

5 June 2015

Reference: lw:vp 061505
Enquiries: Ms J Bennett: 0428 690 935

Mr Robert Hunt
General Manager
Lachlan Shire Council
PO Box 216
Condobolin NSW 2877

Dear Robert

Re: Support a future Centroc JO could provide as part of the Lachlan Shire Council Fit for the Future application

Lachlan Shire Council (LSC) has been a member of Centroc since its inception. They are currently a valued member of the Central West Pilot Joint Organisation (JO), a project of Centroc.

As part of the Pilot Central West JO, the substantial operational support that Centroc has undertaken is being included with a view to providing similar services into the future. On top of this a Best Practice in Procurement Program is being rolled out. It is however unclear at this stage what will be provided by future JOs as this will be determined by the State Government in its mooted legislation for 2016, so please treat the advice below in this context.

The current operational support offering includes:

- WHS and Risk Management Group;
- A substantive number of regional contracts including fuel and electricity;
- HR and Training Service;
- Energy use support service;
- Centroc Water Utilities Alliance;
- Compliance and Cost Savings Program;
- Best Practice in Procurement;
- Supply team;
- Screen Central; and
- Health Workforce Group including the Beyond the Range Health Workforce attraction and retention strategy.

It is anticipated that savings will be in order of up to 5% of operational costs for LSC could be achieved by LSC continuing in active participation in a future mooted JO assuming it will be delivering such services. These savings will be achieved through further growth in regional procurement along with collaborative projects that reduce the overheads for each participating Council.

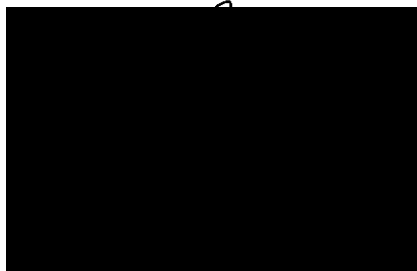
Further operational benefits are anticipated through engagement in regional grant programming where this financial year more than 50% of the \$6m of expenditure in the region is grant funded and primarily on infrastructure. There is also a substantive effort around regional strategic work with a view to leveraging even better results from competitive funding in the future.

LSC is a contributing member of the national award winning Centroc Water Utilities Alliance (CWUA) and continues to be actively involved in the collaborative best practice programming. This is an excellent example of collaboration and is a good platform to build on for future resource sharing opportunities.

The Centroc Board is maintaining a watching brief on resource sharing and will receive a report on further opportunities as part of an operational review commencing in June.

Please contact Ms Jenny Bennett our Executive Officer on 0428 690 935 or via email jenny.bennett@centroc.com.au to discuss any of the above further.

Yours sincerely



Cr Bill West
Chair
Central NSW Councils (Centroc)