit for the Future Improvement Strategy attachment.</p> <p>Major strategies</p> <ul style="list-style-type: none"> <li>• Seek Innovation Funding</li> <li>• Further Implement technology into what we do including developing an CRM app, new business web page, Video conferencing, improving remote connections, remote cameras</li> <li>• Improve our communication and the way we connect internal and external resources</li> </ul> <p>The overall Objective is to improve performance and strategic capacity</p>	<p>Project will be implemented by Council staff with consultation with Holroyd Council I.T. Department.</p>	<p>Funding application completed</p> <p>Project Commenced</p> <p>Project Completed</p>	<p>Council intends to submit an application for funding under the innovation fund for “The make Hay connected program” with a project cost of \$100,000.</p>	<p>Financial risk and small risk to service provision</p>

<p><b>2. Mobility based working environment</b></p> <p>This program is outlined on Item 7 on the Fit for the Future Improvement Strategy attachment</p> <p>Major Strategies</p> <ul style="list-style-type: none"> <li>• Implement secure remote access facilities</li> <li>• Design processes so that they do not rely on paper</li> <li>• Further develop electronic records strategy</li> </ul> <p>The objective is to provide a more flexible work environment, improve communication and performance and allow more teamwork and collaboration.</p>	<p>Project will be implemented by Council staff</p>	<p>Project will be ongoing</p>	<p>Costs will be funded by innovation funding application and I.T, Budget estimated to be less than \$10,000</p>	<p>May not get the full support of all stakeholders</p>
<p><b>3. Special Rate variation</b></p> <p>In order to provide for future requirements and some discretionary spending Council is proposing to increase rates by 7% above CPI in 2018/2019. This approximately equates to the annual loss of revenue imposed on Council due to land in our shire becoming non ratable due to the formation of National Parks. Council conducted a community survey which resulted in over 83 % of the responses favouring either a rate increase on its own or a rate increase in combination with a reduction in service level. On this basis Council believes that this strategy has the support of the community.</p>	<p>By Council in consultation with community under SRV guidelines</p>	<p>Increase in rates</p>	<p>SRV increase of \$160,000</p>	<p>May not get the community support or SRV approval</p>

<p><b>4. Workforce Planning restructure and staff training</b>  <i>This program is outlined on Item 2 on the Fit for the Future Improvement Strategy attachment</i></p> <p>Major Strategies</p> <ul style="list-style-type: none"> <li>• Continue to restructure workforce as a result of changing needs and natural attrition</li> <li>• Develop succession Plan</li> <li>• Train staff to meet changing demands and transformation needs</li> </ul> <p>Objective is to improve the capacity of staff and make overall saving in employee costs</p>	<p>Implemented by General Manager</p>	<p>\$200,000 recurrent savings in employee costs</p> <p>Develop Plans</p> <p>Implement training plan to provide for future requirements</p>	<p>Funded by training budget</p>	<p>May impact service levels in the short term</p>
<p><b>5. Asset Rationalisation (Infrastructure and Plant)</b>  <i>This program is outlined on Item 8 on the Fit for the Future Improvement Strategy attachment</i></p> <p>Major Strategies</p> <ul style="list-style-type: none"> <li>• Prepare Asset Rationalisation Plan</li> <li>• Continue to seek opportunities to reduce underutilisation in plant fleet</li> </ul> <p>Overall Objective is to eliminate where possible under performing and inefficient assets.</p>	<p>Implemented by Council staff</p>	<p>Asset Rationalisation plan completed</p> <p>Asset Performance evaluation ongoing</p>	<p>Insignificant</p>	<p>May not receive community support</p>

<p><b>6. Renewable Energy and Energy Saving Initiatives</b>  <i>This program is outlined on Item 9 on the Fit for the Future Improvement Strategy attachment</i></p> <p>Major Strategies</p> <ul style="list-style-type: none"> <li>• Apply for innovation funding</li> <li>• Implement Plan</li> </ul> <p>Objective long term more sustainable power supply and use.</p>	<p>Implemented by Council staff in consultation with relevant professionals</p>	<p>Innovation funding application prepared</p> <p>Project implemented</p>	<p>\$100,000 which will be part of innovation funding application</p>	<p>Financial</p>
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How will your proposal allow your council to become/remain Fit for the Future against the criteria?		
Efficiency	Infrastructure and Service management	Sustainability
<p>All of the above options except for the Special Rate Variation have been formulated on the basis of making Council more efficient both now and into the future and to free up resources and funds so they can be used in the most productive and efficient way</p>	<p>The strategies outlined will improve service delivery and assist Council to deal with the change and transformation required by a rural Council. There needs to be in place systems that allow us to continually adapt. Hay Council is in the fortunate situation of having its infrastructure assets in a very good condition, but management can still be improved with more efficient allocation of resources by connecting them in an effective way</p>	<p>The projects all address capacity issues and long term financial savings and as such improve our sustainability</p>

## 3.2 Rural Council Action Plan

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

Action plan	
Actions	Milestones
1. Review Governance Structure and Procedures	Achieve Review by June 30 2016
2. Continue with Resource Sharing arrangements	Continue with current arrangements
3. Review Workforce Plan (training, succession and transformation)	Achieve by June 30 2016
4. Commence Review Business Processes (roadmap selected areas)	Complete review and formalise Review Plan
5. Make Hay Connected Program	Prepare funding application and commence implementation
6. Asset Rationalisation Plan	Complete Plan

*\*Please attach detailed action plan and supporting financial modelling.*



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

*The action plan was a very central part of this proposal. It involved senior management team meetings, Council workshops, inclusion in Integrated planning and reporting process and staff team meetings. Feedback has been sought from affected parties.*

### 3.3 Community involvement

Outline how you have consulted with your community on the challenges facing your council, performance against the benchmarks and the proposed solutions.

As a small rural Council we believe that our Council is very close to the people we serve and operate in that manner. Council issues a fortnightly newsletter that keeps the community informed (see attachment), issues media releases and has recently completed a community survey the results of which are attached. Council also has a comprehensive Customer Request System in place which clearly shows there are very few complaints regarding Council service. In recent years Council has put significant investment into tourism and associated services such as recreation and museums as well as making a serious commitment to improve the town amenity and receives regular positive feedback from visitors and the community .Our tourism numbers in 2015 are at an all-time high which in itself is a good measurement that what we are doing is right.

It is an enormous challenge to maintain current standards with our existing revenue. This has been the focus of our engagement with the community dealing with the question of the balance between maintaining service levels and possible rate increases. Council has also made it clear to the community that part of the solution is to have a comprehensive look at ourselves to make real change to improve our capacity and efficiency.

The solution is not just about policy it is as much as anything about actions and strategies to improve what we do. It should be acknowledged that our engagement was a much simpler process than many Councils, with the Rural Council model the only viable proposal for the future.

### 3.4 Other strategies considered

In preparing your Action Plan, you may have considered other strategies or actions but decided not to adopt them. Please identify what these strategies/actions were and explain why you chose not to pursue them.

*Eg. Council sought to pursue a merger but could not reach agreement.*

Council believes that key parts of the fit for the future process were to have a serious evaluation of where you are, and also to look at all possible options. Part of this process was to investigate merger opportunities with our neighbouring Councils which were explored by way of meetings but did not progress. Even though the ILOGRP recommendation for Hay Shire Council was Group C “Rural Council in Murrumbidgee JO “ it was felt that to support the process Council had an obligation to investigate other options

Whilst the merger option was not progressed the assessment process did reveal that the transformational change we have been undertaking in recent years has been successful across a number of areas especially in efficiency and capacity. This proposal outlines a number of strategies and actions to be undertaken in the next few years but the reality is that our Council has been changing quite rapidly already to be fit for the future. It was pleasing that the promoting better practice review recently completed at Hay Council found that “The Council appears to be a well-run organisation with motivated staff and a positive organisational culture.” Some of the changes implemented at Council in recent years include resource sharing, workforce reform with a reduction in middle management, and a significant investment in training and IT systems.

Council did also consider the role of the joint organisations in its future and whilst it is acknowledged that that body will have an important role in regional matters and items of similar interest, in the short to medium term it is believed that specialist services are best sourced under resource sharing arrangements and short term contracts. It is still to be determined what if any services will be available within the Murrumbidgee Joint Organisation.

Council is confident that with the changes implemented already and the proposed actions in this proposal it has the capacity into the future to provide services to the community as a rural Council.

## Section 4: Expected outcomes

4.1 Expected improvement in performance											
Measure/Benchmark	2014/15	2015/16	2016/2017	2017/2018	2018/2019	2019/2020	2020/21	2021/22	2022/23	2023/24	Total improvement over 10 years
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	<b>-.205</b>	<b>-.032</b>	<b>-.073</b>	<b>-.052</b>	<b>-.001</b>	-.006	<b>-.004</b>	<b>-.002</b>	<b>.004</b>	<b>.007</b>	21.2%
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)	79.91%	72.07%	75.26%	75.71%	76.05%	76.9%	<b>77.00%</b>	<b>77.09%</b>	<b>77.21%</b>	<b>77.30%</b>	% change -.2.61%
<b>Building and Infrastructure Asset Renewal Ratio</b> (Greater than 100% average over 3 years)	83.05%	112.08%	87.36%	87.06%	105.31%	102.67%	<b>100.3%</b>	<b>99.47%</b>	<b>101.13%</b>	<b>101.8%</b>	% change 18.75%
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	1.53%	1.57%	1.61%	1.66%	1.7%	1.74%	<b>1.78%</b>	<b>1.83%</b>	<b>1.87%</b>	<b>1.92%</b>	% change .39%
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	107.31%	97.49%	100.48%	97.31%	100.41%	103.42%	<b>101.86%</b>	<b>104.83%</b>	<b>107.72%</b>	<b>100.15%</b>	% change -.0716
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	3.64%	3.29%	3.34%	2.59%	2.05%	1.98%	<b>1.92%</b>	<b>1.87%</b>	<b>1.81%</b>	<b>1.76%</b>	% change -1.88%
<b>Real Operating Expenditure per capita</b> A decrease in Real Operating Expenditure per capita over time	2.88	2.66	2.63	2.62	2.56	2.55	<b>2.56</b>	<b>2.56</b>	<b>2.56</b>	<b>2.55</b>	% change -.33%

## 4.2 Factors influencing performance

Outline the factors that you consider are influencing your council's performance against the Fit for the Future benchmarks, including any constraints that may be preventing improvement.

As a designated Group C Council, the characteristics associated with a Rural Council have an impact on our overall performance of the organisation. It is for this reason Council commenced its improvement program a number of years ago when it was apparent continuous improvement and adaption was necessary if we are to be sustainable.

Possibly the area imposing the largest constraint is the ability to attract and retain specialist staff; however Council believes the plans that it has in place sufficiently address this issue.

## Section 5: Implementation

### 5.1 Putting your plan into action

How will your council implement your Rural Council proposal?

It is proposed the strategies plans and actions will be incorporated into the relevant integrated reporting plans and will be managed, implemented, monitored and report under those rules and procedures. This is an effective management and reporting process and it is seen as the best and most efficient way to implement the plan.

The respective responsibilities will be allocated by the General Manager.